Castor Seed & Oil Weekly Report
Date-10 Sept 2018

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- All India castor seed weekly prices were traded firm in 01st week of Sept with lower arrival, all India arrival of castor seed reported were 46671 quintals which was higher slightly by 30 quintals than last week arrivals of 46642 quintals.

- Castor seed prices rose by Rs 23 to Rs 4,710 per quintal in futures trade this week as traders were collecting holdings on the back of rising prices at the spot markets.

- Amid the higher physical markets stance, traders went for long positions, which resulted in a up move in castor seed futures prices. At the spot markets, brisk demand from paint, soap and lubricant industries amid thin supplies from producing regions, drove the prices upside.

- Castor seed area is down by 16.5% in major growing state of Gujarat and as of now only 4.26 lakh hectares sown in Gujarat as crop shifting is reported in many districts. Farmers prefer pulses and other cash crops over castor seed, however weather at the time of picking would play a major role for price movement.

- 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.

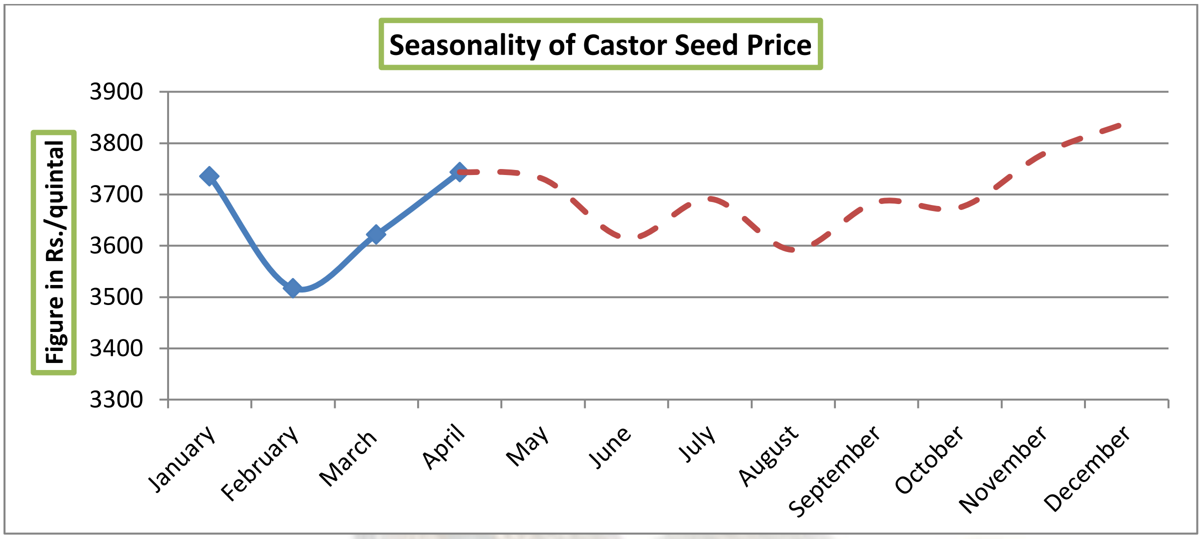
Kharif Castor Seed Sowing Updates as on 27.07.2018 (in Lakh Hectare):

State	CASTORSEED in Lakh Hectares					
	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	0.63	0.37	0.33	52.4	0.22	0.11
Assam	0.01	0.00	0.00	0.0	0.00	0.00
Bihar	0.00	0.01	0.00		0.00	0.00
Gujarat	6.70	5.78	4.26	63.7	5.11	-0.85
Haryana	0.01	0.01	0.01	122.4	0.01	0.00
Jharkhand	0.01	0.00	0.01		0.01	
Karnataka	0.11	0.10	0.07	66.0	0.07	0.00
Madhya Pradesh	0.05	0.00	0.00	0.0	0.00	0.00
Maharashtra	0.15	0.16	0.09	57.5	0.07	0.02
Odisha	0.11	0.06	0.05	41.2	0.05	-0.01
Rajasthan	1.96	1.62	1.36	69.6	1.00	0.36
Tamil Nadu	0.06	0.02	0.02	38.2	0.02	0.01
Telangana	0.72	0.52	0.26	35.8	0.31	-0.05
Others		0.00	0.03		0.00	
All-India	**10.51**	**8.66**	**6.49**	**61.7**	**6.87**	**-0.38**

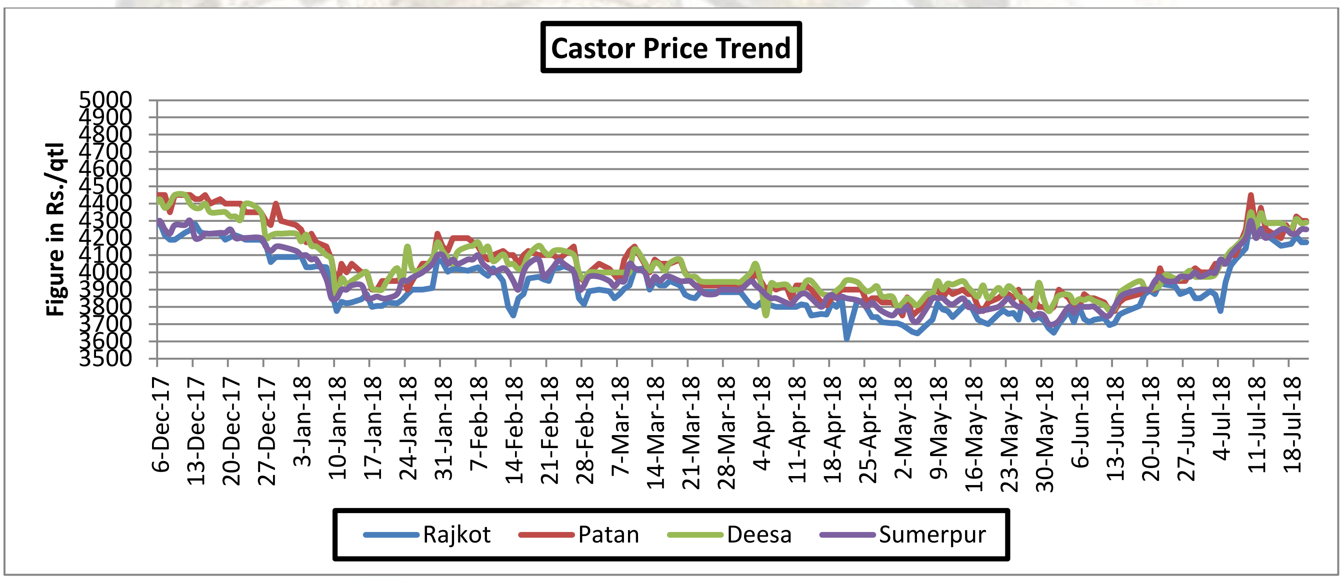
All India castor seed sowing as on 07th Sept -2018 was 6.49 lakh hectares which is down by 5.55% from last year corresponding period area of 6.87 lakh hectares and 25% down by normal area of corresponding period area of 8.66 lakh hectares. Lower area is reported from the states of Telangana and Gujarat, while higher acreage is only reported from Andhra Pradesh.

Stake holders in cash market may opt for buying seed around Rs. 4350 to Rs.4400 for profit purpose.

Seasonality of Castor Seed Price



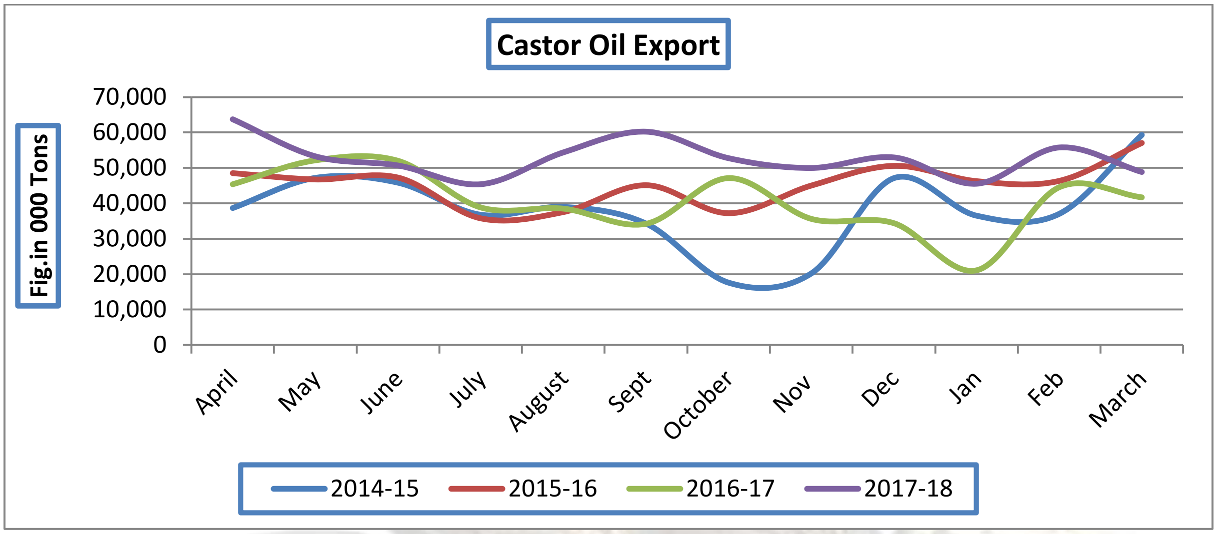
Castor Price Trend:



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:

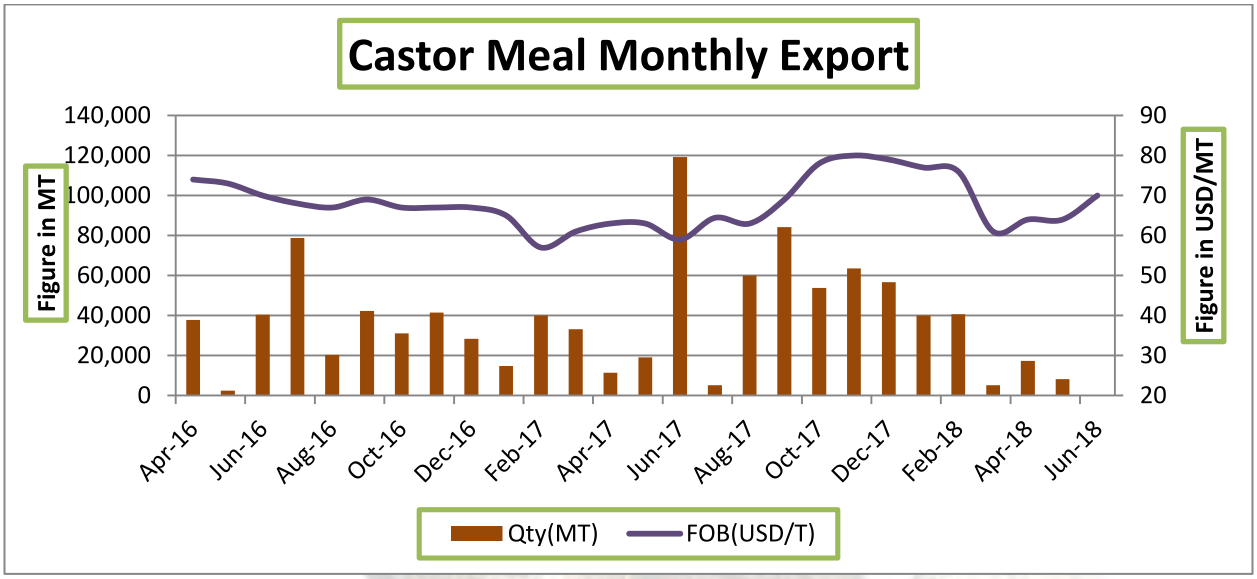


Source: Sea Of India

During April - August 2018 Vietnam imported 235,723 tons of oilmeals (compared to 167,604 tons); consisting of 7,160 tons of soybean meal, 77,160 tons of rapeseed meal, and 151,403 tons of Rice Bran Extraction. South Korea imported 349,992 tons of oilmeals (compared to 337,270 tons); consisting 231,610 tons of rapeseed meal, 10,832 tons of soybean meal and 107,550 tons of castor meal. Thailand imported 130,988 tons of oilmeals (compared to 57,228 tons); consisting 4,747 tons of soybean meal, 9,633 tons of De-oiled Rice Bran Extraction, and 116,572 tons of rapeseed meal. France imported 63,493 tons of oilmeals consisting 61,999 tons of soybean meal and 1,494 tons of Castor meal.

Castor Meal Export:

The Solvent Extractors' Association of India has compiled the export data for export of oil meals for the month of August 2018. The export of oil meals during August 2018, provisionally reported at 227,939 tons compared to 261,356 tons in August 2017. The overall export during April to August 2018 is reported at 1,192,095 tons compared to 986,606 tons during the same period of last year i.e. up by 21%. The export of rapeseed meal is sharply increased to nearly 490,232 tons (107%), in first five months, mainly exported to South Korea, Vietnam and Thailand. The ongoing trade dispute between USA and China has created a lot of uncertainty and forcing China to look out to other origins for their requirements of soybean and oil meals. This has compelled China to relook its ban imposed for importing of oil meals from India since 2012. This will open up Chinese market for India. Late last month, Ministry of Commerce and Indian Embassy, Beijing discussed the phyto issues and it was decided that India's phyto certificate would cover all the 12 pests. This shall enable China's AQSIQ to clear the Indian Oilmeals. A formal reconfirmation from China is awaited. Prior to ban in 2012, China used to import nearly half a million tons of oilmeals viz. Rapeseed meal 3.5 to 4.0 lakh tons and 1.0 lakh tons of soybean meal from India.



Source: Sea of India

State wise Wholesale Prices Weekly Analysis for Castor Seed 01st week Sept, 2018

State	Prices 01-08 Sep 2018	Prices 24-31 Aug 2018	Prices 01-08 Sep 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4129.97	4129.97	4186.22	0	-1.34
Chattisgarh			800	__	__
Gujarat	4484.16	4484.16	4484.16	0	0
Karnataka	3560	3560	3800	0	-6.32
Madhya Pradesh			3610.53	__	__
Maharashtra			3500	__	__
Rajasthan		4305.71	4362.16	__	__
Telangana	4030.73	4117.53	4215.35	-2.11	-4.38
Average	4051.22	4119.47	3619.8		

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)	4200-4350	4300-4500
Medium Term (30 days)	4350-4600	4500-4800

Source: SEA.

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

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 neutral region which indicates ready for bulls.

Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Sept	3900	3950	4624	4780	4820
Pre Weekly Trade Call			**Call**	**Entry**	**T1**	**T2**	**SL**
Castor	NCDEX	Sept	**Buy**	4590	4635	4655	4680

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.

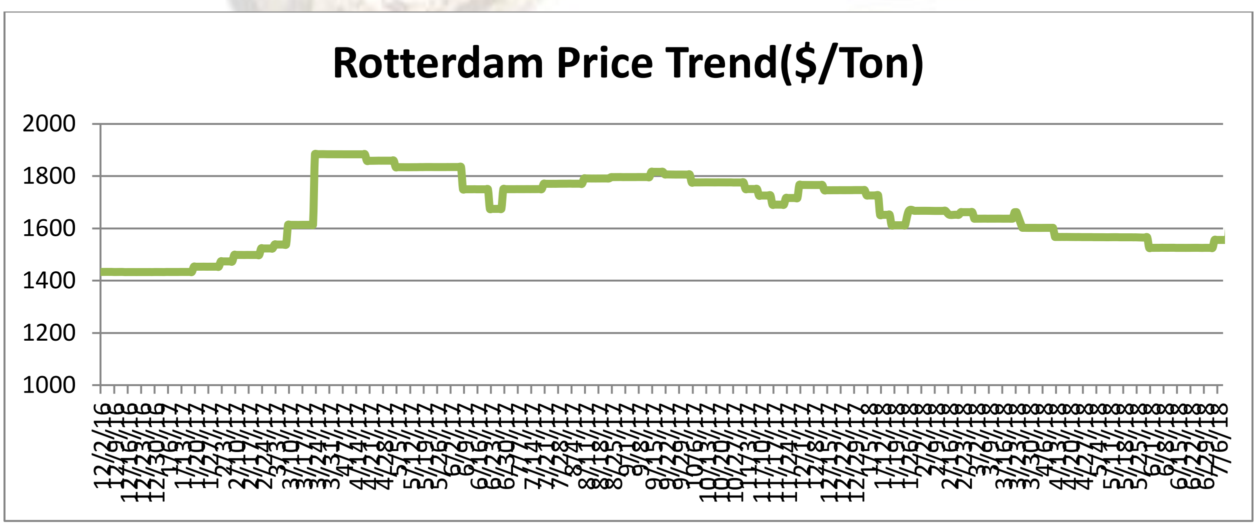
Castor Seed Supply & Demand for MY-2017-18:

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
Production	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
Carry out	**8.04**	**9.04**	**9.24**	**6.04**	**4.54**	**4.14**	**2.64**
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
		01 Sept 09 Sept 2018	25th to 31st Aug 2018	
Gujarat	Patan	4530		4530
	Harij	4450	4468	-18
	Rajkot	#DIV/0!	4318	-
	Gondal	4390	4338	52
	Deesa	4505	4412	93
	Bhabar	4527	4438	89
	Mehsana	4505	4451	54
	Kadi	4542	4471	71
	Sabarkatha	4538	4467	71
	Gandhi Nagar	4517	4453	64
	Ahmedabad (Sanand)	4505	4216	289
	Halvad	4508	4379	129
	Junagadh	4263	4289	-27
	Dhrol	#DIV/0!	3933	-
Rajasthan	Jodhpur	4200	4358	-158
	Sumerpur	4445	4396	49

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	01 Sept 09 Sept 2018	25th to 31st Aug 2018	Change
Gujarat	Patan	11250	13500	-2250
	Harij	1337	1950	-613
	Rajkot	0	840	-840
	Gondal	213	1613	-1400
	Deesa	5840	2120	3720
	Bhabar	8080	10300	-2220
	Mehsana	2475	3750	-1275
	Kadi	10560	7520	3040
	Sabarkatha	2480	960	1520
	Gandhi Nagar	3600	2775	825
	Ahmedabad (Sanand)	2	1	1
	Halvad	413	525	-113
	Junagadh	51	141	-90

	Dhrol	0	7	-7
Rajasthan	Jodhpur	131	240	**-109**
	Sumerpur	240	400	**-160**
Total Arrivals/Above Markets		**46671**	**46642**	**30**