

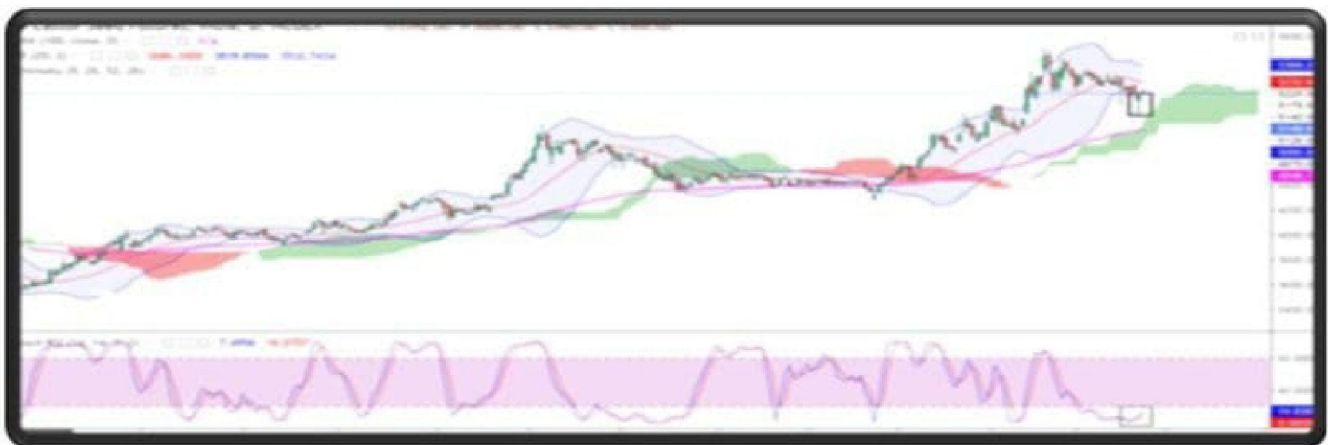
# CASTOR SEED



## News & Development

NCDEX Castor Seed Futures traded lower during the May month, owing to lower buying of the new crops from the states of Gujarat and Rajasthan. However, prices has also witnessed support due to rise in exports of castor oil and castor meal in Europe and United States. Higher exports to China amid easing lockdown in their country had also sentimentally supported the spot and future prices. After making a yearly high in the month of April, future prices has seen correction from higher levels. By 24th May, NCDEX Castor Seed futures closed at Rs.5078/quintal, lower by 2.53% compared to Rs.5210/quintal reported on 30th April.

Fundamentally for the coming month, we are expecting NCDEX Castor Seed futures to trade bullish as the APMC markets in the major mandis of Deesa, Palanpur and Patan in Gujarat is shut due to covid-19 norms and rising cases. This has led to supply tightness in domestic markets. Moreover, prices of other vegetable oils such as Crude Palm Oil and Soy Oil have started to rise and is estimated to support the prices of castor seed as well. Although, Castor Oil domestic buying has been sluggish, but then, exports to China, US and Europe has remained steady over the months and expected to rise in the month of June with higher vaccination process. Due to less availability of Hybrid Castor seeds the productivity this year has gone down by 10%. As per SEA associated agriculture research, the total production of Castor seeds for castor seed is down to 17.5 lakh tonnes, lower compared to 19 lakh tonnes earlier estimated in , which is anticipated to come down to 13-15 lakh tonnes in 2020-21. Conversely, NCDEX Castor Seed Futures can find limited bullishness as well, as we are approaching the monsoon season from June month onwards until September. Sowing of Castor Seed in Gujarat and Rajasthan are expected to begin in July month onwards only, while Telangana may see castor seed sowing in June. Forecasts of normal monsoon this year with 61% chance of excess rainfall in various regions of India, could sentimentally cap major upside movement in NCDEX Castor Seed Futures in the month ahead.



On the daily chart, NCDEX Castor Seed (July) future has been rising continuously with **Higher Highs and Higher Lows** formation. In addition, the price has been consolidating above the **Ichimoku Cloud** formation and **100 Exponential Moving Averages** which also indicates bullish momentum in the near future. Moreover, the price has taken support of prior resistance zone with bullish reversal **Hammer candlesticks** which also supportive to trend. Furthermore, an oscillator **Stochastic RSI** witnessed positive crossover, which confirms continue bullish trend. **So, based on above technical structure one can initiate a long position in NCDEX Castor Seed (July) future at CMP 5140 or a fall in the price till 4900 levels can be used as buying opportunity for the upside target of 5800 . However, the bullish view will be negated if NCDEX Castor Seed (July) future close below the support level of 4600.**