



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- All India castor seed weekly prices were traded firm in 02nd week of Sept with higher arrival, all India arrival of castor seed reported were 50360 quintals which was higher by 3689 quintals than last week arrivals of 46671 quintals.
- Castor seed prices softened by 0.40 per cent to Rs 4,732 per quintal Monday on liquidating of bets by traders in line with a weak trend at the physical markets.
- Trimming of holdings by participants, taking weak cues from the spot markets led to fall in castor seed prices in futures trade here. Taking negative lead from the spot markets due to ample stocks following persistent supplies against slackened demand from soap, paint and other consuming industries, led to the fall in castor seed futures prices.
- 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.



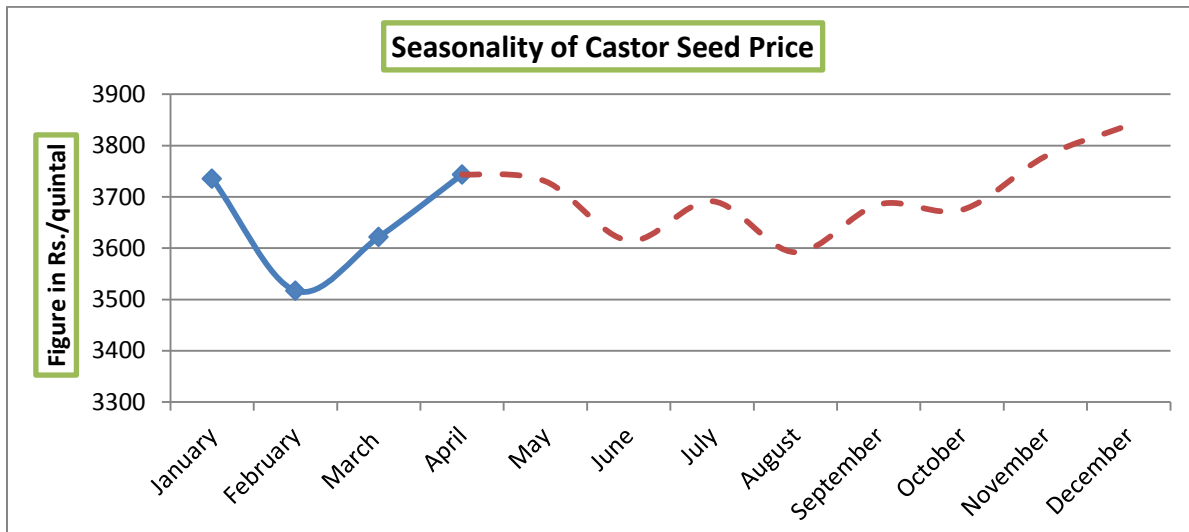
Kharif Castor Seed Sowing Updates as on 27.07.2018 (in Lakh Hectare):

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

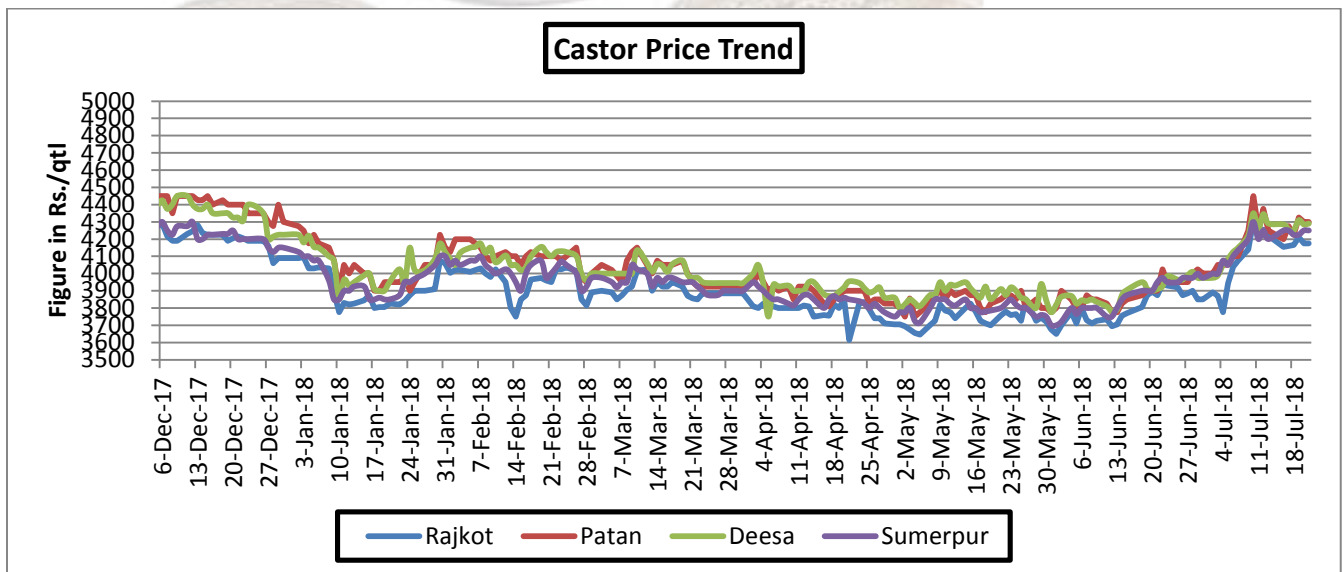
All India castor seed sowing as on 07th Sept -2018 was 6.49 lakh hectares which is down by 5.55% from last year corresponding period area of 6.87 lakh hectares and 25% down by normal area of corresponding period area of 8.66 lakh hectares. Lower area is reported from the states of Telangana and Gujarat,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



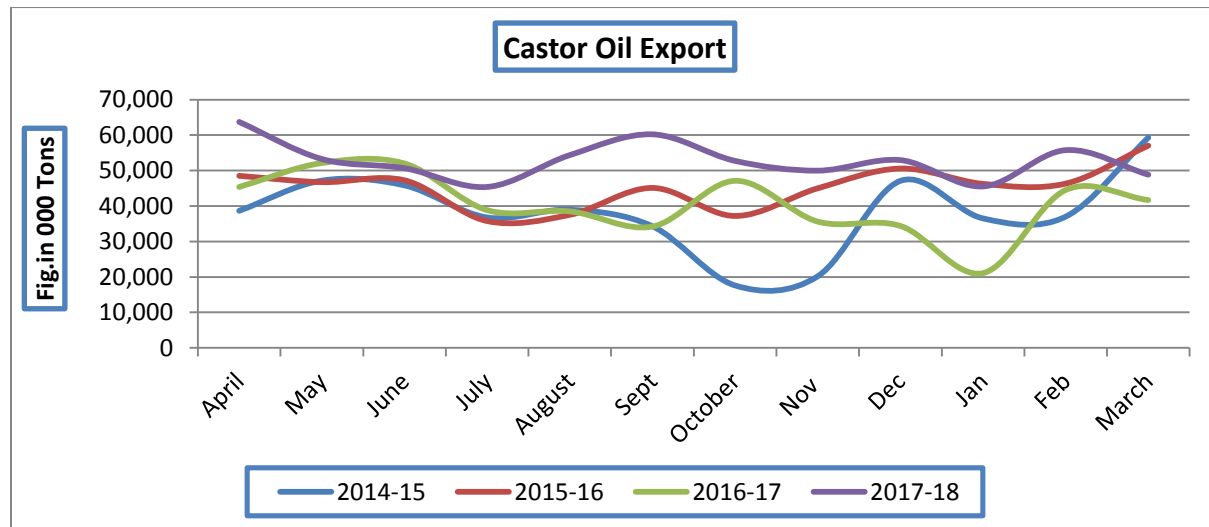
Castor Price Trend:



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:

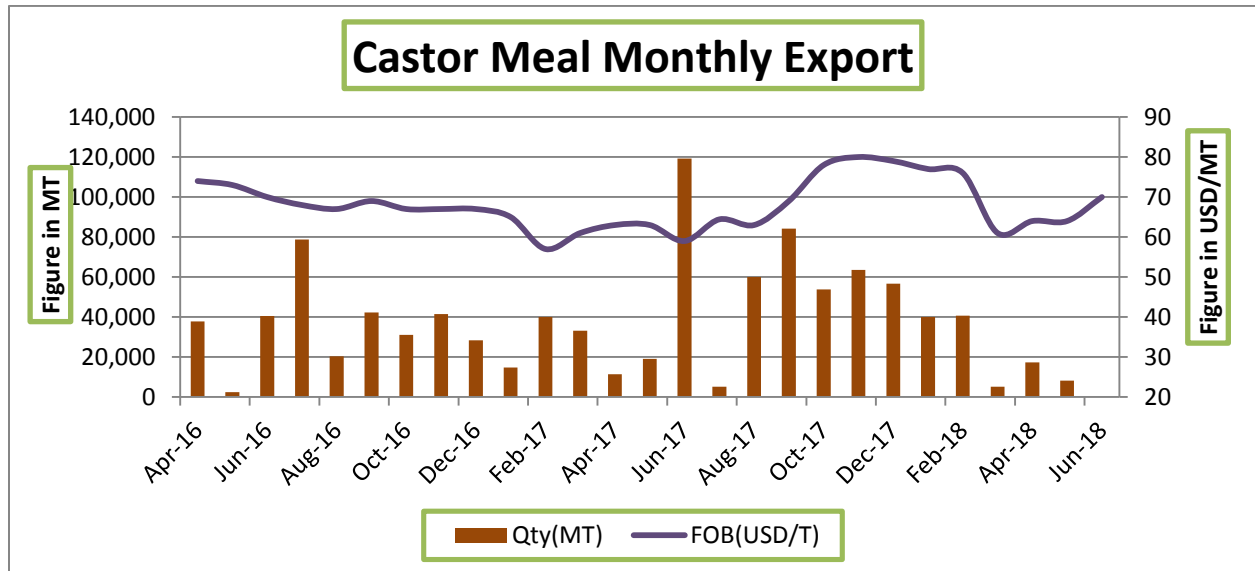


Source: Sea Of India

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 02nd week Sept, 2018

tate	Prices 09-15 Sep 2018	Prices 01-08 Sep 2018	Prices 09-15 Sep 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4189.35	4189.35	4189.35	0	0
Chattisgarh			1000	---	---
Gujarat	4443.73	4477.19	4492.42	-0.75	-1.08
Karnataka	4166.71	4166.71	4166.71	0	0
Madhya Pradesh	3700	3700	3700	0	0
Maharashtra	2800	2800	2800	0	0
Odisha		3600	3600	---	---
Rajasthan	3856.69	4363.96	4363.96	-11.62	-11.62
Telangana	4195.27	4195.27	4195.27	0	0
Uttar Pradesh			3400	---	---
Average	3907.39	3936.56	3590.77		

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

Cash Market Price Outlook for Future Price

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4605-4625	4610-4640
Medium Term (30 days)	4600-4675	4625-4680

Source: SEA.

Comparative Prices Of Castor Products Including Seed					
	13th July '18	6th July '18	13th June '18	13th July '17	CHAN GE %
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	Oct	4300	4510	4603	4775	4752
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	Buy	4610	4625	4645	4605

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.

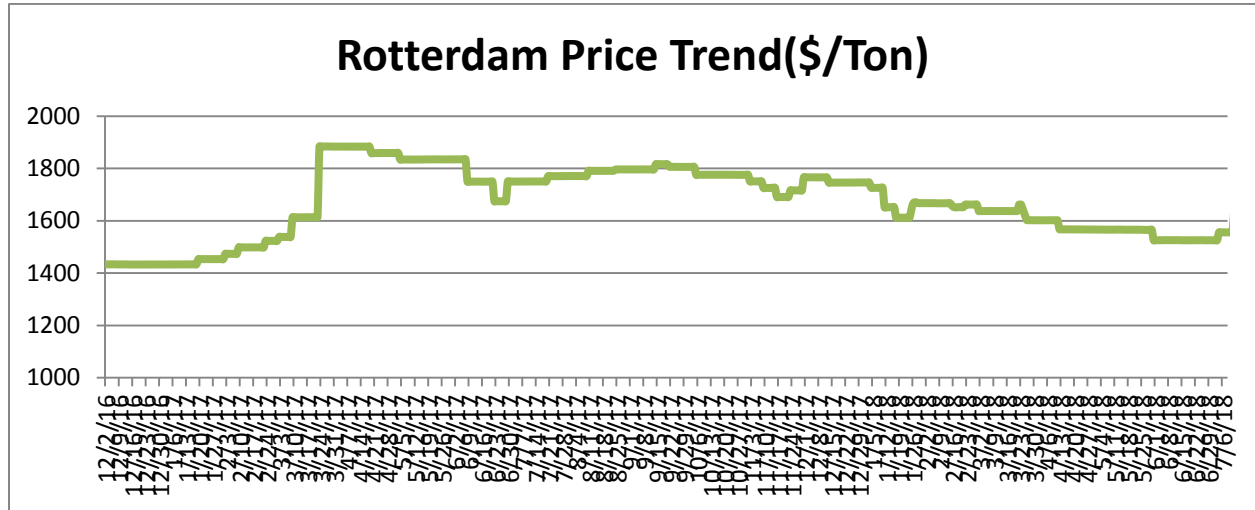
Castor Seed Supply & Demand for MY-2017-18:

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	Market	Price (Rs/ Quintal)		Change
		9th Sep15 Sep2018	01 Sept 09 Sept 2018	
Gujarat	Patan	4531	4530	1
	Harij	4540	4450	90
	Rajkot	4358	#DIV/o!	-
	Gondal	4385	4390	-5
	Deesa	4538	4505	33
	Bhabar	4529	4527	2
	Mehsana	4506	4505	1
	Kadi	4554	4542	12
	Sabarkatha	4533	4538	-5
	Gandhi Nagar	4510	4517	-7
	Ahmedabad (Sanand)	#DIV/o!	4505	-
	Halvad	4448	4508	-60
	Junagadh	4368	4263	105
	Dhrol	3891	#DIV/o!	-
Rajasthan	Jodhpur	4308	4200	108
	Sumerpur	4420	4445	-25

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	9th Sep15 Sep2018	01 Sept 09 Sept 2018	Change
Gujarat	Patan	9900	11250	-1350
	Harij	1050	1337	-287
	Rajkot	1690	0	1690



	Gondal	1150	213	938
	Deesa	4080	5840	-1760
	Bhabar	8680	8080	600
	Mehsana	4298	2475	1823
	Kadi	12061	10560	1501
	Sabarkatha	1920	2480	-560
	Gandhi Nagar	3600	3600	Unch
	Ahmedabad (Sanand)	0	2	-2
	Halvad	713	413	300
	Junagadh	199	51	148
	Dhrol	8	0	8
Rajasthan	Jodhpur	413	131	281
	Sumerpur	600	240	360
Total Arrivals/Above Markets		50360	46671	3689

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		15-Sep-18	8-Sep-18	14-Aug-18	14-Sep-17
Gujarat	Patan	4525	4525	4425	4625
	Harij	4550	4425	4425	4600
	Rajkot	4360	Closed	4270	4395
	Gondal	4355	4400	4330	4755
	Deesa	Closed	4510	4375	4575
	Bhabar	4530	4550	4400	#VALUE!
	Mehsana	4490	4510	4400	4550
	Kadi	4520	4540	4440	4640
	Sabarkatha	4500	4540	4425	4575
	Gandhi Nagar	4500	4510	4425	4600
	Ahmedabad (Sanand)	NA	NA	0	0
	Halvad	4500	4550	4400	4500
	Junagadh	NR	4275	4260	4400
	Dhrol	4070	Closed	NA	0
Rajasthan	Jodhpur	4300	4200	4470	4620
	Sumerpur	4400	4450	4375	4500

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