

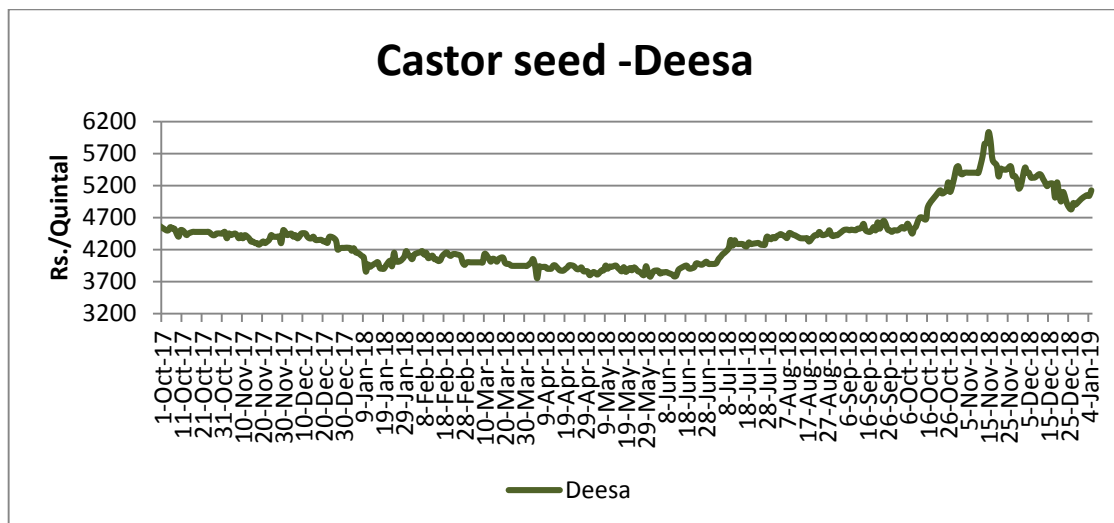
Castor Seed & Oil Monthly Research Report

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**Castor Domestic Market Fundamentals:**

- According to the SEA report, castor oil exports in the month of March 2019 is 50.956 Thousand MT which is 29.94 per cent higher than the exports of February 2019 of 39.215 Thousand MT. Castor oil exports in financial year 2018-19 is 5.61 Lakh MT which is 13.82 per cent lower than the last year exports of 6.51 Lakh MT. In April 2019 exports of oils are expected to increase due to higher miller's demand and higher arrivals in the mandis.
- According to the SEA report, castor meal exports in the month of March 2019 is 7.73 Thousand MT which is 74.18 per cent lower than the exports of February 2019 of 27.32 Thousand MT. Castor meal exports in financial year 2018-19 is 3.67 Lakh MT which is 35.95 per cent lower than the last year exports of 5.73 Lakh MT.
- According to the AGMARK data, all India castor crop arrivals in the last week of April is reported at 36.51 Thousand MT which is 1.88 percent lower than the third week of April 2019 arrivals of 37.21 Thousand MT. Arrivals are expected to decrease in the coming days due to lower prices in the domestic mandis and lower production estimate.
- Demand of castor from millers is higher than normal due to present lower prevailing prices in the domestic mandis. Stockist are also active in the market as they are expecting prices to move northward in the coming months.
- As per the Solvent Extractors' Association of India (SEA), all India castor seed production estimate for 2018-19 is 11.27 Lakh MT which is 21.35 per cent lower than the 2017-18 production estimate of 14.33 Lakh MT. However, according to the AGCON, castor production estimate is 9.13 Lakh MT for 2018-19. Lower production is due to lower sowing coverage acreage and lower yield expectation in major producing states of castor like Rajasthan and Gujarat.
- Forecast of below normal or near normal rainfall for 2019 and lower water levels in reservoirs in the major producing states may further decrease the production of castor in 2019-20.

Castor Price Trend Deesa Mandi:


Source:

Aagriwatch

Above price chart is of Deesa Mandi in Gujarat, which is a major mandi for castor seed. Price trend is showing bullish after some correction in last month as traders and millers are likely to active due to lower stock with them which may push the price even in arrival season.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Higher export demand of castor oil	Bullish
Lower export demand of castor meal	Bearish
Expectation of lower arrivals in the coming days	Bullish
Higher demand from millers	Bullish
Lower production estimate in 2018-19	Bullish
Forecast of lower production in 2019-20	Bullish
Based on Primary & Secondary Sources	

Castor Oil Demand & Supply:

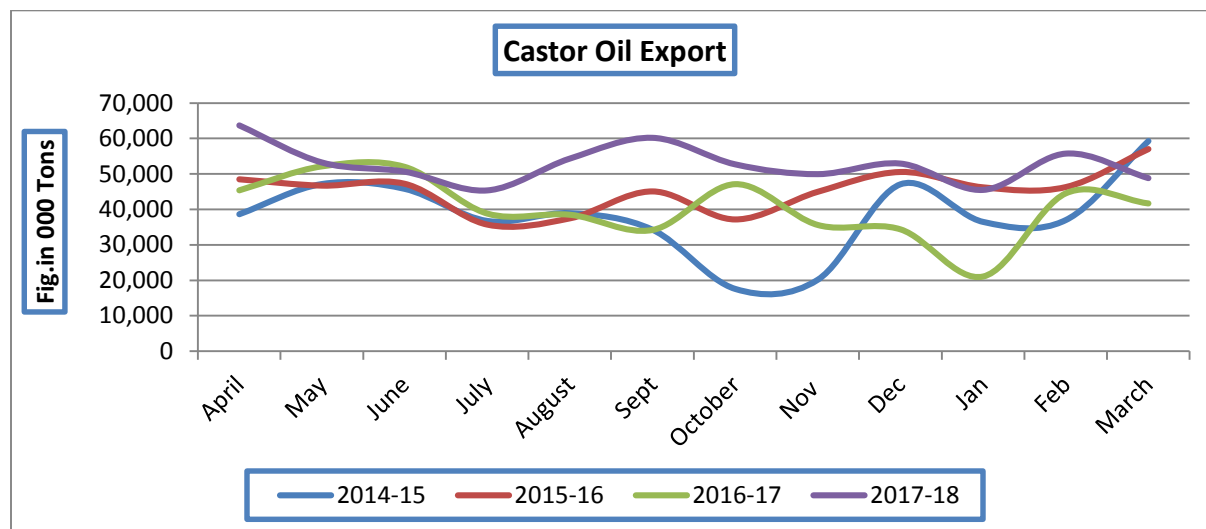
Preliminary Forecast For 2018-19							
All units in lakh tons	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	5.80	8.04	9.04	5.54	6.79	4.39	5.49
Production	13.04	12.00	13.52	14.00	10.60	14.30	9.45
Imports	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	18.84	20.04	22.56	19.54	17.39	18.69	14.94
Consumption	10.80	11.00	12.60	12.75	13.00	13.20	13.00
Exports	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Usage	10.80	11.00	12.60	12.75	13.00	13.20	13.00
Carry out	8.04	9.04	9.96	6.79	4.39	5.49	1.94
Av Monthly Consumption	0.90	0.92	1.05	1.06	1.08	1.10	1.08
Stock to Month Use	8.93	9.86	9.49	6.39	4.05	4.99	1.79
Stock to Consumption Ratio	0.90	0.92	1.05	1.06	1.08	1.10	1.08

Castor Seed- Balance Sheet for 2018-19:

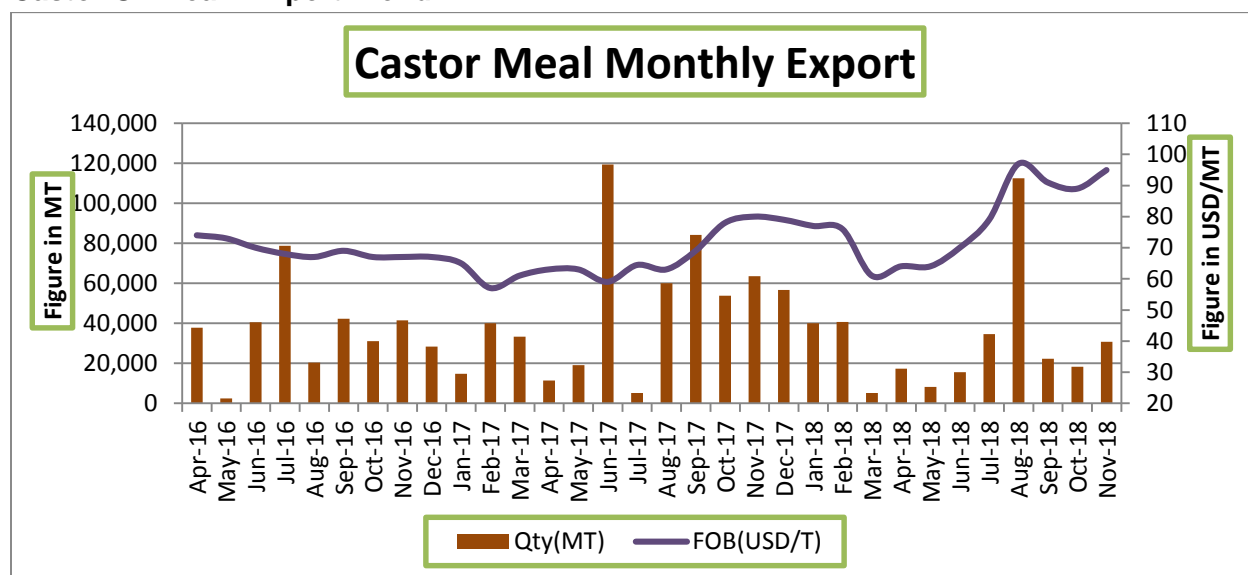
Production shows around 28-30% lower side this year against 2017-18 seasons due to damage of crop in major producing states like Gujarat as lower rainfall recorded during the growth phase. Over all area is slightly up from last from 8.170 lakh hectares to 8.59 lakh hectares but mostly area down in major producing states like Telangana, Gujarat and Haryana. Andhra Pradesh is facing the worst drought of recent times with crop in lakhs of hectares under stress including castor seed which may impact on yield. The failure of the northeast monsoon has hit farmers really hard. While a rainfall deficit of 73% was recorded in October — the first month of the northeast monsoon — there seems to be no letup in the second month recording a rainfall deficit of 64%. The estimate is based on data received from final kharif sowing progress by Ministry of Agriculture. Agriwatch expects below normal rainfall this year and hopes lower yield too. Based on lower yield realization seed production would decline from 14.45 to 10.20 lakh tons this year.

The season started with 5.64 lakh tons as carryout. Thus total availability for current marketing year comes to 15.84 lakh tons with estimated production of 10.20 lakh tons is included. Lower production would drag carryout down from 5.64 to 2.84 lakh tons. It would push seed price up in coming month of year 2018 once picking complete till March end to mid of April.

Castor Oil Monthly Export Trend:



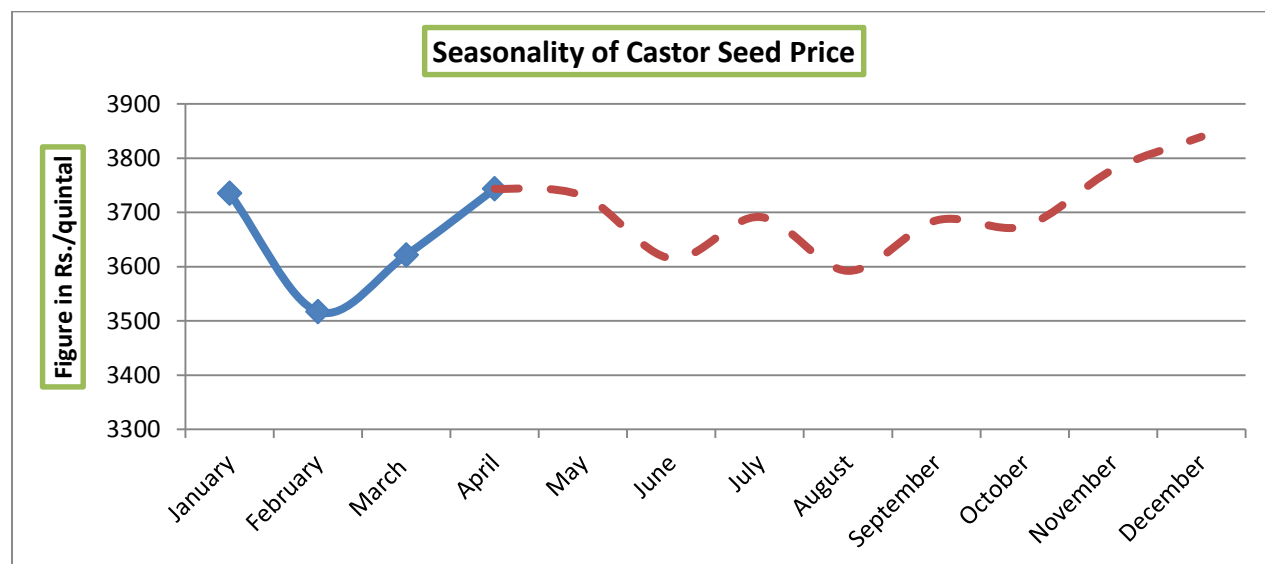
Castor Oil Meal Export Trend:



The export of oil meals during March 2019, provisionally reported at 263,817 tons compared to 261,308 tons in March 2018. The overall export during April 2018 to March 2019 is provisionally reported at 3,205,768 tons compared to 3,026,628 tons during the same period of last year i.e. up by 6%. The export of rapeseed meal is sharply increased to 1,051,869 (663,988) tons, mainly exported to South Korea, Vietnam and Thailand, while soybean meal export is also improved and reported at 1,337,215 tons from the previous year 1,187,818 tons in 2017-18. In term of the total earning has increased to Rs. 6221.95 crores compared to 4761.80 crores, up by 31%. During Apr.'18 – Mar.'19, Vietnam imported 615,403 tons of oilmeals (compared to 682,598 tons); consisting of 40,820 tons of soybean meal, 207,415 tons of rapeseed meal, and 366,658 tons of

Rice Bran Extraction. South Korea imported 738,795 tons of oilmeals (compared to 841,627 tons) ; consisting 453,541 tons of rapeseed meal, 35,119 tons of soybean meal and 250,135 tons of castor meal. Thailand imported 302,619 tons of oilmeals (compared to 216,814 tons); consisting 17,684 tons of soybean meal, 31,609 tons of De-oiled Rice Bran Extraction, and 253,252 tons of rapeseed meal and Iran imported 508,050 tons of soybean meal compared to 22,910 tons of last year.

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 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	65545
June	47,257	51,994	50647	56920
July	35,756	38,836	45387	40423
August	37,517	38,497	54365	45907
Sept	45,105	34,208	60219	47881
October	37,205	47,112	52732	36669
Nov	45,002	35,608	49976	47264
Dec	50,578	38,442	52950	
Jan	46,250	36001	45531	
Feb	46,327	47540	55763	
March	57,035	57787	48840	
Total	543,274	523,536	639,390	390921

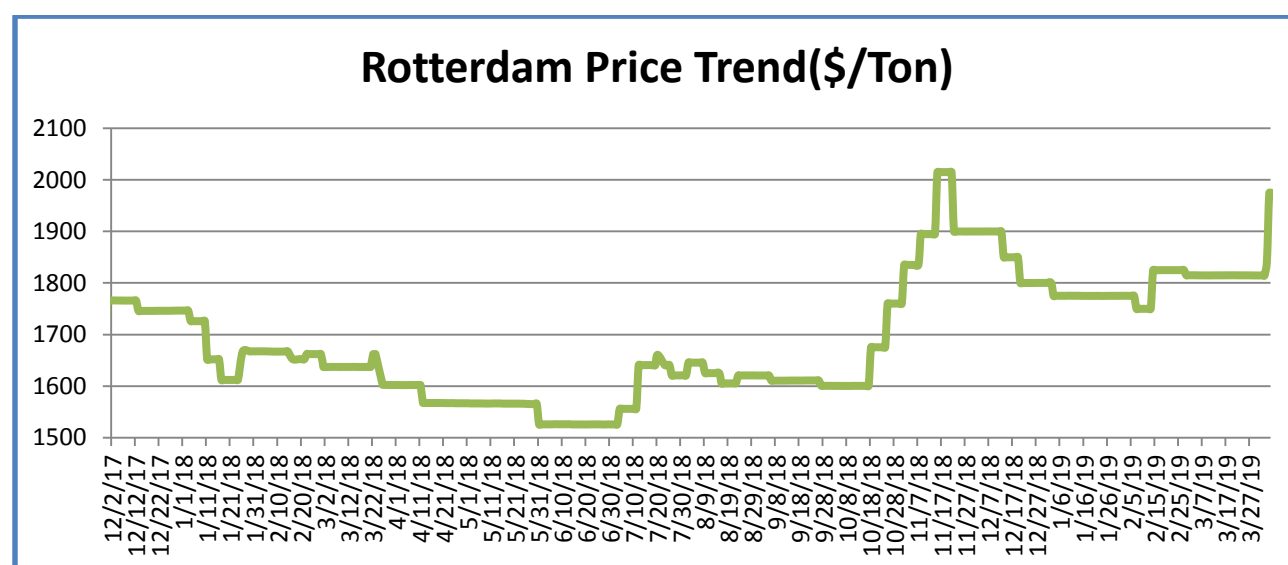
Source: SEA

Cash Market (Deesa) Expected Price Range for Apr-2019:-

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	5300-5500	5400-5600
Medium Term (30 days)	5550-5725	5725-5910

Outlook for May-2019:

Castor seed prices in most of the spot markets in the country remained firmed tone due to lower availability of the commodity against fresh overseas demand. Also seed price is likely to trade firm in coming months due to lower production estimates and higher demand from miller's side.

Rotterdam Price:-


Comparative Prices Of Castor Products Including Seed					
	26th Apr'19	19th Apr'19	26th Mar'19	26th Apr'18	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	56150	56000	51500	40664	27.58
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	87.00	88.00	72.00	64.00	26.44
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5850	5850	4550	4110	29.74
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1675	1710	1575	1305	22.09

Local rates for oil in domestic market(Rs./M.T.) for comm.	118000	119000	108000	85660	27.41
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Castor Seed - Products Monthly Average Prices:

Commodity	Monthly Average Prices (Rs/ Quintal)			Change
Center	Market	Apr. 2019	Mar. 2019	
Gujarat	Patan	5474	5089	385
	Harij	5485	5071	414
	Rajkot	5409	4995	414
	Gondal	5443	5012	431
	Deesa	5475	5086	389
	Bhabar	5492	5058	434
	Mehsana	5484	5075	409
	Kadi	5550	5074	476
	Sabarkatha	5495	5106	389
	Gandhi Nagar	5494	5068	426
	Ahmedabad (Sanand)	5444	5039	405
	Halvad	5493	5105	388
	Junagadh	5371	5016	355
	Dhrol	5148	4731	417
Rajasthan	Jodhpur	5510	5182	328
	Sumerpur	5408	4965	443

Castor Seed Cumulative Monthly Sum Arrivals in Key Centers:

Center	Market	Monthly Arrivals (Quintal)		Change
		Apr. 2019	Mar. 2019	
Gujarat	Patan	214575	58875	155700
	Harij	71400	21488	49912
	Rajkot	14046	4414	9632
	Gondal	24620	4379	20241

	Deesa	68608	22592	46016
	Bhabar	210593	70442	140151
	Mehsana	44325	20745	23580
	Kadi	195120	79080	116040
	Sabarkatha	30880	14240	16640
	Gandhi Nagar	42300	19950	22350
	Ahmedabad (Sanand)	4895	1354	3541
	Halvad	47288	10125	37163
	Junagadh	7516	1011	6505
	Dhrol	165	46	119
Rajasthan	Jodhpur	6356	3975	2381
	Sumerpur	29760	24800	4960
Total Arrivals/Above Markets		1012447	357516	654931

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

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