



Castor Weekly Research Report

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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.

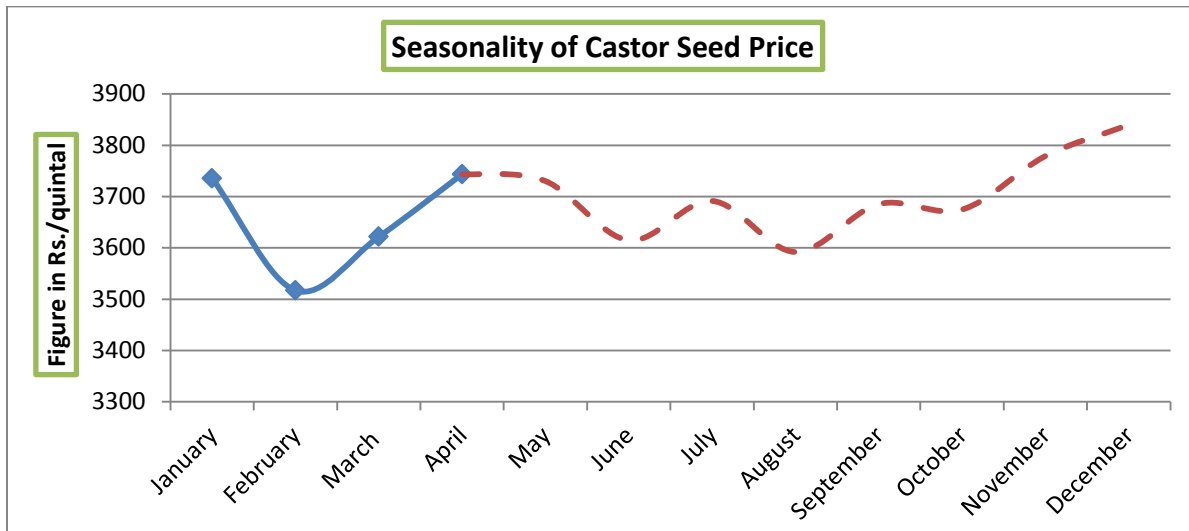
Kharif Castor Seed Sowing Updates as on 20.09.2018 (in Lakh Hectare):

	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

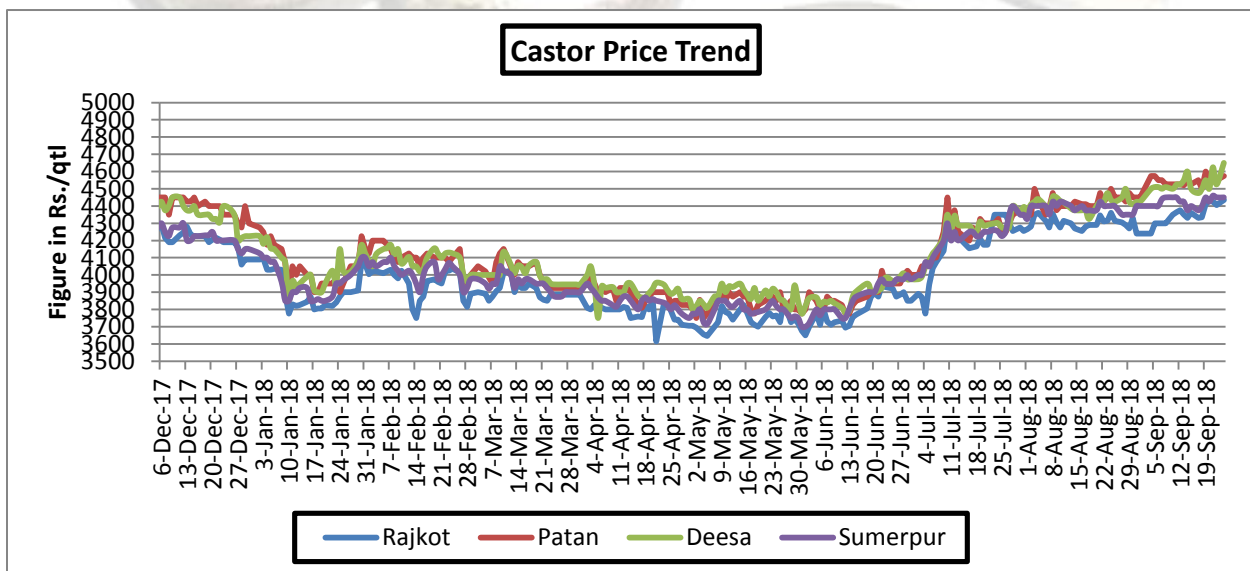
All India castor seed sowing as on 20th Sept -2018 was 8.59 lakh hectares which is up by 5.19% from last year corresponding period area of 8.17 lakh hectares and 9% down by normal area of corresponding period area of 9.44 lakh hectares. Lower area is reported from the states of Odisha, Telangana and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



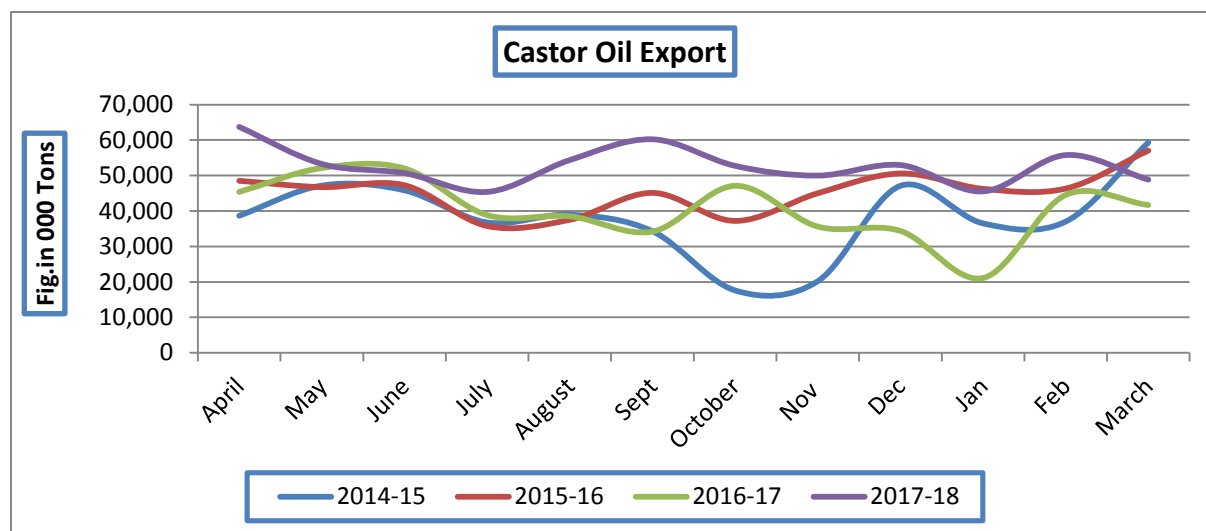
Castor Price Trend:



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:

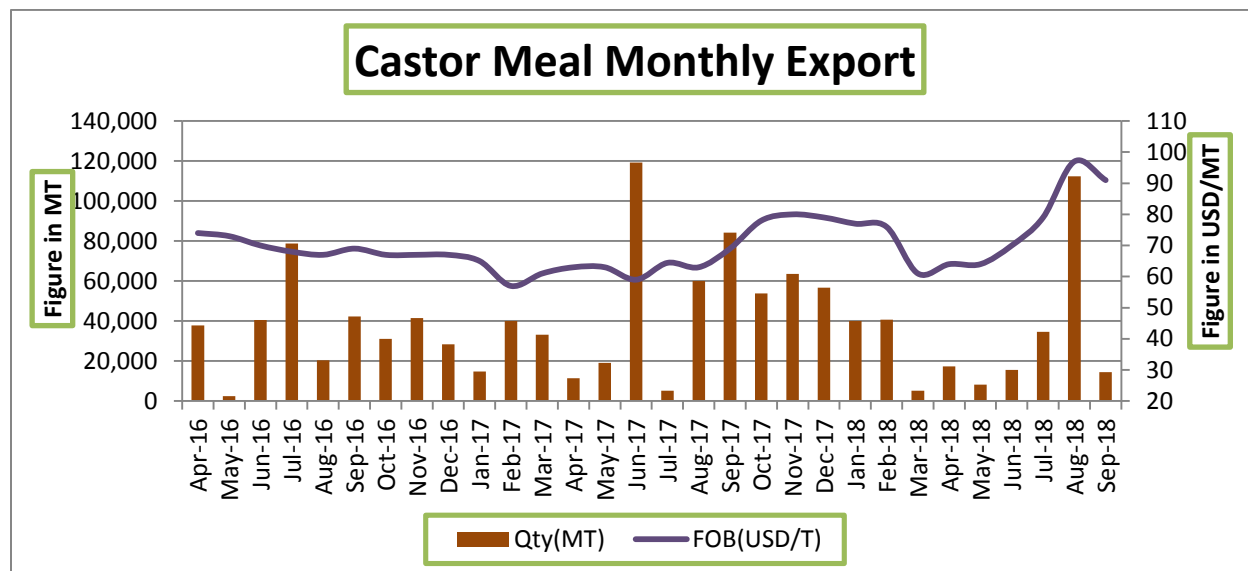


Source: Sea Of India

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 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 Nov, 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

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	Dec	5205	5300	5660	6200	6500
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Dec	Buy	5450	5500	5600	5420

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 o 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.

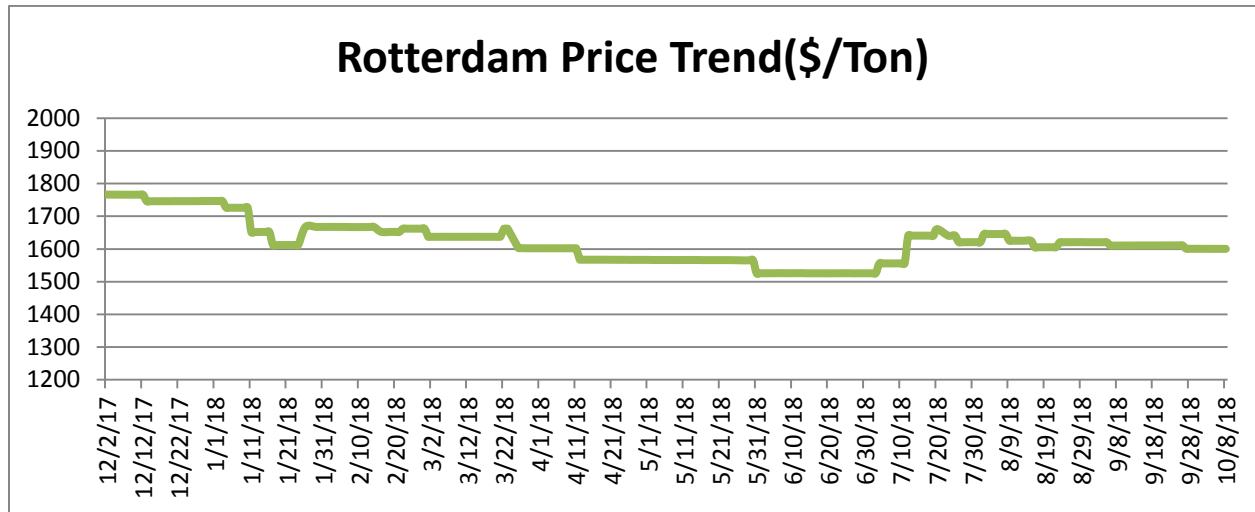
The season started with 6.10 lakh tons as carryout. Thus total availability for current marketing year comes to 16.65 lakh tons with estimated production of 10.55 lakh tons is included. Lower production would drag carryout down from 6.10 to 3.10 lakh tons. It would push seed price up in coming month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

Source: SEA.

Comparative Prices Of Castor Products Including Seed					
	16th Nov '18	2nd Nov '18	16th Oct '18	16th Nov '17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	58500	56500	49600	44460	24.00
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	96.00	94.00	87.00	80.00	16.67
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	6900	6900	6450	5100	26.09
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1700	1575	1375	1453	14.53
Local rates for oil in domestic market (Rs./M.T.) for comm.	121000	115000	102000	93892	22.40

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		24th Nov to 30th Nov 2018	17th Nov to 23rd Nov 2018	
Gujarat	Patan	5396	5537	-141
	Harij	5421	5505	-84
	Rajkot	5213	5397	-183
	Gondal	5297	5370	-73
	Deesa	5348	5473	-125
	Bhabar	5363	5429	-67



	Mehsana	5363	5523	-160
	Kadi	5370	5515	-145
	Sabarkatha	5342	5450	-108
	Gandhi Nagar	5379	5500	-121
	Ahmedabad (Sanand)	5190	5200	-10
	Halvad	5392	5604	-213
	Junagadh	5221	5273	-52
	Dhrol	4898	5203	-305
Rajasthan	Jodhpur	5307	5517	-210
	Sumerpur	5217	5360	-143

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		30-Nov-18	23-Nov-18	30-Oct-18	30-Nov-17
Gujarat	Patan	5125	5550	5555	4450
	Harij	5200	Closed	5475	4300
	Rajkot	5065	5325	5375	4200
	Gondal	5055	5330	5430	4205
	Deesa	5150	Closed	5475	4500
	Bhabar	5250	5400	5550	NA
	Mehsana	5125	Closed	5500	4375
	Kadi	5120	5525	5510	4400
	Sabarkatha	5150	5400	5500	4400
	Gandhi Nagar	5225	Closed	5500	4400
	Ahmedabad (Sanand)	5070	NA	NA	NA
	Halvad	5100	5700	4900	4300
	Junagadh	5000	5225	5275	NA
	Dhrol	NA	5200	4500	NA
Rajasthan	Jodhpur	5200	5390	5420	4340
	Sumerpur	5100	Closed	5250	4300

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	24th Nov to 30th Nov 2018	17th Nov to 23rd Nov 2018	Change
Gujarat	Patan	4725	9150	-4425



	Harij	1650	975	675
	Rajkot	1055	1365	-310
	Gondal	1364	1820	-456
	Deesa	2590	3162	-572
	Bhabar	7966	15648	-7682
	Mehsana	1800	1350	450
	Kadi	5486	6960	-1474
	Sabarkatha	600	560	40
	Gandhi Nagar	1013	1800	-788
	Ahmedabad (Sanand)	20	60	-40
	Halvad	653	713	-60
	Junagadh	216	150	66
	Dhrol	2	2	Unch
Rajasthan	Jodhpur	555	608	-53
	Sumerpur	1240	960	280
Total Arrivals/Above Markets		30934	45282	-14348

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