

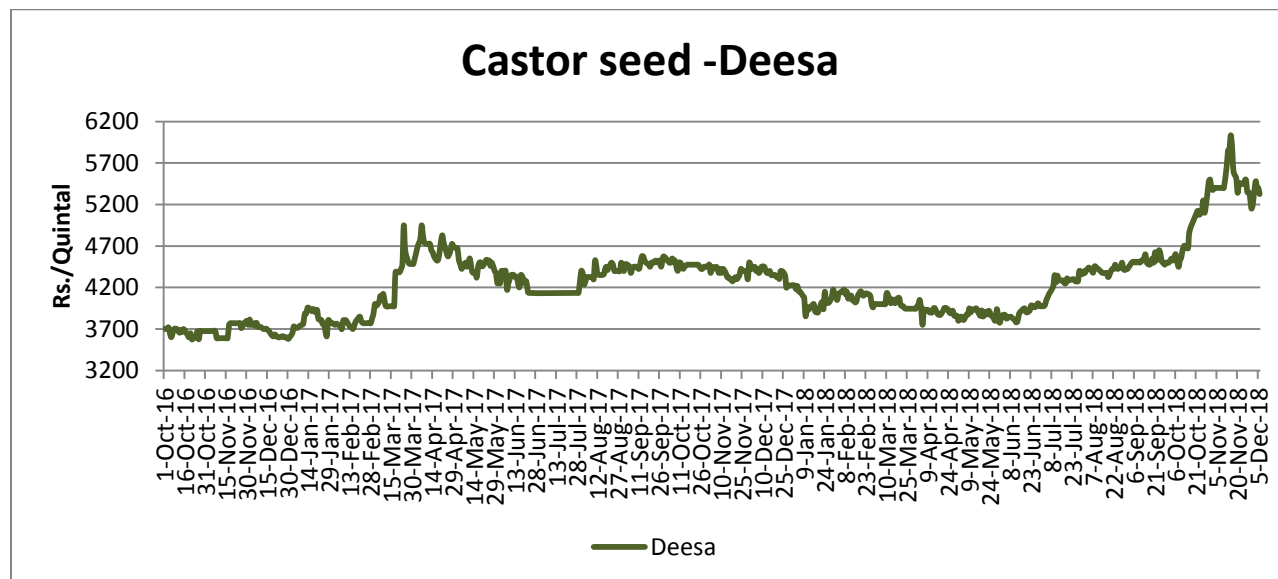
# Castor Seed & Oil Monthly Research Report

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**Castor Domestic Market Fundamentals:**

- Castor seed prices showed declining trend from last couple of week as limited buying and selling activities were noted in most of the spot markets of Gujarat and Rajasthan.
- Castor seed price so far this calendar year rose by over 28 per cent and most of the gains were witnessed since October as drought looms over Castor crop in Gujarat.
- According to traders, Castor seed production for next season is expected to sharply down at around 8-9 lakh tonnes only. They also pegged present Castor stocks in the country to be around 3-4 lakh tonnes against 7-8 lakh tonnes in the same period last year.
- Castor seed may trade volatile in the near term, but long-term outlook is bullish as consumption demand is expected to remain strong ahead and lower crop unlikely to fulfil it.
- All India Castor seed acreage was in 2018 is 8.59 lakh hectares which is up by 5.15 per cent from last year area of 8.78 lakh hectares. Lower area is reported from the states of Telangana and Gujarat while higher acreage is only reported from Andhra Pradesh.
- As per the Ministry of Agriculture 1<sup>st</sup> Advance Estimates for 2018-19, Castor seed production in India is estimated at 15.17 lakh tonnes as compared to 15.68 lakh tonnes in 2017-18. The all India Castor seed production target for 2018-19 was 18.31 lakh tonnes.
- The final Kharif acreage under Castor in Gujarat declined to 5.33 lakh hectares as compared to 5.95 lakh hectares last year. The normal Kharif Castor acreage in Gujarat is 6.48 lakh hectares.
- Gujarat Agriculture Department in its first advance estimates for 2018-19 estimated Castor crop to decline more than 20 per cent to 11.73 lakh tonnes versus 14.84 lakh tonnes.
- During April to Sept'18, Vietnam imported 277,406 tonnes of oil meals (compared to 223,184 tonnes) consisting of 7,160 tonnes of soybean meal, around 94,559 tonnes of rapeseed meal and 175,687 tonnes of Rice Bran Extraction. South Korea imported 441,119 tonnes of oil meals (compared to 427,126 tonnes) consisting 280,292 tonnes of rapeseed meal, 10,832 tonnes of soybean meal and 149,995 tonnes of Castor meal. Thailand imported 167,101 tonnes of oil-meals (compared to 76,895 tonnes) consisting 4,747 tonnes of soybean meal, 10,253 tonnes of De-oiled Rice Bran Extraction, and 152,065 tonnes of rapeseed meal. France imported 76,704 tonnes of oil-meals consisting 74,499 tonnes of soybean meal and 2,205 tonnes of Castor meal.

**Castor Price Trend Deesa Mandi:**


Source: Agriwatch

Above price chart is of Deesa Mandi in Gujarat, which is a major mandi for castor seed. Price trend is showing some correction after firming from July-2018, as profit booking is likely to happen in which it is advise that traders can buy on every dips. Arrival or picking from January onwards puts some pressure on seed price.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Limited buying and selling activities in spot markets of Gujarat and Rajasthan	Bearish
Castor seed production in India estimated at 15.17 lakh tonnes as against 15.68 lakh tonnes in 2017-18	Bullish
Castor stocks at around 3-4 lakh tonnes against 7-8 lakh tonnes in the same period last year	Bullish
Profit booking at higher levels	Bearish
Castor crop to decline more than 20 per cent at 11.73 lakh tonnes versus 14.84 lakh tonnes in Gujarat	Bullish
Castor acreage in Gujarat declined to 5.33 lakh hectares as compared to 5.95 lakh hectares last year	Bullish
Based on Primary & Secondary Sources	

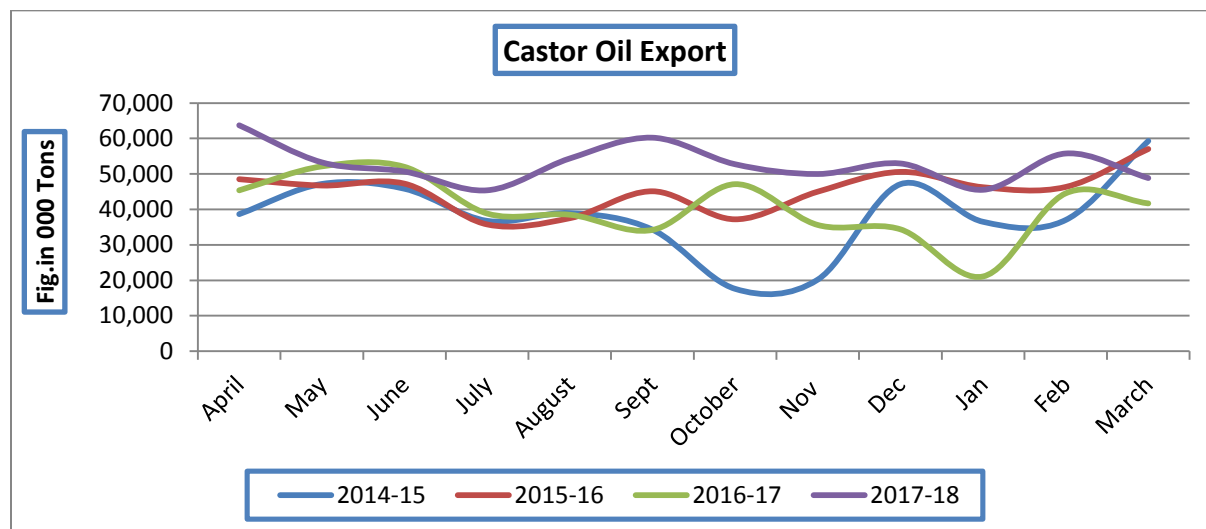
**Castor Oil Demand & Supply:**

All units in lakh tons	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Carry in	5.8	6.84	6.04	5.54	5.91	5.35
Production	13.04	11.7	13	15.12	12.94	10.5
Imports	0	0	0	0	0	0
Total Availability	18.84	18.54	19.04	20.66	18.85	15.85
Consumption	12	12.5	13.5	14.75	13.5	15.5
Exports	0	0	0	0	0	0
Total Usage	12	12.5	13.5	14.75	13.5	15.5
<b>Carry out</b>	<b>6.84</b>	<b>6.04</b>	<b>5.54</b>	<b>5.91</b>	<b>5.35</b>	<b>0.35</b>
Av Monthly Consumption	1	1.04	1.13	1.23	1.13	1.29
Stock to Month Use	6.84	5.8	4.92	4.81	4.76	0.27
Stock to Consumption Ratio	0.57	0.483	0.41	0.4	0.4	0.02

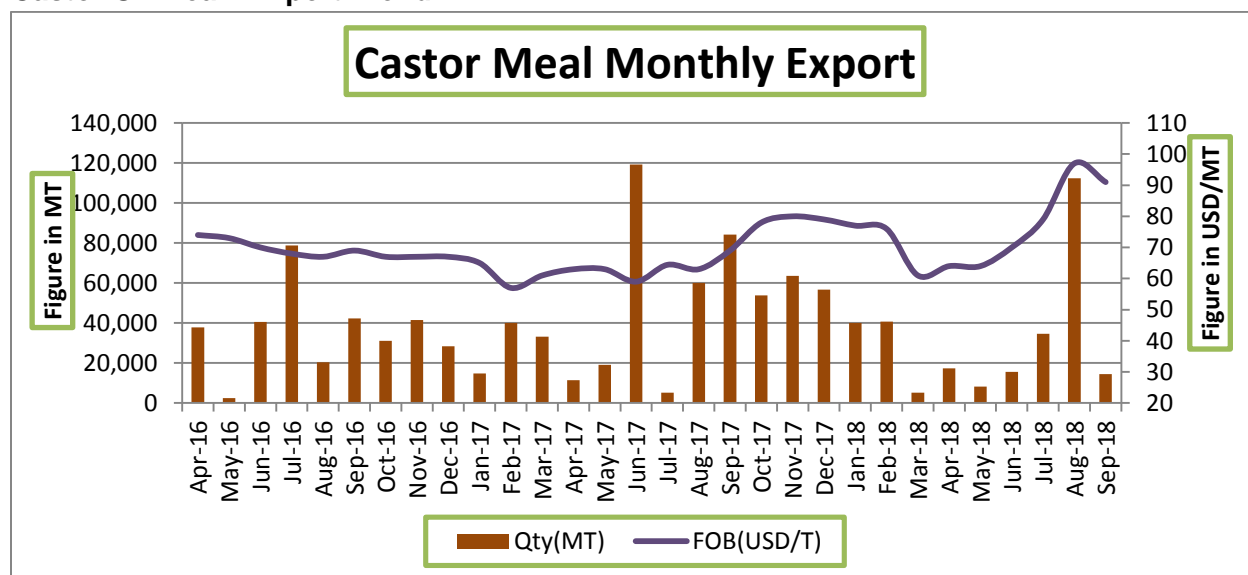
Season 2016-17 would start with 0.5 lakh tons oil as carrying stock. Agriwatch has estimated 7 lakh tons oil production from 2015-16 crops to be marketed in 2016-17 including derivatives use this brings total availability to 7.5 lakh tons .Export has been pegged at 5.5 lakh tons slightly higher than 2015-16 as supply is higher and price is lower. Carryout for next year would be at higher side (around 1lakh tons) despite higher export volume.

<b>Castor Oil Supply &amp; Demand Projection For 2016-17</b>			
Unit in lakh ton	2014-15	2015-16	2016-17
Carry in	0.15	0.25	0.5
Production	6	6.5	7
Imports	0	0	0
Total Availability	6.15	6.75	7.5
Consumption (domestic)	0.9	1	1
Exports	5	5.25	5.5
Total Usage	5.9	6.25	6.5
<b>Carry out</b>	<b>0.25</b>	<b>0.5</b>	<b>1</b>

**Castor Oil Monthly Export Trend:**



**Castor Oil Meal Export Trend:**

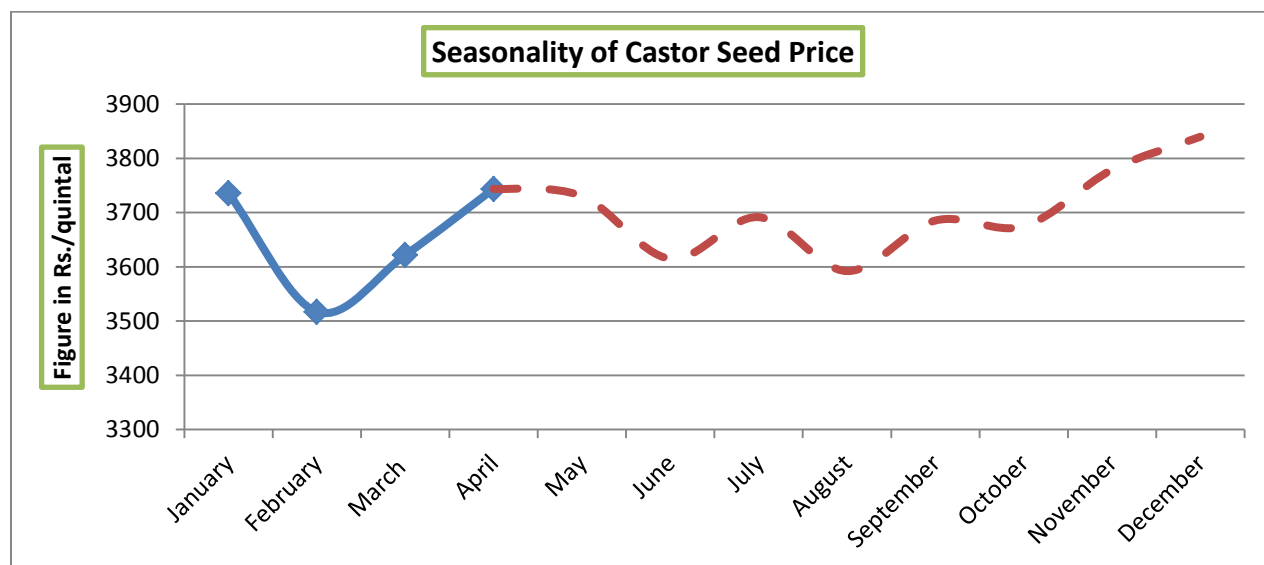


The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of October 2018. The export of oilmeals during October 2018, provisionally reported at 84,143 tons compared to 200,158 tons in October 2017 i.e. down by 58%. The overall export during April to October 2018 is reported at 1,582,589 tons compared to 1,486,036 tons during the same period of last year i.e. up by 6.5%. The export of rapeseed meal is sharply increased to 680,216 (323,358) tons in first seven months, almost doubled 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 other oilmeals. This has compelled China to relook its ban imposed for importing of oilmeals from India since 2012. We understand from Ministry of

Commerce/Export Inspection Council of India that China will resume soon import of Rapeseed Meal from India. Those units already approved by General Administration of Customs of the People's Republic of China, GACC ( formerly AQSIQ) will able to resume the export of Rapeseed Meal to China once their registration with Chinese Ministry of Agriculture (MoA) is done. In case of resumption of export of Soybean Meal from India to China, may take some time as Chinese GACC team likely to visit during current month to inspect/approve the units. 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. Also, there is possibility; Iranian market may open up soon for Indian soybean meal and other oilmeals in rupee payment. This will further boost the export of oilmeals from India.

During April – Oct., 2018 Vietnam imported 301,681 tons of oilmeals (compared to 281,721 tons); consisting of 7,860 tons of soybean meal, 109,068 tons of rapeseed meal, and 184,625 tons of Rice Bran Extraction. South Korea imported 493,573 tons of oilmeals (compared to 468,794 tons) ; consisting 316,738 tons of rapeseed meal, 14,945 tons of soybean meal and 161,890 tons of castor meal. Thailand imported 189,818 tons of oilmeals (compared to 91,242 tons); consisting 7,041 tons of soybean meal, 10,253 tons of De-oiled Rice Bran Extraction, and 172,488 tons of rapeseed meal. France imported 65,382 tons of oilmeals consisting 62,017 tons of soybean meal and 3,365 tons of Castor-meal.

### Price Seasonality Trend:



Above chart is for Rajkot market which forecast the price trend for coming months. Chart indicates that castor seed market is likely to move volatile under normal situation (weather, rainfall etc.). Price is expected to move up from March onwards as stock is getting low and demand from China and other major importers is normal.

**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 short build up.


**Strategy: Buy**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Jan	4800	4850	5438	6400	6500
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jan	Buy	5375	5420	5500	5300

**Castor Oil Export Volume:**

Month wise export of castor oil: April to March:(Quantity in MT)				
Month	2015-16	2016-17	2017-18	2018-19
April	48,511	45,378	63721	45589
May	46,731	52,133	59259	58725
June	47,257	51,994	50647	59357
July	35,756	38,836	45387	36350
August	37,517	38,497	54365	39661
Sept	45,105	34,208	60219	38743
October	37,205	47,112	52732	
Nov	45,002	35,608	49976	
Dec	50,578	38,442	52950	
Jan	46,250	36001	45531	
Feb	46,327	47540	55763	
March	57,035	57787	48840	
<b>Total</b>	<b>543,274</b>	<b>523,536</b>	<b>639,390</b>	

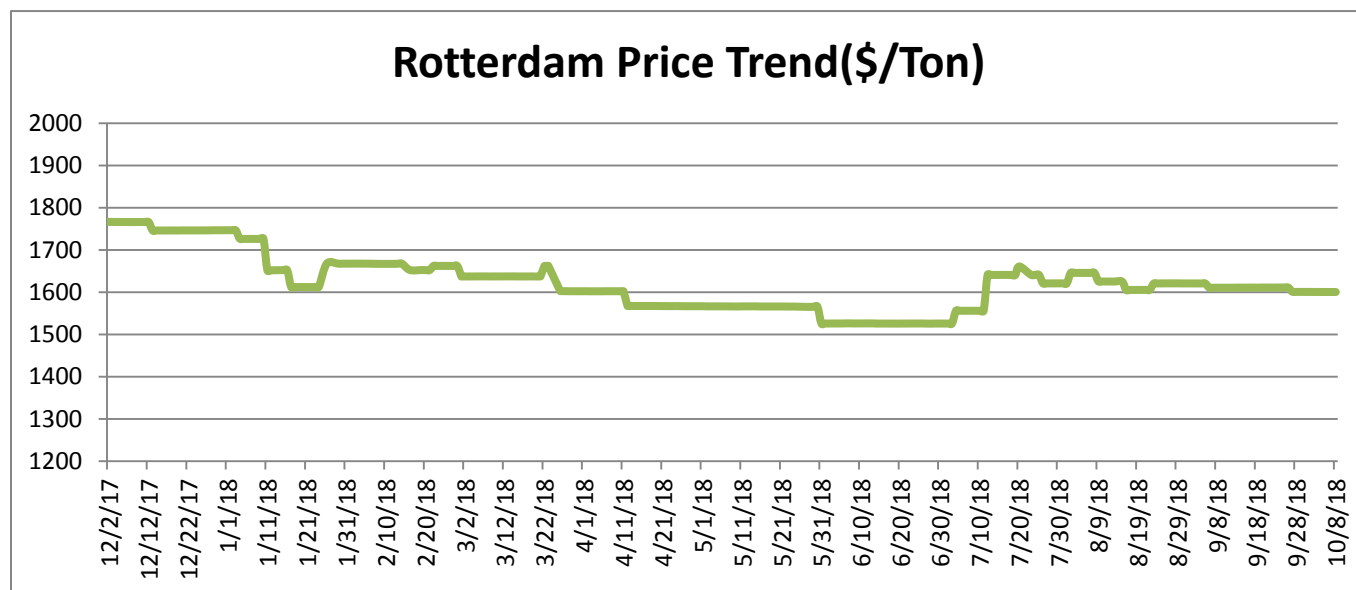
Source: SEA

**Cash Market (Deesa) Expected Price Range for Nov-2018:-**

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	5900-6200	6000-6300
Medium Term (30 days)	5950-6500	6200-6600

**Outlook for December-2018:**

Castor seed cash market is likely to trade Weak tone arrival is likely to hit in major producing region and picking is expected till march-2019 which will drive the price in range bound to slightly down, however lower yield expectation could sustain the price at current level.

**Rotterdam Price:-**

**Comparative Prices Of Castor Products Including Seed**

	30th Nov '18	23rd Nov '18	30th Oct '18	30th Nov '17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	52450	NQ	56450	44460	15.23
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	93.00	NQ	94.00	80.00	13.98



EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6450	NQ	6900	5100	<b>20.93</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1605	NQ	1565	1453	<b>9.47</b>
Local rates for oil in domestic market(Rs./M.T.) for comm.	112000	NQ	116000	93892	<b>16.17</b>

**Castor Seed - Products Monthly Average Prices:**

Commodity	Monthly Average Prices (Rs/ Quintal)			Change
Center	Market	Nov. 2018	Oct. 2018	
<b>Gujarat</b>	Patan	5551	4874	<b>677</b>
	Harij	5542	4860	<b>682</b>
	Rajkot	5433	4782	<b>651</b>
	Gondal	5434	4748	<b>686</b>
	Deesa	5505	4858	<b>646</b>
	Bhabar	5520	4880	<b>640</b>
	Mehsana	5561	4841	<b>720</b>
	Kadi	5541	4862	<b>679</b>
	Sabarkatha	5520	4867	<b>653</b>
	Gandhi Nagar	5543	4883	<b>659</b>
	Ahmedabad (Sanand)	5233	4623	<b>609</b>
	Halvad	5452	4593	<b>860</b>
	Junagadh	5391	4671	<b>719</b>
	Dhrol	5140	4233	<b>907</b>
<b>Rajasthan</b>	Jodhpur	5496	4808	<b>688</b>
	Sumerpur	5407	4735	<b>671</b>

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

Center	Market	Monthly Arrivals (Quintal)		Change
		Nov. 2018	Oct. 2018	
<b>Gujarat</b>	Patan	35475	26925	<b>8550</b>
	Harij	6150	4537.5	<b>1613</b>
	Rajkot	6540	4840	<b>1700</b>
	Gondal	5342	7417	<b>-2075</b>
	Deesa	15156	21504	<b>-6348</b>
	Bhabar	42640	41932	<b>708</b>
	Mehsana	6615	9225	<b>-2610</b>
	Kadi	32526	39115	<b>-6590</b>
	Sabarkatha	4200	8000	<b>-3800</b>

	Gandhi Nagar	6713	15075	<b>-8363</b>
	Ahmedabad (Sanand)	82	5	<b>78</b>
	Halvad	2415	2888	<b>-473</b>
	Junagadh	1606	1134	<b>472</b>
	Dhrol	5	8	<b>-3</b>
<b>Rajasthan</b>	Jodhpur	2048	1658	<b>390</b>
	Sumerpur	4280	2336	<b>1944</b>
<b>Total Arrivals/Above Markets</b>		<b>171792</b>	<b>186599</b>	<b>-14807</b>

**Note: We have incorporated traded quantity of seed in particular mandis. It does not signify the total arrivals**

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