

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.

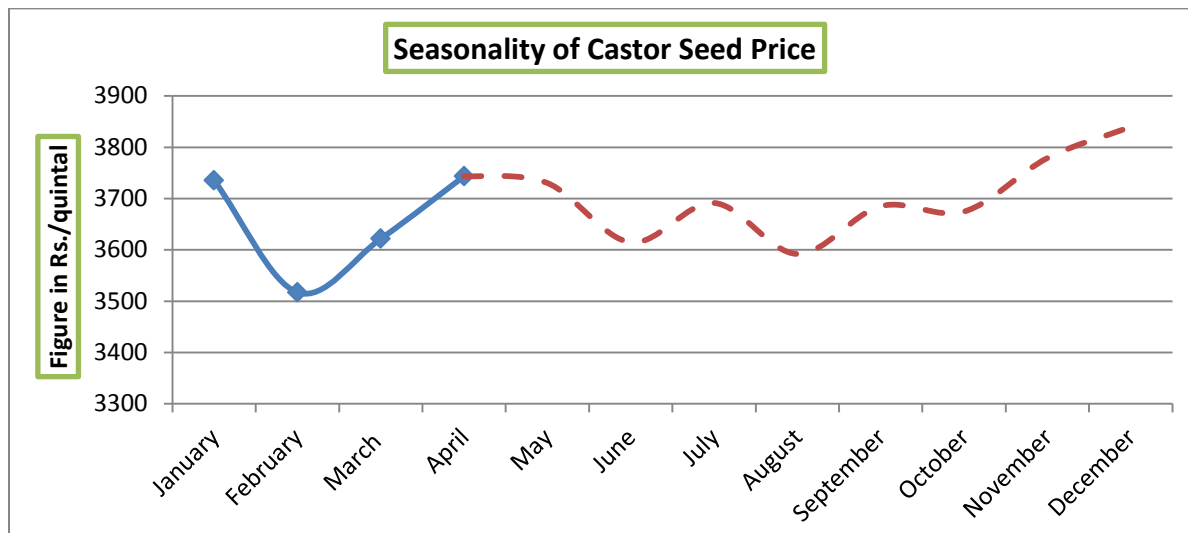
Kharif Castor Seed Sowing Updates as on 20.09.2018 (in Lakh Hectare):

State	CASTORSEED					Absolute Change
	Normal Area	Normal Area as on date	Area sown reported			
			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

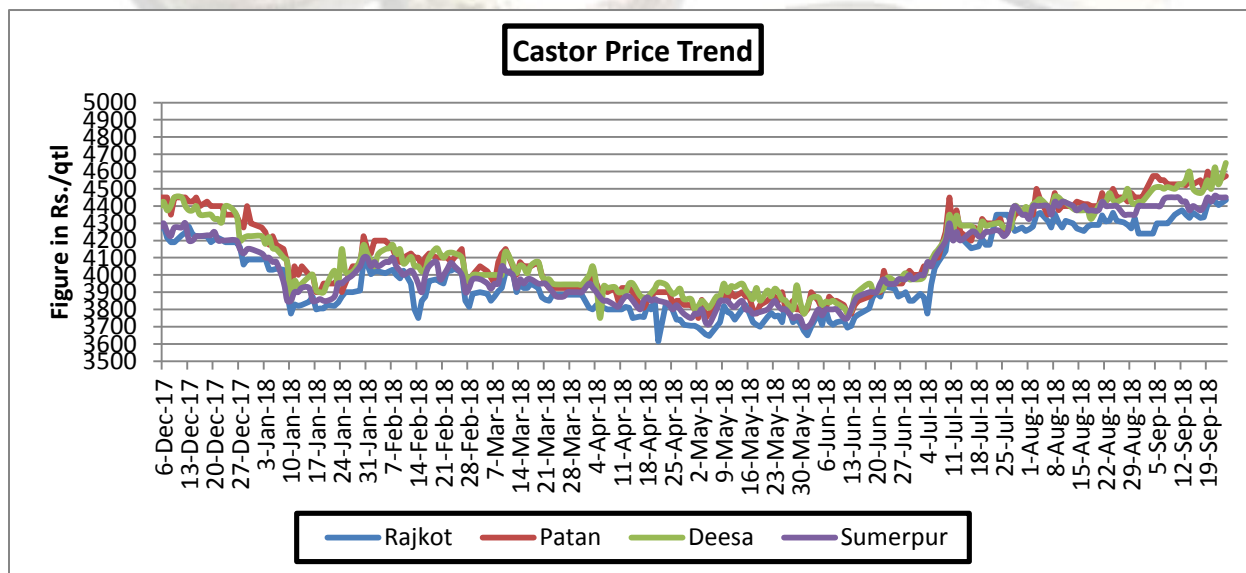
All India castor seed sowing as on 20th Sept -2018 was 8.59 lakh hectares which is up by 5.19% from last year corresponding period area of 8.17 lakh hectares and 9% down by normal area of corresponding period area of 9.44 lakh hectares. Lower area is reported from the states of Odisha, Telangana and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



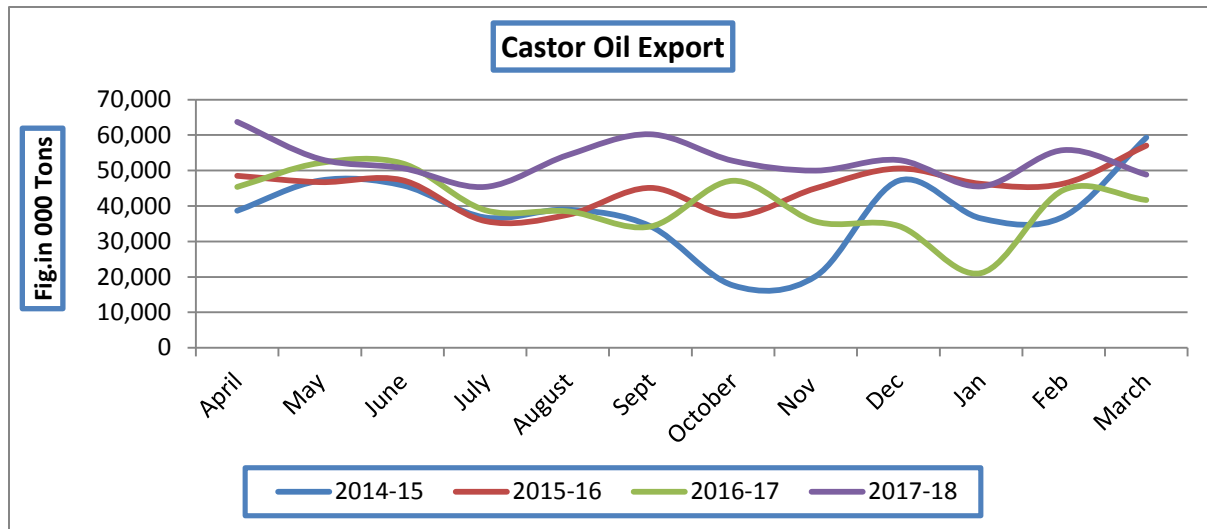
Castor Price Trend:



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:

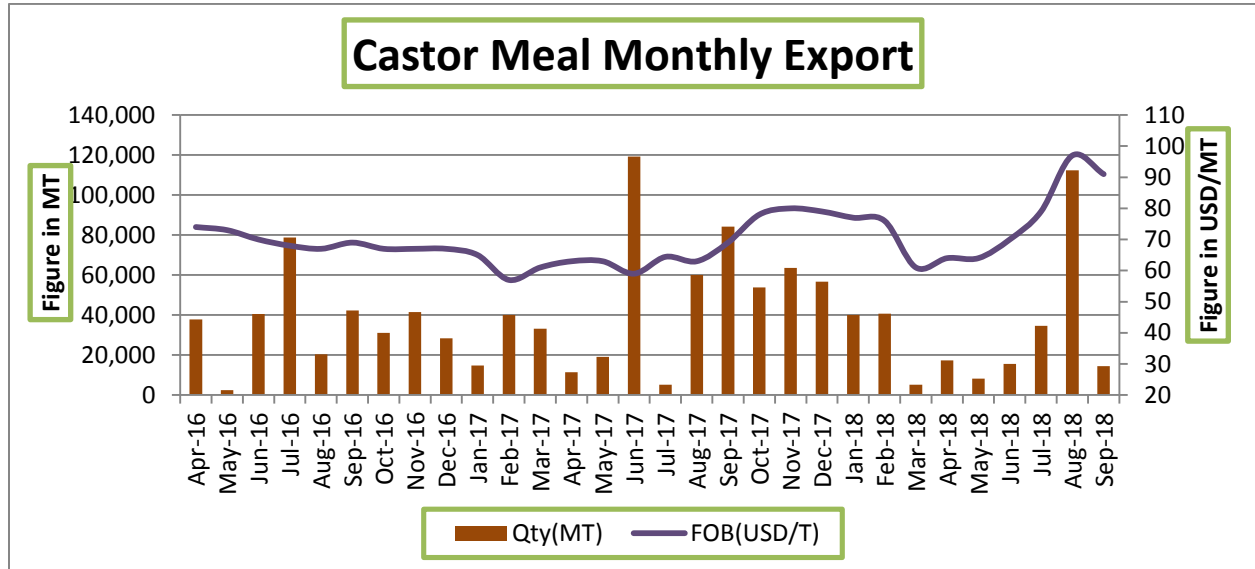


Source: Sea Of India

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 be 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	5205	5300	5904	6000	6200

Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	Buy	5715	5800	5900	5700

Castor Seed- Balance Sheet for 2018-19:

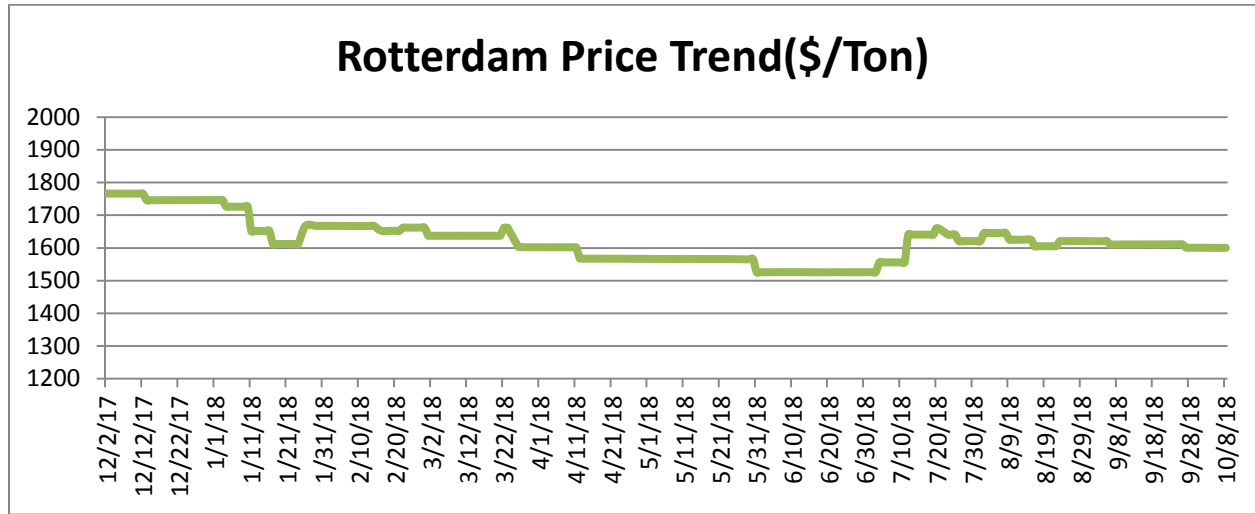
Production shows around 15.6 percent lower side this year against 2017-18 seasons due to damage of crop in major producing states like Gujarat as lower rainfall recorded during the growth phase. Over all area is slightly up from last from 8.170 lakh hectares to 8.59 lakh hectares but mostly area down 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

Castor Seed Weekly Prices at Key Spot Markets:

Commodity Center	Market	Price (Rs/ Quintal)		Change
		28th oct to 03rd Nov 2018	22nd to 27th Oct 2018	
Gujarat	Patan	5456	5196	260
	Harij	5440	5196	244
	Rajkot	5327	5114	213
	Gondal	5293	5072	221
	Deesa	5411	5135	276
	Bhabar	5471	5190	281
	Mehsana	5460	5174	286
	Kadi	5451	5196	255
	Sabarkatha	5454	5167	288
	Gandhi Nagar	5454	5188	267
	Ahmedabad (Sanand)	5245	#DIV/o!	-
	Halvad	4850	4758	92
	Junagadh	5165	4971	194
	Dhrol	4500	4300	200
Rajasthan	Jodhpur	5315	5238	77
	Sumerpur	5267	4971	296

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	28th oct to 03rd Nov 2018	22nd to 27th Oct 2018	Change
Gujarat	Patan	8625	4575	4050
	Harij	1500	1688	-188
	Rajkot	1360	1480	-120
	Gondal	505	2400	-1895
	Deesa	5840	3600	2240
	Bhabar	8960	7312	1648
	Mehsana	1800	1860	-60
	Kadi	10400	10640	-240
	Sabarkatha	1920	1840	80
	Gandhi Nagar	2775	3675	-900
	Ahmedabad (Sanand)	4	0	4
	Halvad	413	630	-218
	Junagadh	285	328	-43
	Dhrol	1	2	-1
Rajasthan	Jodhpur	360	345	15
	Sumerpur	560	560	Unch
Total Arrivals/Above Markets		45308	40935	4373

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		2-Nov-18	26-Oct-18	3-Oct-18	2-Nov-17
Gujarat	Patan	5450	4546.667	4555	4350
	Harij	5450	4535	4525	0
	Rajkot	Closed	4396	4400	4200
	Gondal	Closed	4425	4460	4180
	Deesa	5375	4529.167	4550	4375
	Bhabar	5450	4511.667	4525	#VALUE!
	Mehsana	5500	4501.667	4510	4250
	Kadi	5455	4508.333	4510	4380
	Sabarkatha	5475	4505.833	4500	4325
	Gandhi Nagar	5450	4512.5	4525	4375
	Ahmedabad (Sanand)	5300	#DIV/o!	NA	0
	Halvad	Closed	4454.167	4450	4300
	Junagadh	Closed	4367.5	4375	4230

	Dhrol	Closed	4200	NA	2600
Rajasthan	Jodhpur	5340	4485	4500	4330
	Sumerpur	5300	4421.667	4400	4175

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