



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- Castor seed prices rose by Rs 36 to Rs 5,754 per quintal in futures trade from last couple of weeks after investors widened their bets amid firm trends. Apart from rising demand from consuming industries, short position of stocks in the spot markets mainly led to the rise in castor seed futures.
- 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 unfavorable for sowing jeera and coriander.
- 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 tons against 1.484 million tons last year.
- Gujarat production forecast also affected the national production estimates. Against the production target of 1.831 million tons, the agriculture ministry in its first advance estimate predicted the production to be 1.517 million tons, down 17.2 per cent from last year. The country had produced 1.568 million tons of castor seed last year. Late arrival of monsoon rains in castor producing areas of Gujarat and Rajasthan also supported prices.
- Between September and October, castor seed prices moved up by 17 per cent from Rs 4,500 per quintal to Rs 5275 per quintal. Also during September-October 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 tons. While castor oil exports to China went up by 12.3 per cent to 1,03,951 tons, 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 tons 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.

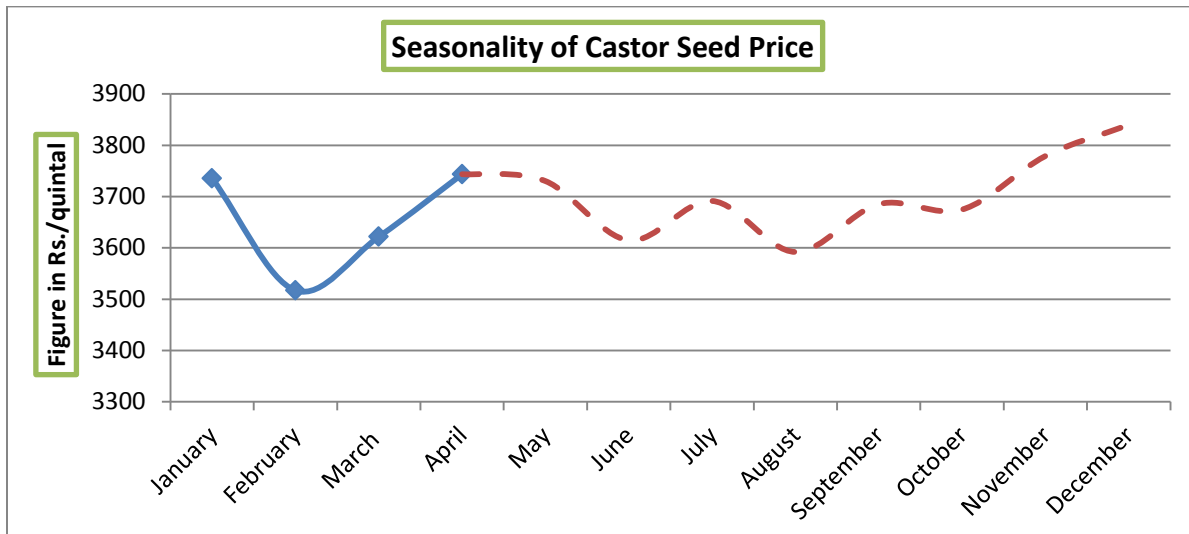
Kharif Castor Seed Sowing Updates as on 20.09.2018 (in Lakh Hectare):

	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

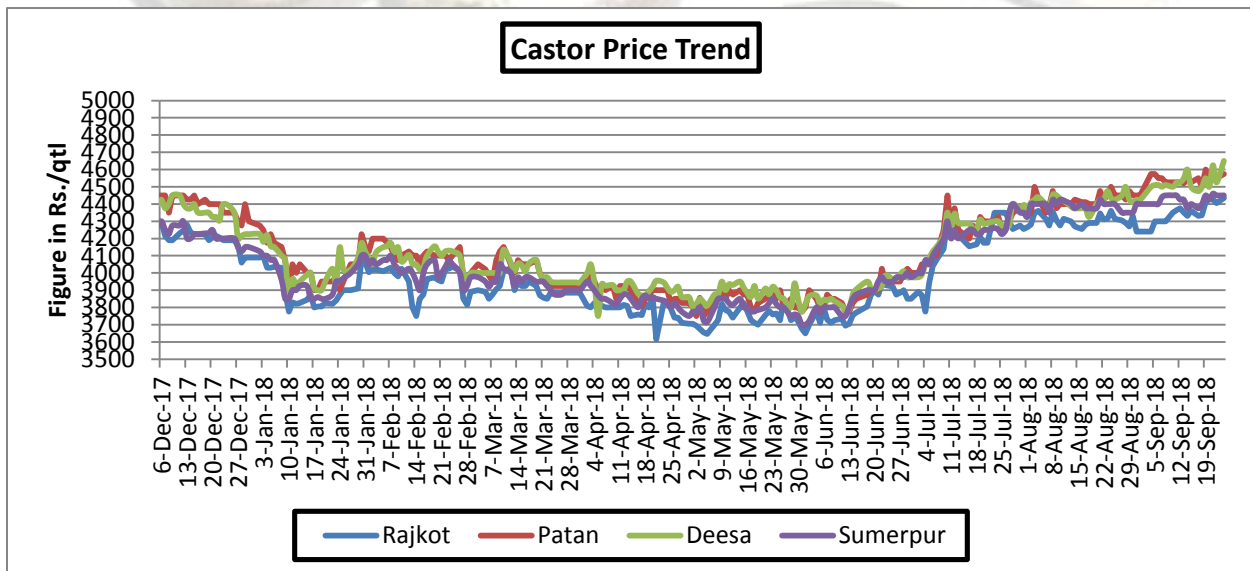
All India castor seed sowing as on 20th Sept -2018 was 8.59 lakh hectares which is up by 5.19% from last year corresponding period area of 8.17 lakh hectares and 9% down by normal area of corresponding period area of 9.44 lakh hectares. Lower area is reported from the states of Odisha, Telangana and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

Stake holders in cash market may opt for buying seed around Rs. 5000 to Rs.5200 for profit purpose.

Seasonality of Castor Seed Price



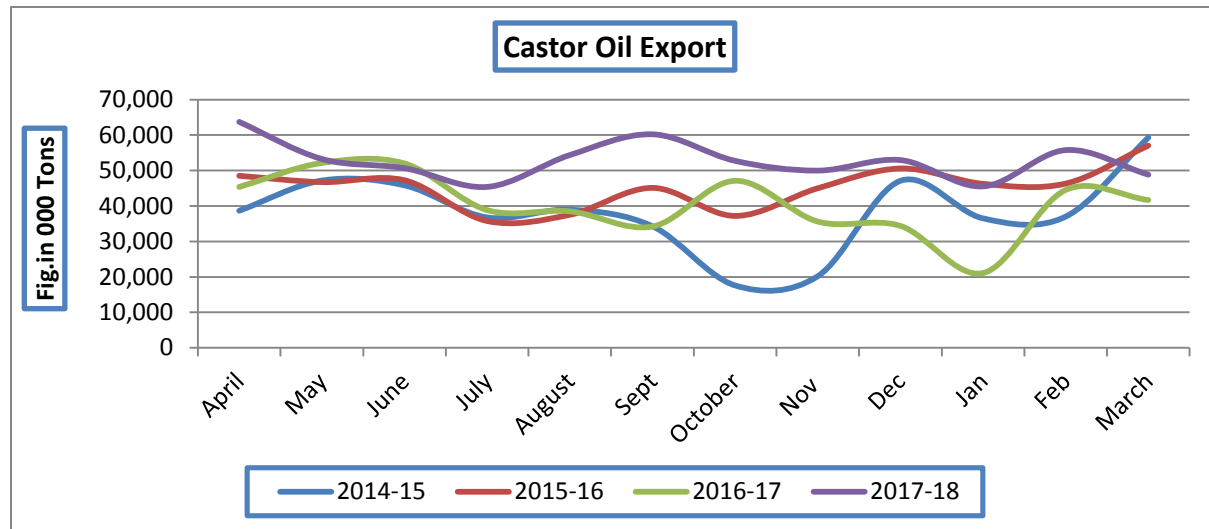
Castor Price Trend:



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:

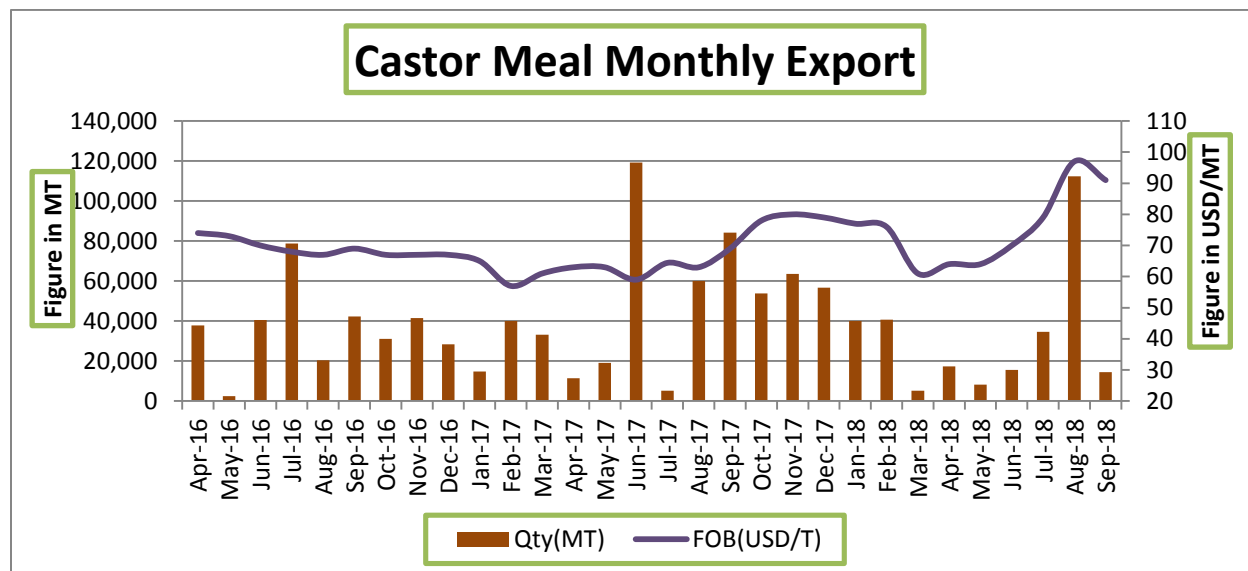


Source: Sea Of India

During April – Sept., 2018 Vietnam imported 277,406 tons of oil meals (compared to 223,184 tons); consisting of 7,160 tons of soybean meal, 94,559 tons of rapeseed meal, and 175,687 tons of Rice Bran Extraction. South Korea imported 441,119 tons of oil meals (compared to 427,126 tons); consisting 280,292 tons of rapeseed meal, 10,832 tons of soybean meal and 149,995 tons of castor meal. Thailand imported 167,101 tons of oil meals (compared to 76,895 tons); consisting 4,747 tons of soybean meal, 10,253 tons of De-oiled Rice Bran Extraction, and 152,065 tons of rapeseed meal. France imported 76,704 tons of oil meals consisting 74,499 tons of soybean meal and 2,205 tons of Castor meal.

Castor Meal Export:

The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of September 2018. The export of oilmeals during September 2018, provisionally reported at 81,511 tons compared to 298,182 tons in September 2017 i.e. down by 73%. The overall export during April to September 2018 is reported at 1,403,382 tons compared to 1,284,788 tons during the same period of last year i.e. up by 9%. The export of rapeseed meal is sharply increased to 601,105 (300,627) tons in first six 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 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 lift the ban very soon for import of Rapeseed Meal from India. Those units already approved by AQSIQ will able to resume the export of Rapeseed Meal to China once notified by AQSIQ of Chinese Government. In case of resumption of export of Soybean Meal from India to China, may take some time as Chinese AQSIQ team likely to visit current month/next 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.



Source: Sea of India

State wise Wholesale Prices Weekly Analysis for Castor Seed 04th week Oct, 2018

State	Prices 24-31 Oct 2018	Prices 16-23 Oct 2018	Prices 24-31 Oct 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4633.64	4317.82	3322.68	7.31	39.45
Chhattisgarh			2000	---	---
Gujarat	5136.55	4926.51	4328.52	4.26	18.67
Karnataka	3686.75		4083.33	---	-9.71
Madhya Pradesh	3100			---	---
Rajasthan	5012.42	4557.93	3819.3	9.97	31.24
Tamil Nadu		3360		---	---
Telangana	4607.36	4396.78	3580.85	4.79	28.67
Average	4362.79	4311.81	3522.45		

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)	5100-5500	5400-5700
Medium Term (30 days)	5500-6000	5600-6200

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 overbought region which indicates caution for bulls.



Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Oct	5192	5320	5634	6000	6200



Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	Buy	5650	5680	5720	5640

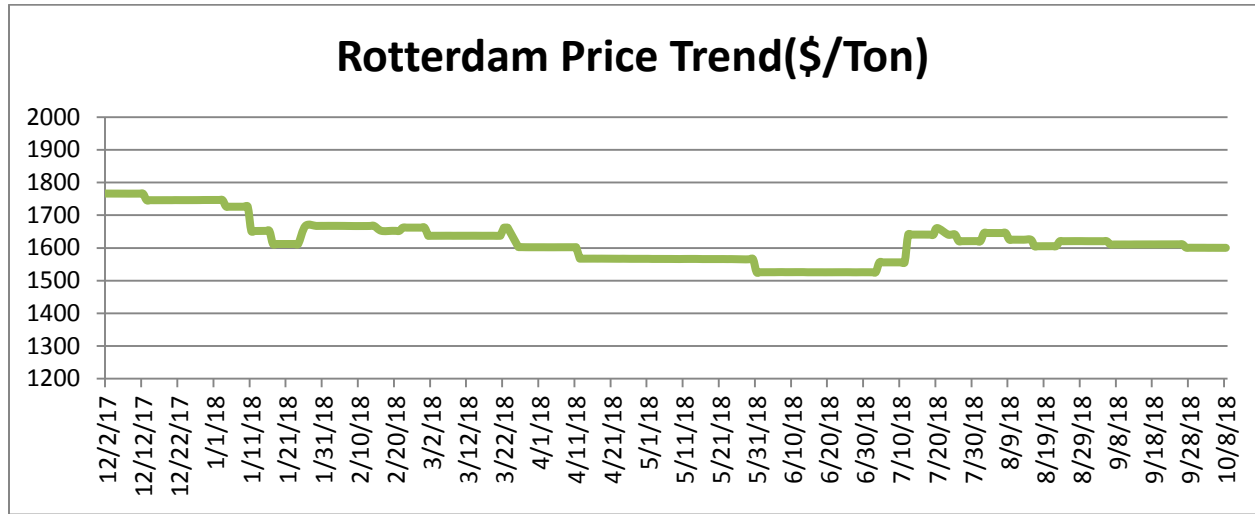
Castor Seed- Balance Sheet for 2018-19:

Production shows around 15.6 percent 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. 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 12.5 to 10.55 lakh tons this year.

The season started with 6.10 lakh tons as carryout. Thus total availability for current marketing year comes to 16.65 lakh tons with estimated production of 10.55 lakh tons is included. Lower production would drag carryout down from 6.10 to 3.10 lakh tons. It would push seed price up in coming month of year 2018.

Castor Seed Supply & Demand for MY-2018-19:

Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	6.65	7.8	9.3	6.80	5.60
Production	13.5	14	10.5	12.5	10.55
Imports	0	0	0	0	0
Total Availability	20.15	21.8	19.8	18.8	16.1
Consumption	12.6	13	13.25	13.4	13.5
Exports	0	0	0	0	0
Total Usage	12.35	12.50	13.00	13.20	13.25
Carry out	7.80	9.30	6.80	5.60	2.85
Av Monthly Consumption	1.05	1.08	1.10	1.12	1.13
Stock to Month Use	7.43	8.58	6.16	5.01	2.53
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

Rotterdam Price:


Source: Agriwatch

Commodity	Market	Price (Rs/ Quintal)		Change
		22nd to 27th Oct 2018	15th to 21st Oct 2018	
Gujarat	Patan	5196	4925	271
	Harij	5196	4937	259
	Rajkot	5114	4732	382
	Gondal	5072	4800	272
	Deesa	5135	4913	223
	Bhabar	5190	4910	280
	Mehsana	5174	4892	282
	Kadi	5196	4926	270
	Sabarkatha	5167	4880	287
	Gandhi Nagar	5188	4920	268
	Ahmedabad (Sanand)	#DIV/o!	#DIV/o!	-
	Halvad	4758	4540	218
	Junagadh	4971	4791	180
	Dhrol	4300	4465	-165
Rajasthan	Jodhpur	5238	4637	602
	Sumerpur	4971	4763	208



Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	22nd to 27th Oct 2018	15th to 21st Oct 2018	Change
Gujarat	Patan	4575	4425	150
	Harij	1688	600	1088
	Rajkot	1480	625	855
	Gondal	2400	1904	496
	Deesa	3600	1920	1680
	Bhabar	7312	6560	752
	Mehsana	1860	1763	98
	Kadi	10640	7272	3368
	Sabarkatha	1840	1280	560
	Gandhi Nagar	3675	2100	1575
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	630	720	-90
	Junagadh	328	202	126
	Dhrol	2	2	Unch
Rajasthan	Jodhpur	345	444	-99
	Sumerpur	560	560	Unch
Total Arrivals/Above Markets		40935	30376	10559

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		27-Oct-18	20-Oct-18	27-Sep-18	27-Oct-17
Gujarat	Patan	5275	4546.667	4525	4400
	Harij	5250	4535	4535	0
	Rajkot	5115	4396	4400	4325
	Gondal	5130	4425	4405	4305
	Deesa	5100	4529.167	4500	4425
	Bhabar	5250	4511.667	4490	#VALUE!
	Mehsana	5225	4501.667	4505	4425
	Kadi	5270	4508.333	4535	4475
	Sabarkatha	5275	4505.833	4525	4300
	Gandhi Nagar	5250	4512.5	4500	4450
	Ahmedabad (Sanand)	NA	#DIV/o!	0	0
	Halvad	4700	4454.167	4525	4250
	Junagadh	5025	4367.5	4305	4155
	Dhrol	NA	4200	0	3840
Rajasthan	Jodhpur	5260	4485	4450	4060

	Sumerpur	5025	4421.667	4425	4260
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