



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:

- Mostly castor cash markets are closed last week due to Diwali festival. Overall castor seed prices are traded firm and likely to remain bullish in coming week.
- 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.

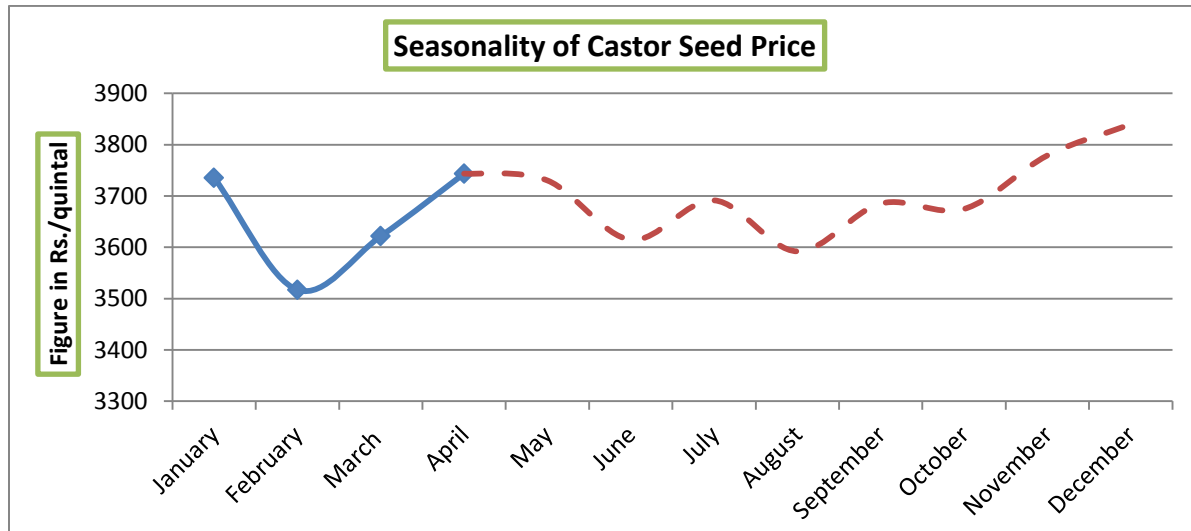
Kharif Castor Seed Sowing Updates as on 20.09.2018 (in Lakh Hectare):

	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

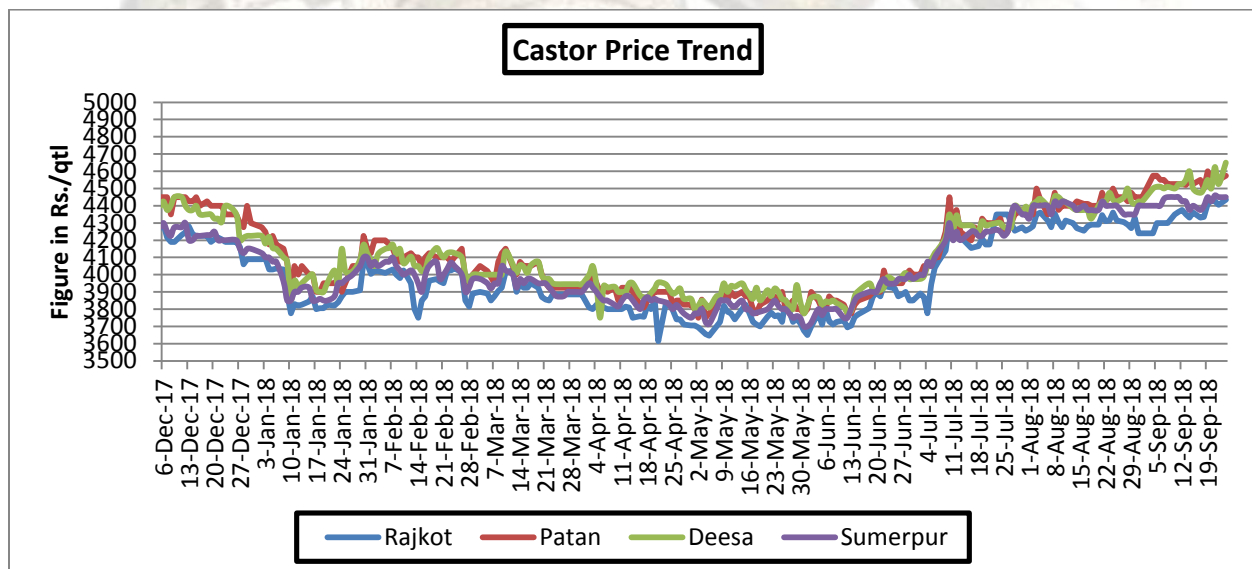
All India castor seed sowing as on 20th Sept -2018 was 8.59 lakh hectares which is up by 5.19% from last year corresponding period area of 8.17 lakh hectares and 9% down by normal area of corresponding period area of 9.44 lakh hectares. Lower area is reported from the states of Odisha, Telangana and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



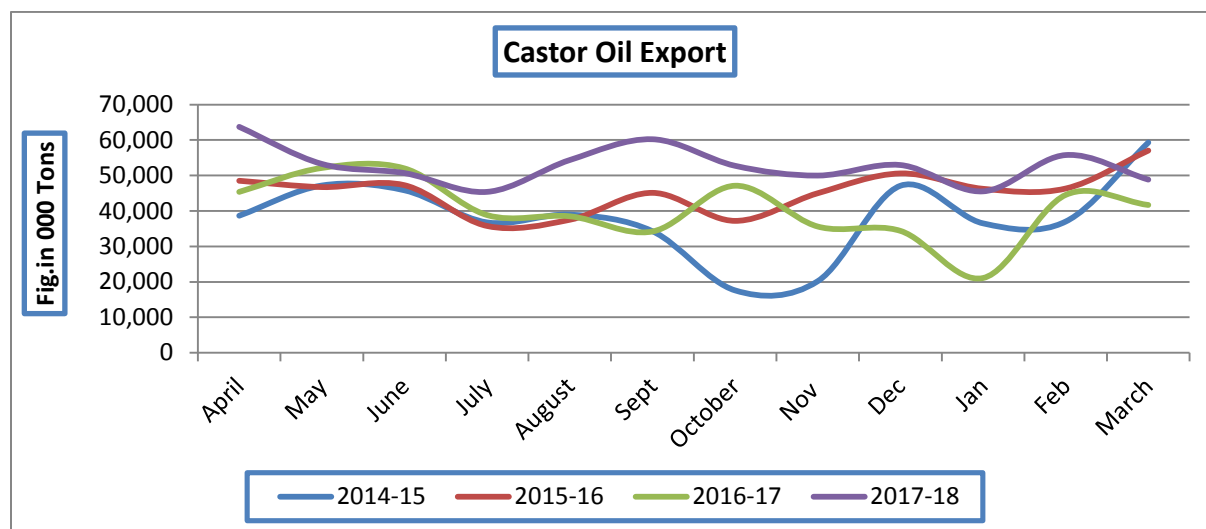
Castor Price Trend:



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:

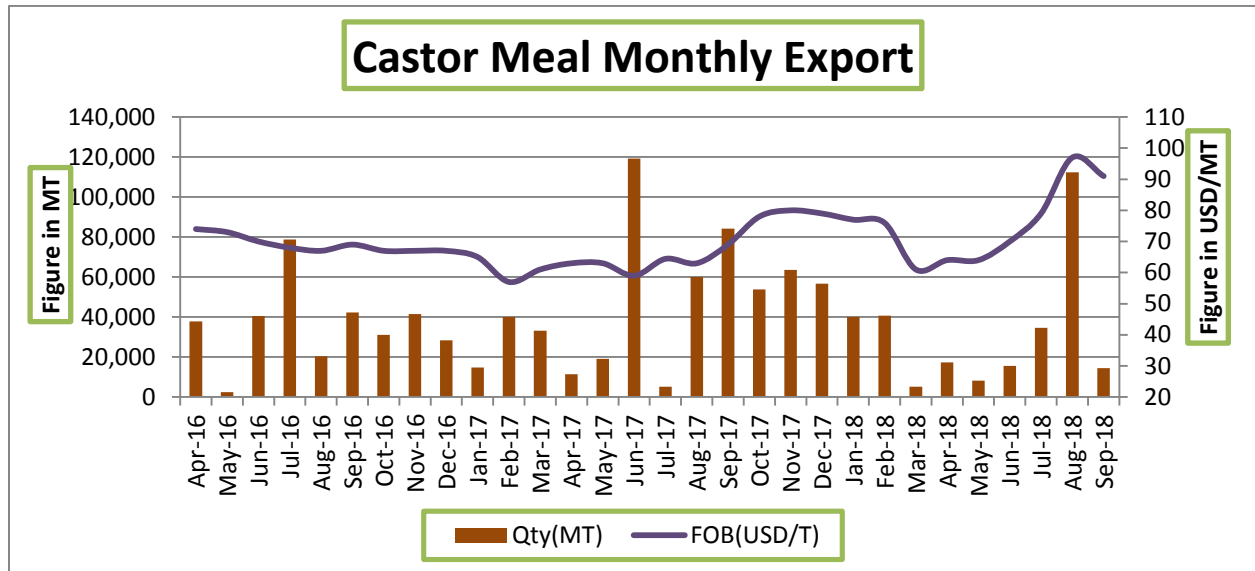


Source: Sea Of India

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	5205	5300	5904	6200	6500

Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	Buy	5870	5925	5985	5850

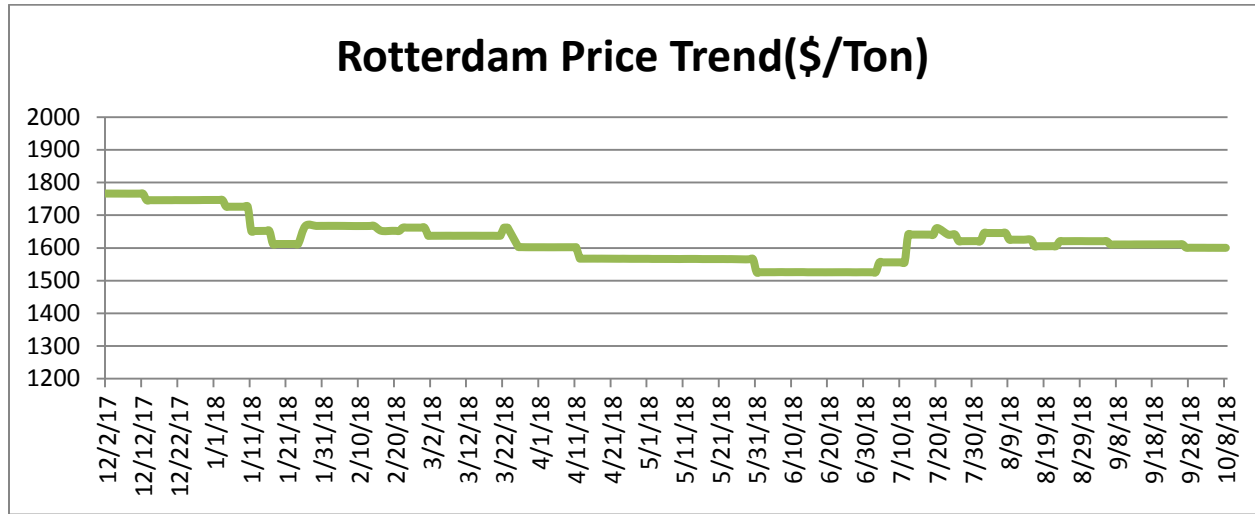
Castor Seed- Balance Sheet for 2018-19:

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	Market	Price (Rs/ Quintal)		Change
		5th Nov to 10th Nov 2018	28th Oct to 03rd Nov 2018	
Gujarat	Patan	Closed	5456	-
	Harij	Closed	5440	-
	Rajkot	Closed	5327	-
	Gondal	Closed	5293	-
	Deesa	Closed	5411	-
	Bhabar	Closed	5471	-
	Mehsana	Closed	5460	-
	Kadi	Closed	5451	-
	Sabarkatha	Closed	5454	-
	Gandhi Nagar	Closed	5454	-
	Ahmedabad (Sanand)	Closed	5245	-
	Halvad	Closed	4850	-
	Junagadh	Closed	5165	-
	Dhrol	Closed	4500	-
Rajasthan	Jodhpur	5300	5315	-15
	Sumerpur	5450	5267	183

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	5th Nov to 10th Nov 2018	28th oct to 03rd Nov 2018	Change
Gujarat	Patan	Closed	8625	-
	Harij	Closed	1500	-
	Rajkot	Closed	1360	-
	Gondal	Closed	505	-
	Deesa	Closed	5840	-
	Bhabar	Closed	8960	-
	Mehsana	Closed	1800	-
	Kadi	Closed	10400	-
	Sabarkatha	Closed	1920	-
	Gandhi Nagar	Closed	2775	-
	Ahmedabad (Sanand)	Closed	4	-
	Halvad	Closed	413	-
	Junagadh	Closed	285	-
	Dhrol	Closed	1	-
Rajasthan	Jodhpur	75	360	-285
	Sumerpur	240	560	-320
Total Arrivals/Above Markets		315	45308	-44993

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		9-Nov-18	2-Nov-18	10-Oct-18	9-Nov-17
Gujarat	Patan	Closed	4546.667	4600	4340
	Harij	Closed	4535	4600	4250
	Rajkot	Closed	4396	4470	4150
	Gondal	Closed	4425	4455	4155
	Deesa	Closed	4529.167	4560	4425
	Bhabar	Closed	4511.667	4550	#VALUE!
	Mehsana	Closed	4501.667	4555	4260
	Kadi	Closed	4508.333	4555	4325
	Sabarkatha	Closed	4505.833	4560	4275
	Gandhi Nagar	Closed	4512.5	4560	4300
	Ahmedabad (Sanand)	Closed	#DIV/o!	4380	0
	Halvad	Closed	4454.167	4450	4225
	Junagadh	Closed	4367.5	4285	0

	Dhrol	Closed	4200	NA	o
Rajasthan	Jodhpur	Closed	4485	4300	4300
	Sumerpur	Closed	4421.667	4475	4140

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