



# Castor Weekly Research Report

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## **Castor Domestic Market Fundamentals:**

- Mostly Castor cash markets are closed in last week of July due to transportation strike and thus arrival of castor seed is very low from previous week.
- The speed of the sowing of castor seed has slowed in the current season due to sluggishness in the current season. Castor Seed's futures on Friday rose by about three percent in the last session of the last trading week due to the sowing area sowing decreases more than 55 percent over last year.
- Recent acceleration in the price of castor seed has also helped in the lack of stock. According to traders, prices are continuously rising due to limited supply compared to consumption, and this speed can further increase as farmers' trend is showing low in castor seed this year.
- All India castor seed weekly prices were traded firm in last week of July with lower arrival, all India arrival of castor seed reported were 50449 quintals which was lower by 13850 quintals than last week arrivals of 64299 quintals.
- Heavy rains witnessed over Castor growing regions of Gujarat during last week. This may lead to increase in acreage under Castor seed. Moreover, sudden rise in prices after making high of Rs 4446 /qtl also sent right message among the farmers. There are reports that rain in Surendra Nagar and Banaskant districts is good which will increase the acreage gain in Castor to some extent.
- The Solvent Extractors' Association of India has compiled the export data for export of oil meals for the month of June 2018. The export of oil meals during June 2018, provisionally reported at 166,833 tons compared to 251,124 tons in June 2017. The overall export during April to June 2018 is reported at 654,774 tons compared to 599,346 tons during the same period of last year i.e. up by 9%. The export of rapeseed meal is sharply increased to nearly 135,000 tons (90%), in first three months, mainly exported to South Korea and Thailand.
- During April - June 2018 Vietnam imported 116,839 tons of oil meals (compared to 86,458 tons); consisting of 7,160 tons of soybean meal, 32,506 tons of rapeseed meal and 77,173 tons of De-oiled Rice Bran Extraction. South Korea imported 132,618 tons of oil meals (compared to 233,812 tons) ; consisting 121,741 tons of rapeseed meal, 10,303 tons of soybean meal and 574 tons of castor meal. Thailand imported 101,243 tons of oil meals (compared to 35,169 tons); consisting 4,747 tons of soybean meal, 5,729 tons of De-oiled Rice Bran Extraction, and 90,731 tons of rapeseed meal. France imported 42,550 tons of oil meals (compared to 5,241 tons); consisting 41,099 tons of soybean meal and 1,451 tons of Castor meal.

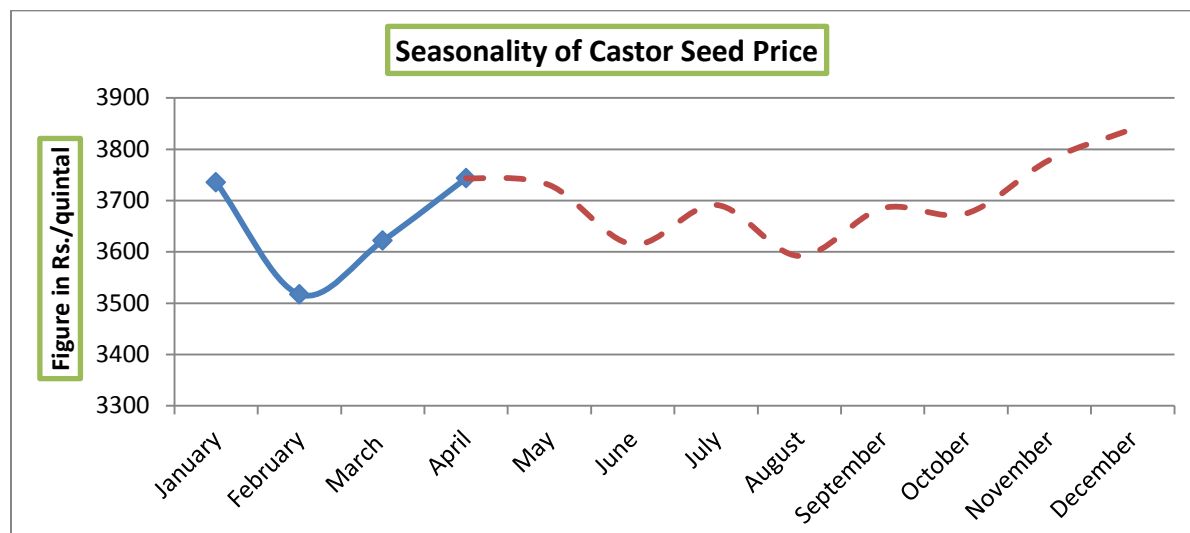
**Kharif Castor Seed Sowing Updates as on 27.07.2018 (in Lakh Hectare):**

State	CASTORSEED					
	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	0.63	0.17	0.14	22.2	0.11	0.03
Gujarat	6.70	0.76	0.11	1.6	1.29	-1.18
Haryana	0.01	0.01	0.01	100.0	0.01	0.00
Jharkhand	0.01	0.00	0.01		0.00	
Karnataka	0.11	0.06	0.04	37.7	0.04	0.00
Madhya Pradesh	0.05			0.0		0.00
Maharashtra	0.15	0.10	0.07	44.8	0.07	0.00
Odisha	0.11	0.03	0.02	20.7	0.03	-0.01
Rajasthan	1.96	0.27	0.40	20.5	0.55	-0.14
Tamil Nadu	0.06	0.01	0.01	16.4	0.00	0.01
Telangana	0.72	0.46	0.24	33.3	0.31	-0.07
Others		0.00	0.03		0.00	
<b>All-India</b>	<b>10.51</b>	<b>1.88</b>	<b>1.07</b>	<b>10.2</b>	<b>2.41</b>	<b>-1.33</b>

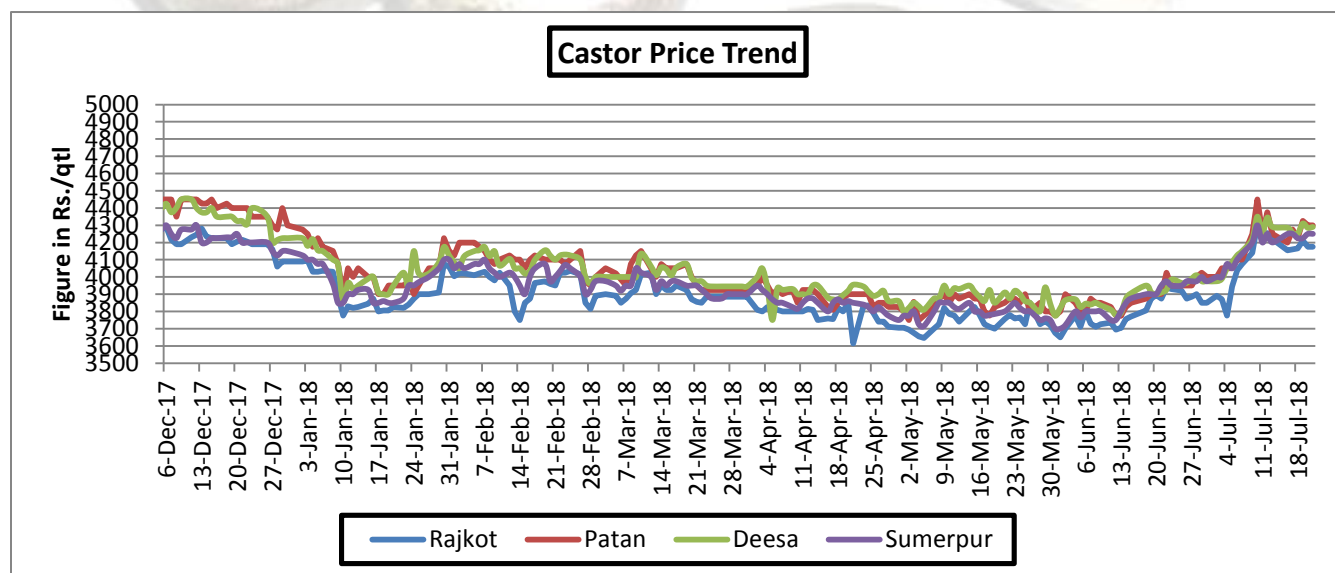
All India castor seed sowing as on 27th July-2018 was 1.07 lakh hectares which is down by around 55% from last year corresponding period area of 2.41 lakh hectares and around 43% down by normal area of corresponding period. Lower area is reported from the states of Telangana, Gujarat and Odisha, while higher acreage is only reported from Andhra Pradesh.

**Stake holders in cash market may opt for buying seed around Rs. 4280 to Rs.4385 for profit purpose.**

## Seasonality of Castor Seed Price



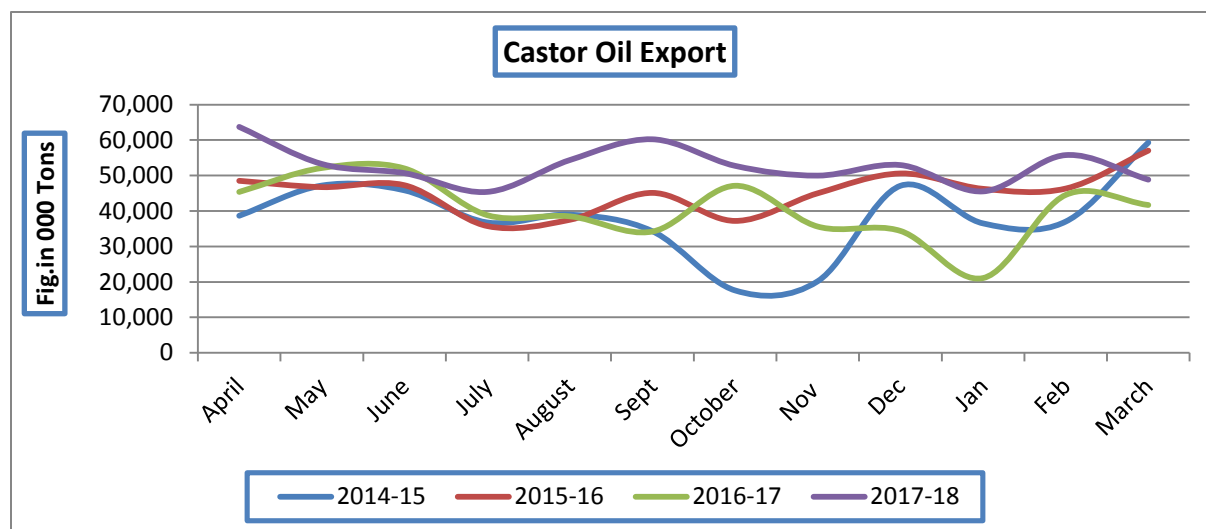
## Castor Price Trend:



Source: Agriwatch

Castor seed price trend is moving steady to firm in coming weeks due to lower arrival from major producing regions and constant demand from consuming states. A decline in ready stocks due to pause in supplies from growing belts amid strengthening demand for consuming industries such as soap, paint and lubricant industries in the spot markets, enthused traders to build up their holdings, marking the uptick in castor seed futures prices.

### Castor Oil Export Trend:

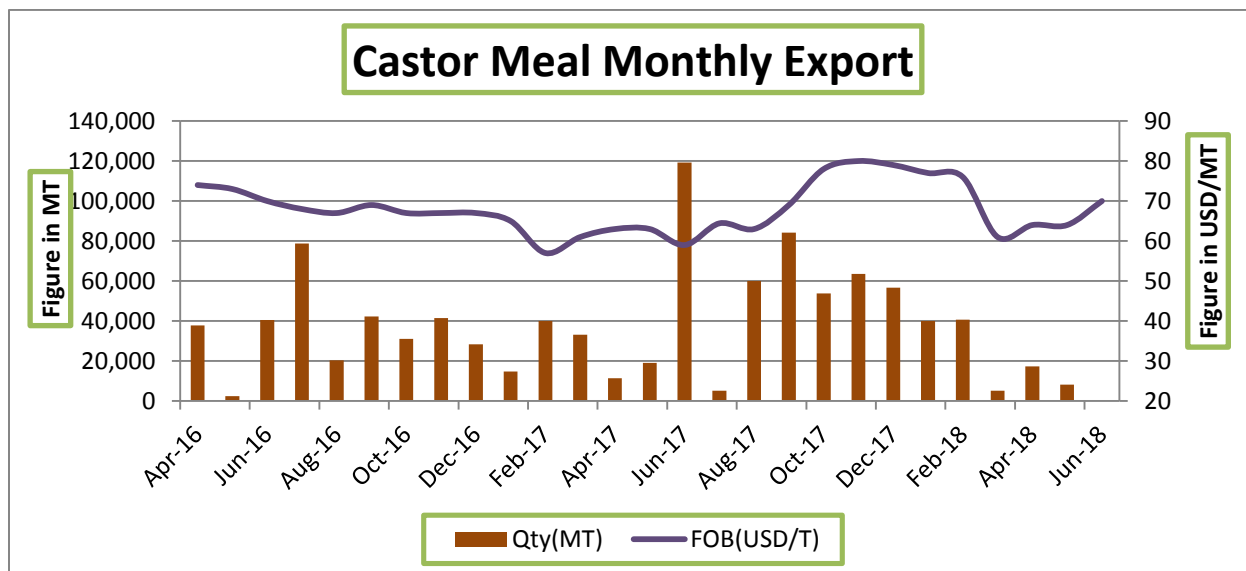


Source: Sea Of India

As per latest data released by SEA of India, Castor oil export in the month of May was 58725 thousand tons which is up by 29% from last month export of 45589 thousand tons and 10% up from corresponding period last year export of 53259 thousand tons. Higher demand from the international market due to lower prices of castor seed in domestic market led to higher exports. Meanwhile, in the first two month of FY-2018-19, total castor oil exported was around 1.04 lakh tons, which is up by 2% Y/Y on higher consumption demand from US, Netherland, Russia and Japan

### Castor Meal Export:

During April'17– Mar.'18 Vietnam imported 646,490 tons of oil meals (compared to 345,745 tons); consisting of 42,897 tons of soybean meal, 92,293 tons of rapeseed meal and 511,300 tons of Deoiled Rice Bran Extraction. South Korea imported 752,799 tons of oil meals (compared to 545,092 tons); consisting 263,213 tons of rapeseed meal, 459,414 tons of castor meal and 30,172 tons of soybean meal. Bangladesh imported 145,293 tons of oil meals (compared to 230,588 tons); consisting 27,127 tons of rapeseed meal, 5,857 tons of De-oiled Rice Bran Extractions and 112,309 tons of soybean meal. Thailand imported 196,850 tons of oil meals (compared to 23,517 tons); consisting 129,619 tons of rapeseed meal, 17,949 tons of De-oiled Rice Bran Extractions and 49,247 tons of soybean meal. European countries were the major importer of Indian Soybean Meal. France imported 168,709 tons of oil meals (compared to 223,965 tons); consisting 161,230 tons of soybean meal and 7,479 tons of Castor meal. Germany imported 131,813 tons of soybean meals (compared to 25,068 tons) of oil meals and rest of European countries imported 209,826 tons of oil meals (compared to 18,604 tons); mainly soybean meal



Source: Sea of India

### State wise Wholesale Prices Weekly Analysis for Castor Seed 03<sup>rd</sup> week June, 2018

State	Prices 09-15 Jul 2018	Prices 01-08 Jul 2018	Prices 24-30 Jun 2018	Prices 09-15 Jul 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh				3776.64	---	---
Gujarat	4263.42	4263.42	4263.42	4263.42	0	0
Karnataka	3800	3800	3937.5	3937.5	0	-3.49
Madhya Pradesh	2500	2500	2500	3430.4	0	-27.12
Maharashtra	3758	3758	3758	3814	0	-1.47
Rajasthan	3945.76	3945.76	3945.76	3972.34	0	-0.67
Tamil Nadu			3380	3380	---	---
Telangana	4009	4009	4009	4009	0	0
Uttar Pradesh		3500	3500	3500	---	---
Average	3712.7	3682.31	3661.71	3787.03		

Source: Agmarket.net (Prices in Rs./Qtl)

**Cash Market Price Outlook for Deesa Spot**

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4050-4250	4200-4450
Medium Term (30 days)	4450-4650	4500-4800

**Source: SEA.**

<b>Comparative Prices Of Castor Products Including Seed</b>					
	<b>13th July '18</b>	<b>6th July '18</b>	<b>13th June '18</b>	<b>13th July '17</b>	<b>CHAN GE %</b>
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43900	42900	39100	44290	<b>-0.89</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	75.00	73.00	70.00	57.00	<b>24.00</b>
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	5100	5050	4700	3683	<b>27.78</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1345	1305	1225	1513	<b>-12.49</b>
Local rates for oil in domestic market (Rs./M.T.) for comm.	91500	90000	83500	95465	<b>-4.33</b>





## Technical Analysis:

### Castor – Technical Outlook

#### Technical Commentary:

- Prices are likely to move steady to firm in coming week.
- Increase in prices with lower volume and OI indicates long build up.
- RSI is moving is overbought region which indicates caution for bulls.



#### Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Aug	3800	3850	4668	4750	4800
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Aug	Buy	4625	4660	4700	4615

## Castor Seed- Balance Sheet for 2017-18:

Agriwatch estimates for 2017-18 is remain same. Production shows around 14.42 percent lower side this year against 2015/16 season due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.18(normal) to 9.90 lakh ha this year. The estimate is based on initial ground level survey and feedback received from farmers. Agriwatch expects above normal rainfall this year and hopes normal yield too. Based on normal yield realization seed production would decline from 15.12 to 12.69 lakh tons this year.

The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third quarter.

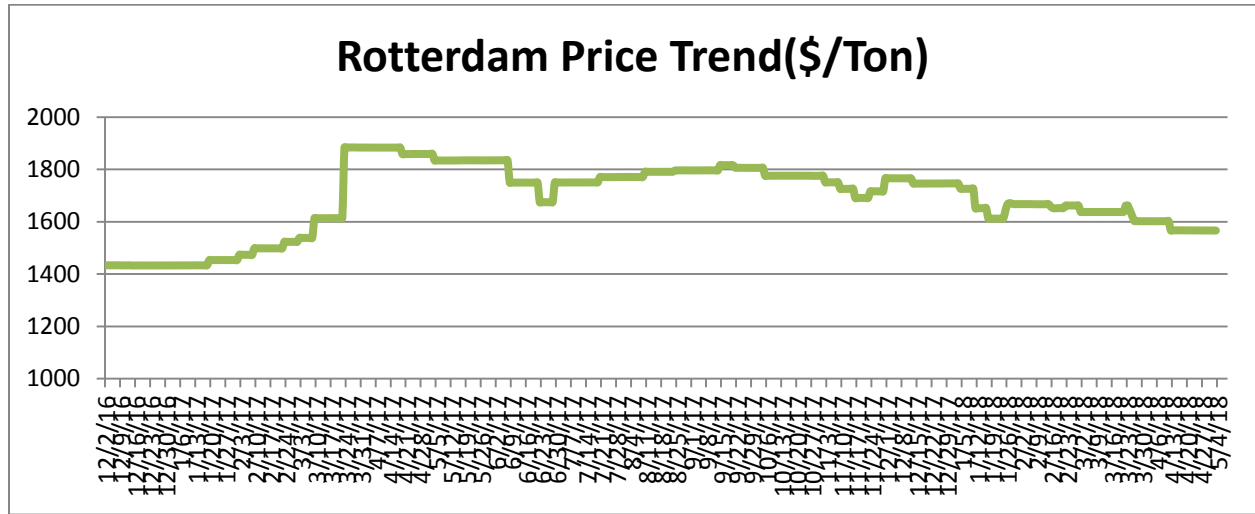


**Castor Seed Supply & Demand for MY-2017-18:**

Forecast For 2017-18								
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	7.88	7.08	6.58	6.95	6.95	13.69	9.04	5.94
Production	11.7	13	15.12	12.94	12.94	0	0	0
Imports	0	0	0	0	0	0	0	0
Total Availability	19.58	20.08	21.70	19.89	19.89	13.69	9.04	5.94
Consumption	12.5	13.5	14.75	15.5	6.2	4.65	3.1	1.55
Exports	0	0	0	0	0	0	0	0
Total Usage	12.5	13.5	14.75	15.5	6.2	4.65	3.1	1.55
Carry out	7.08	6.58	6.95	4.39	13.69	9.04	5.94	4.39
Av Monthly Consumption	1.04	1.13	1.23	1.29	2.07	1.55	1.03	0.52
Stock to Month Use	6.80	5.85	5.65	3.40	6.62	5.83	5.75	8.50
Stock to Consumption Ratio	0.57	0.49	0.47	0.28	2.21	1.94	1.92	2.83

**International market update:**

Production is expected to decrease from 18.37 lakh tons to 15.84 lakh tons in 2016-17 due to lower crop size expected in India this year. Total availability for seed would decrease to 20 lakh tons including Indian carryout stock of 5.91 lakh tons. Normal demand for oil and decreasing seed stock in India would continue to push seed price up in India. India dominates global market in seed production with 90 percent contribution. The given diagram shows production contribution of various countries. As production in India is likely to decrease, availability for seed would contract in the third quarter of the year.

**Rotterdam Price:**


Source: Agriwatch

**Castor Seed Weekly Prices at Key Spot Markets:**

Commodity	Market	Price (Rs/ Quintal)		Change
		21st July to 27th July 2018	14th July to 20th July 2018	
Gujarat	Patan	4285	4265	20
	Harij	4301	4305	-4
	Rajkot	4292	4173	119
	Gondal	4250	4252	-2
	Deesa	4288	4277	11
	Bhabar	4300	4269	31
	Mehsana	4289	4277	12
	Kadi	4334	4304	30
	Sabarkatha	4327	4319	8
	Gandhi Nagar	4300	4325	-25
	Ahmedabad (Sanand)	4325	4217	108
	Halvad	4229	4270	-41
	Junagadh	NA	4117	-
	Dhrol	3878	3790	88
Rajasthan	Jodhpur	4317	4410	-93
	Sumerpur	4264	4242	23



Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		27-Jul-18	20-Jul-18	27-Jun-18	27-Jul-17
Gujarat	Patan	Closed	4300	3950	NA
	Harij	Closed	4335	3975	NA
	Rajkot	Closed	4175	3885	4180
	Gondal	Closed	4255	3955	4205
	Deesa	Closed	4285	3990	NA
	Bhabar	Closed	4300	3975	NA
	Mehsana	Closed	4300	3975	NA
	Kadi	Closed	4335	4125	4400
	Sabarkatha	Closed	4275	4025	NA
	Gandhi Nagar	Closed	4325	4000	NA
	Ahmedabad (Sanand)	NA	4255	3875	NA
	Halvad	Closed	4325	3925	NA
	Junagadh	NA	4175	3900	4210
	Dhrol	NR	NA	3450	3860
Rajasthan	Jodhpur	4300	4400	3700	4320
	Sumerpur	4350	4250	3975	4250

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	21st July to 27th July 2018	14th July to 20th July 2018	Change
Gujarat	Patan	12750	16125	-3375
	Harij	1575	2775	-1200
	Rajkot	187	1175	-988
	Gondal	450	995	-545
	Deesa	4450	3472	978
	Bhabar	11000	16720	-5720
	Mehsana	3300	5475	-2175
	Kadi	11740	13064	-1324
	Sabarkatha	800	840	-40
	Gandhi Nagar	2250	1688	563
	Ahmedabad (Sanand)	2	2	-1
	Halvad	825	371	454
	Junagadh	NA	28	-
	Dhrol	8	6	2
Rajasthan	Jodhpur	393	443	-50
	Sumerpur	720	1120	-400
Total Arrivals/Above Markets		50449	64299	-13850

A background image of several castor seeds, which are oval-shaped with a mottled brown and tan pattern, arranged in a loose cluster.

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