



# Castor Weekly Research Report

## Contents

- ❖ Outlook and Review
- ❖ Castor Seed price Chart
- ❖ Export
- ❖ NCDEX Spot Price
- ❖ Outlook
- ❖ Future Chart
- ❖ Progressive Sowing
- ❖ Weekly Spot Price change
- ❖ International Market Update

**Castor Domestic Market Fundamentals:**

- 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.

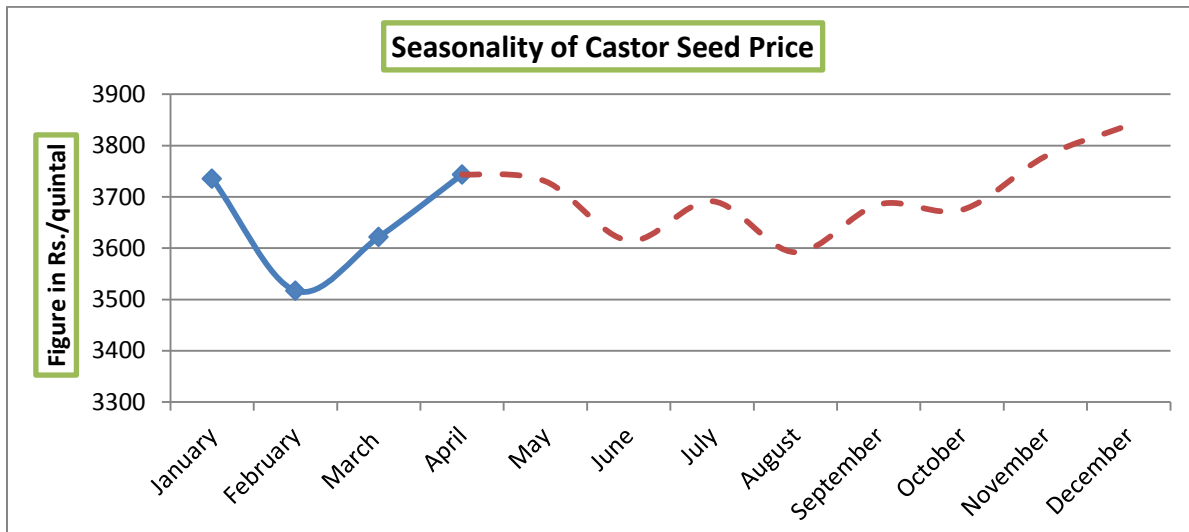
**Kharif Castor Seed Sowing Updates as on 27.07.2018 (in Lakh Hectare):**

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>3.46</b>	<b>2.41</b>	<b>22.9</b>	<b>3.02</b>	<b>-0.61</b>

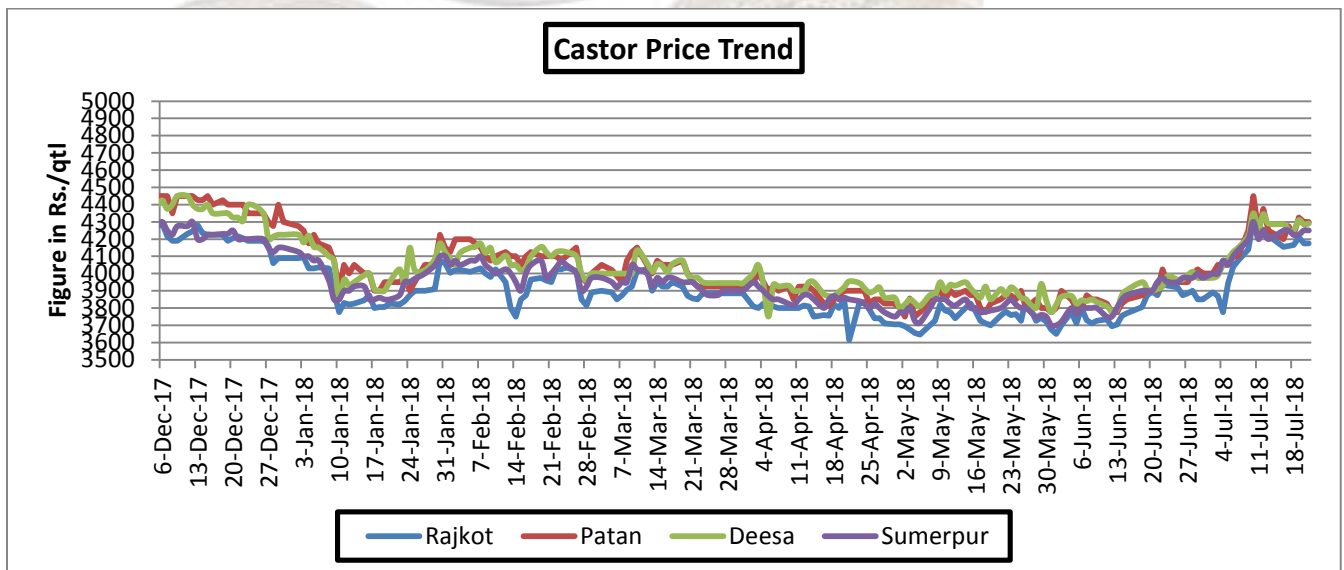
All India castor seed sowing as on 10<sup>th</sup> Aug-2018 was 1.07 lakh hectares which is down by around 55% from last year corresponding period area of 2.41 lakh hectares and around 43% down by normal area of corresponding period. Lower area is reported from the states of Telangana, Gujarat and Odisha, 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



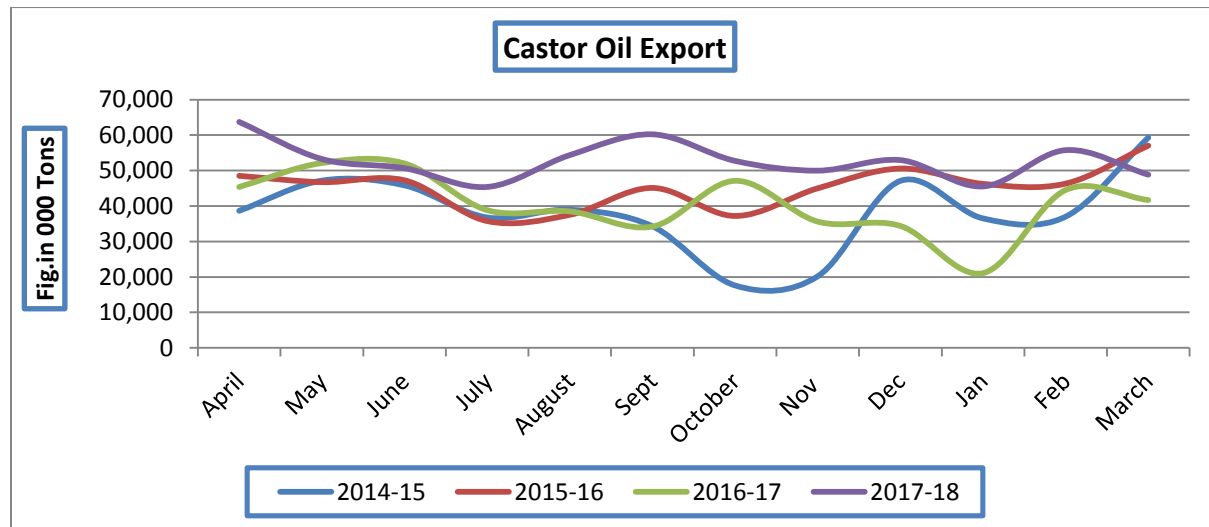
### Castor Price Trend:



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:

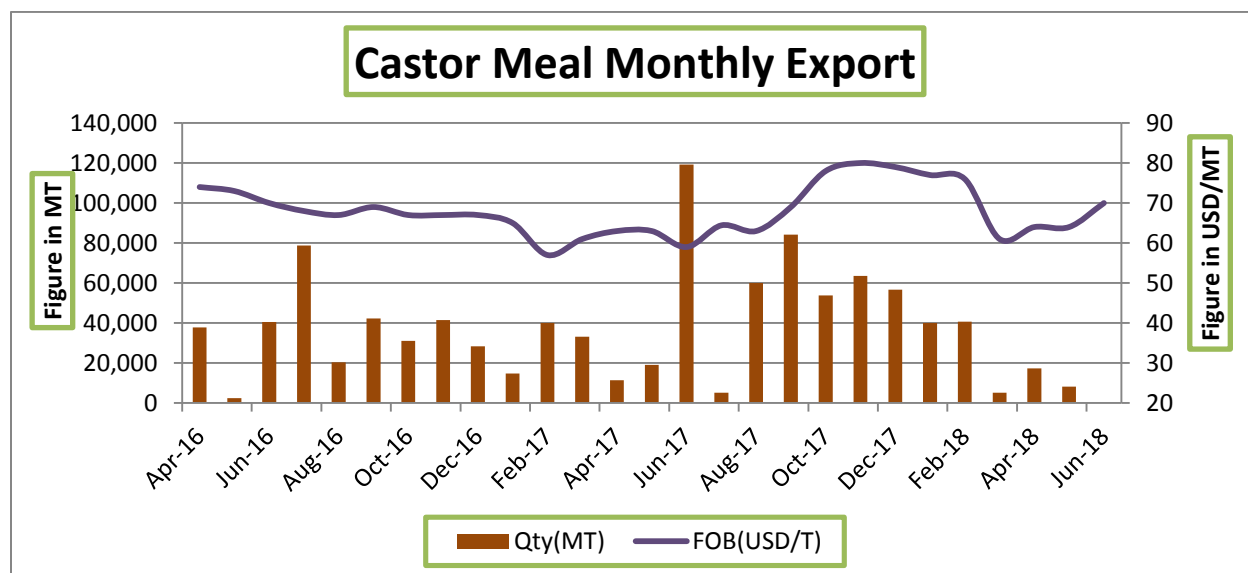


Source: Sea Of India

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 02<sup>nd</sup> week Aug, 2018

State	Prices 01-08 Aug 2018	Prices 24-31 Jul 2018	Prices 16-23 Jul 2018	Prices 01-08 Aug 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4125.98	4125.98	4125.98	4125.98	0	0
Chattisgarh	3300	3300	3300	3300	0	0
Gujarat	4374.95	4374.95	4374.95	4374.95	0	0
Karnataka	3900	3900	3900	3900	0	0
Madhya Pradesh			3600	3600	--	--
Maharashtra	3850	3850	3850	4000	0	-3.75
Rajasthan	4251.28	4251.28	4251.28	4251.28	0	0
Telangana		4140.46	4140.46	4140.46	--	--
Average	3967.04	3991.81	3942.83	3961.58		

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>



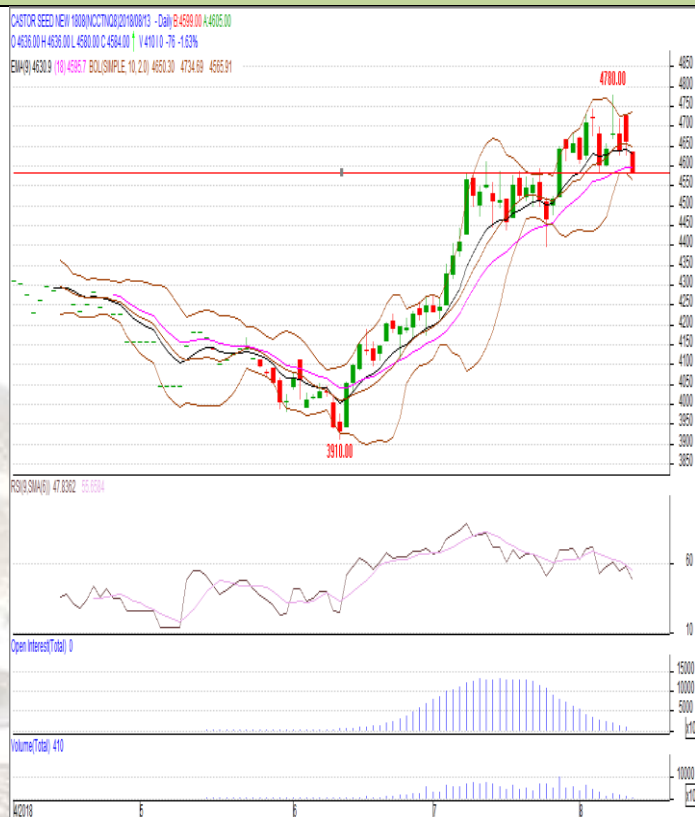


## Technical Analysis:

### 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	4580	4750	4800
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Aug	Buy	4600	4660	4700	4590

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

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.



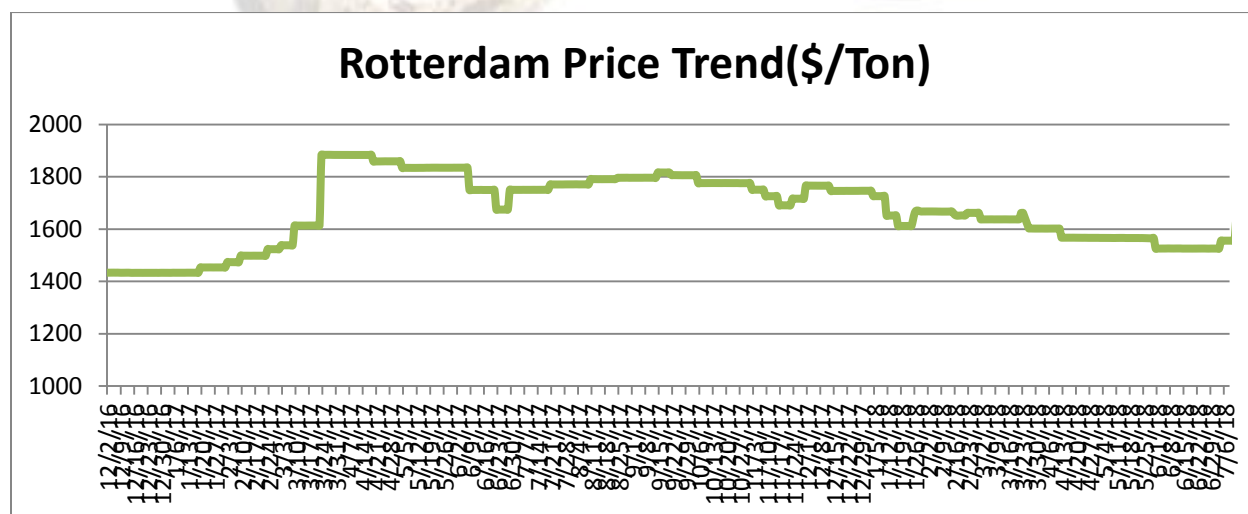
### Castor Seed Supply & Demand for MY-2017-18:

Preliminary Forecast For 2018-19							
All units in lakh tonnes	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	5.80	8.04	9.04	5.54	6.04	4.54	4.14
<b>Production</b>	13.04	12.00	12.80	14.00	11.50	11.80	10.50
Imports	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	18.84	20.04	21.84	19.54	17.54	16.34	14.64
Consumption	10.80	11.00	12.60	13.50	13.00	12.20	12.00
Exports	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Usage	10.80	11.00	12.60	13.50	13.00	12.20	12.00
<b>Carry out</b>	<b>8.04</b>	<b>9.04</b>	<b>9.24</b>	<b>6.04</b>	<b>4.54</b>	<b>4.14</b>	<b>2.64</b>
Av Monthly Consumption	0.90	0.92	1.05	1.13	1.08	1.02	1.00
Stock to Month Use	8.93	9.86	8.80	5.37	4.19	4.07	2.64
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08	0.08	0.08

### 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 Center	Market	Price (Rs/ Quintal)		Change
		04th Aug to 11 Aug 2018	28th July to 03rd Aug 2018	
<b>Gujarat</b>	Patan	4420	4390	30
	Harij	4408	4415	-7
	Rajkot	4314	4280	34
	Gondal	4347	4318	29
	Deesa	4426	4394	32
	Bhabar	4419	4400	19
	Mehsana	4427	4406	21
	Kadi	4418	4428	-9
	Sabarkatha	4450	4446	4
	Gandhi Nagar	4429	4420	9
	Ahmedabad (Sanand)	4407	4288	118
	Halvad	4242	4225	17
	Junagadh	4243	4252	-10
	Dhrol	4003	3800	203
<b>Rajasthan</b>	Jodhpur	4423	4303	120
	Sumerpur	4400	4371	29

**Castor Seed Cumulative Arrivals in Key Centers:**

Center	Market	04th Aug to 11 Aug 2018	28th July to 03rd Aug 2018	Change
<b>Gujarat</b>	Patan	29491	12750	16741
	Harij	5850	1575	4275
	Rajkot	2040	187	1853
	Gondal	2600	450	2150
	Deesa	2863	4450	-1586
	Bhabar	27723	11000	16723
	Mehsana	9300	3300	6000
	Kadi	13812	11740	2072
	Sabarkatha	1840	800	1040
	Gandhi Nagar	5325	2250	3075

	Ahmedabad (Sanand)	4	2	2
	Halvad	525	825	-300
	Junagadh	156	NA	-
	Dhrol	8	8	Unch
Rajasthan	Jodhpur	398	393	5
	Sumerpur	880	720	160
Total Arrivals/Above Markets		102814	50449	52366

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2018 Indian Agribusiness Systems Pvt. Ltd.