



Castor Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Castor Seed price Chart
- ❖ Export
- ❖ NCDEX Spot Price
- ❖ Outlook
- ❖ Future Chart
- ❖ Progressive Sowing
- ❖ Weekly Spot Price change
- ❖ International Market Update

Castor Domestic Market Fundamentals:

- Castor seed prices have been moving up since June due to estimates of lower production. With fundamentals continuing to support, prices are expected to move up further in the coming months.
- Rainfall in Gujarat (Saurashtra and Kutch particularly) being largely deficient, the cotton and castor-seed crops are in a bad shape. At the same time, conditions in the state are unfavourable for sowing jeera and coriander.
- Prices have been moving sideways with a negative bias since the beginning of the year till June. According to the agriculture ministry data, castor acreage across the country was 5.2 per cent up at 8,59,400 hectares this season due to a sharp rise in area under cultivation in Rajasthan.
- As per the data, acreage in Rajasthan was 64.8 per cent up at 2,64,400 hectares, though acreage in Gujarat was down by 11.8 per cent at over 500,000 hectares. The decline in Gujarat was compensated by the rise in acreage in Rajasthan. Gujarat is the largest castor seed producing state accounting for 70 per cent area and 86 per cent production, followed by Rajasthan and Andhra Pradesh.
- However, since June prices started moving up after the crop estimates were released. In its first advance estimates for 2018-19, the Gujarat agriculture department estimated castor crop to decline by 21 per cent to 1.173 million tonnes against 1.484 million tonnes last year, said Ritesh Kumar Sahu, fundamental analyst, agri commodities, Angel Broking.
- Gujarat production forecast also affected the national production estimates. Against the production target of 1.831 million tonnes, the agriculture ministry in its first advance estimate predicted the production to be 1.517 million tonnes, down 17.2 per cent from last year. The country had produced 1.568 million tonnes of castor seed last year. Late arrival of monsoon rains in castor producing areas of Gujarat and Rajasthan also supported prices.
- Between June and September, castor seed prices moved up by 17 per cent from Rs 4,100 per quintal to Rs 4,800 per quintal. But during August-September prices also remained stagnant for some time reacting to the export demand for castor oil and castor meal.
- Between April and August, castor oil exports were down by more than 12 per cent at 239,000 tonnes. While castor oil exports to China went up by 12.3 per cent to 1,03,951 tonnes, that to the US, the Netherlands and France declined by 27.6 per cent, 15.35 per cent and 25.5 per cent, respectively. China is main export destination for Indian castor oil followed by the Netherlands, the US and France. The country had shipped around 639,000 tonnes of castor oil in 2017-18.

- Castor meal exports too were down in the first half of 2018-19 – between April and September – by about 32 per cent at 2,02,407 tonnes against 2,99,271 tonnes during the same period last year. Castor meal export prices have been higher by average 40 per cent during the last two months against the same period last year. This affected the demand for castor meal. South Korea is the largest buyer of Indian castor meal, accounting for more than 75 per cent of exports, followed by Taiwan.
- As far as prices are concerned, more upside is expected in the coming months. “With the expectation of lower crop production in Gujarat and increase in meal exports, we anticipate castor prices to trade positive in coming months. In the current season, the peak arrivals may delay by 15-30 days due to late arrival of monsoon rains. Moreover, drier climate in main castor producing districts of Banaskantha, Patan and Mehsana in Gujarat may affect castor crop yield. Hence, we expect the prices to move towards Rs 5,100-5,300 per quintal in short to medium term,” said Sahu.

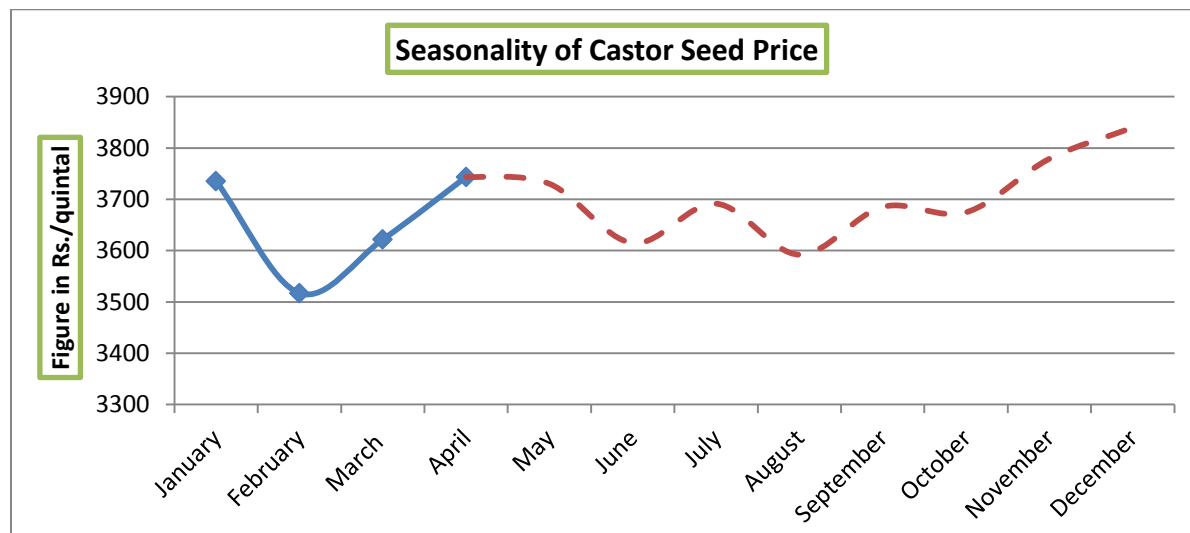
Kharif Castor Seed Sowing Updates as on 20.09.2018 (in Lakh Hectare):

	CASTORSEED					
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	0.63	0.39	0.33	52.4	0.26	0.07
Assam	0.01	0.00	0.00	0.0	0.00	0.00
Gujarat	6.70	6.40	5.08	75.8	5.76	-0.68
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	0.11	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	0.10	63.8	0.07	0.03
Odisha	0.11	0.06	0.05	41.8	0.05	-0.01
Rajasthan	1.96	1.74	2.64	135.1	1.60	1.04
Tamil Nadu	0.06	0.03	0.02	38.2	0.02	0.00
Telangana	0.72	0.52	0.26	35.8	0.31	-0.05
All-India	10.51	9.44	8.59	81.8	8.17	0.42

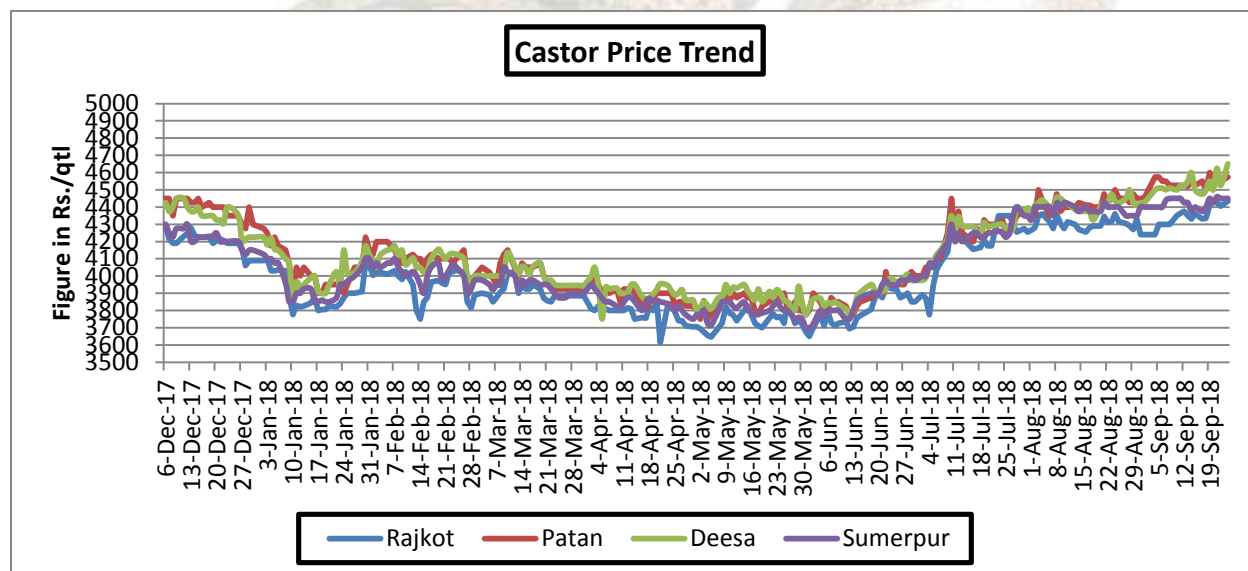
All India castor seed sowing as on 20th Sept -2018 was 8.59 lakh hectares which is up by 5.19% from last year corresponding period area of 8.17 lakh hectares and 9% down by normal area of corresponding period area of 9.44 lakh hectares. Lower area is reported from the states of Odisha, Telangana and Gujarat.

Stake holders in cash market may opt for buying seed around Rs. 4400 to Rs.4600 for profit purpose.

Seasonality of Castor Seed Price



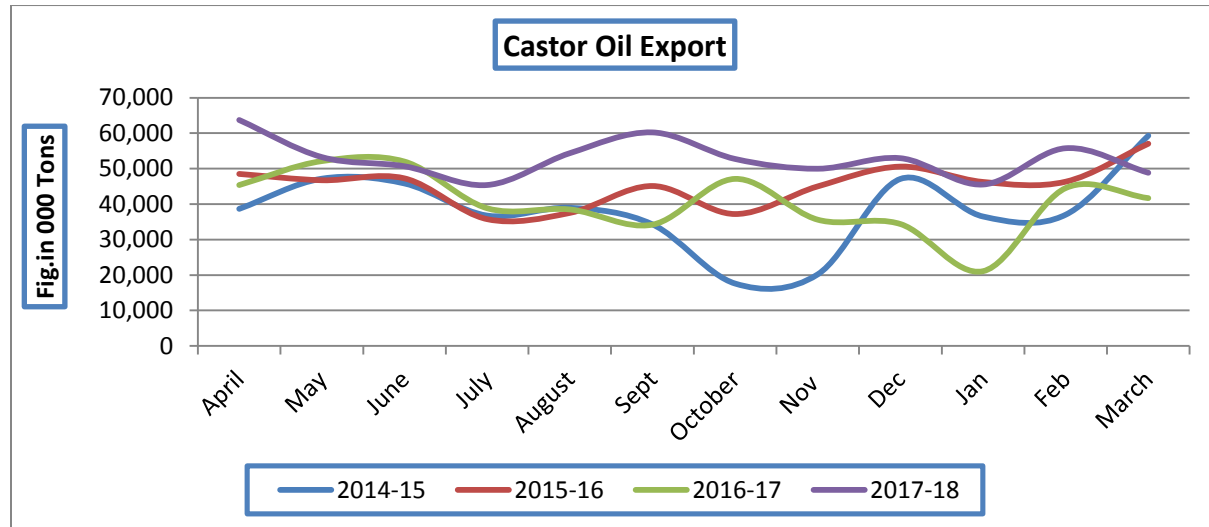
Castor Price Trend:



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:



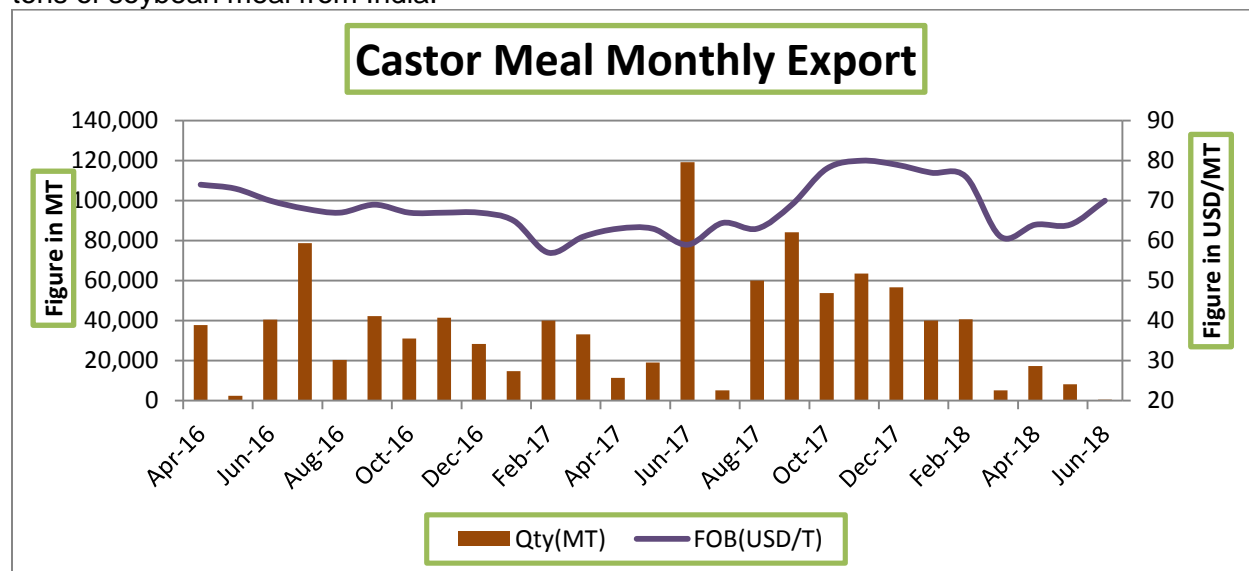
Source: Sea Of India

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 03rd week Oct, 2018

State	Prices 16-23 Oct 2018	Prices 09-15 Oct 2018	Prices 16-23 Oct 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4177.33	4002.8	3244.24	4.36	28.76
Gujarat	4876.66	4572.76	4357.92	6.65	11.9
Karnataka		3727.27		---	---
Madhya Pradesh			3049.42	---	---
Maharashtra				---	---
Rajasthan	4471.38	4526.31	3642	-1.21	22.77
Tamil Nadu	3360			---	---
Telangana	4312.81	4172.46	3678.41	3.36	17.25
Uttar Pradesh				---	---
Average	4239.64	4200.32	3594.4		

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)	4900-5000	5100-5300
Medium Term (30 days)	5150-5350	5100-5400

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 in neutral region which indicates ready for bulls.



Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Oct	5100	5120	5354	5500	5600
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	Buy	5270	5300	5320	5260

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.

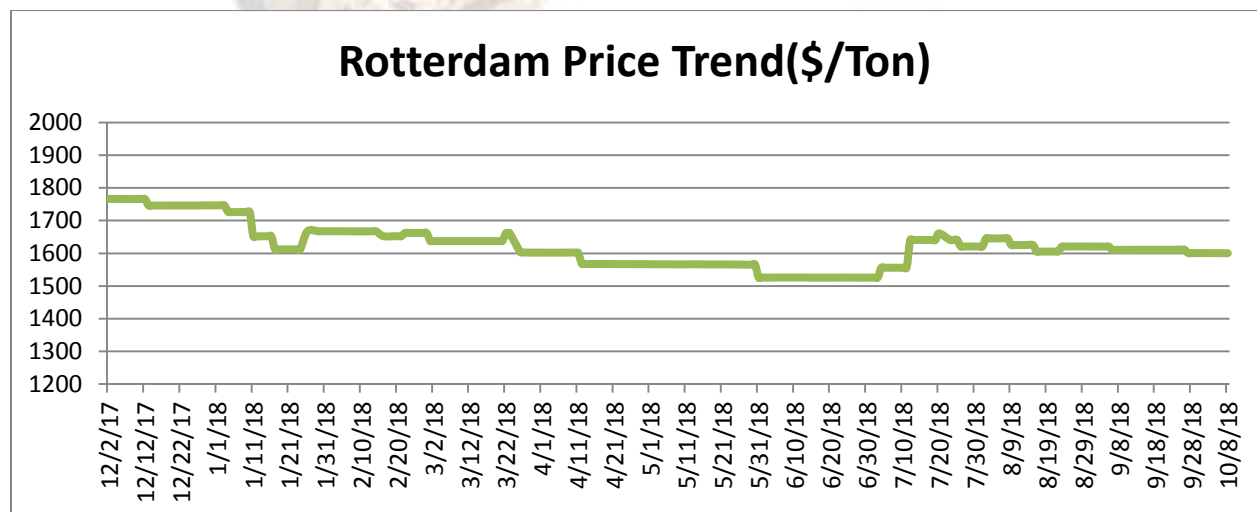
Castor Seed Supply & Demand for MY-2017-18:

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
		15th to 21st Oct 2018	08th to 14th Oct 2018	
Gujarat	Patan	4925	4629	296
	Harij	4937	4604	333
	Rajkot	4732	4496	236
	Gondal	4800	4513	287
	Deesa	4913	4598	315
	Bhabar	4910	4596	314
	Mehsana	4892	4595	297
	Kadi	4926	4617	309
	Sabarkatha	4880	4604	276
	Gandhi Nagar	4920	4608	312
	Ahmedabad (Sanand)	#DIV/o!	4380	-
	Halvad	4540	4454	86
	Junagadh	4791	4323	469
	Dhrol	4465	3700	765
Rajasthan	Jodhpur	4637	4438	198
	Sumerpur	4763	4508	254

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	15th to 21st Oct 2018	08th to 14th Oct 2018	Change
Gujarat	Patan	4425	7275	-2850
	Harij	600	1088	-488
	Rajkot	625	730	-105
	Gondal	1904	2028	-124
	Deesa	1920	7164	-5244
	Bhabar	6560	13720	-7160
	Mehsana	1763	3315	-1553
	Kadi	7272	11763	-4491
	Sabarkatha	1280	2280	-1000
	Gandhi Nagar	2100	4275	-2175
	Ahmedabad (Sanand)	0	3	-3
	Halvad	720	638	83

	Junagadh	202	270	-68
	Dhrol	2	1	1
Rajasthan	Jodhpur	444	420	24
	Sumerpur	560	656	-96
Total Arrivals/Above Markets		30376	55625	-25249

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		20-Oct-18	13-Oct-18	20-Sep-18	20-Oct-17
Gujarat	Patan	5050	4546.667	4525	0
	Harij	5150	4535	4550	0
	Rajkot	4845	4396	4430	0
	Gondal	5005	4425	4380	0
	Deesa	5050	4529.167	4500	0
	Bhabar	5100	4511.667	4550	#VALUE!
	Mehsana	5045	4501.667	4520	0
	Kadi	5030	4508.333	4570	0
	Sabarkatha	5025	4505.833	4550	0
	Gandhi Nagar	5050	4512.5	4525	0
	Ahmedabad (Sanand)	NA	#DIV/o!	0	0
	Halvad	4575	4454.167	4525	0
	Junagadh	4930	4367.5	4425	0
	Dhrol	4465	4200	3755	0
Rajasthan	Jodhpur	4700	4485	4300	4428
	Sumerpur	4850	4421.667	4425	4375

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2018 Indian Agribusiness Systems Pvt. Ltd.