



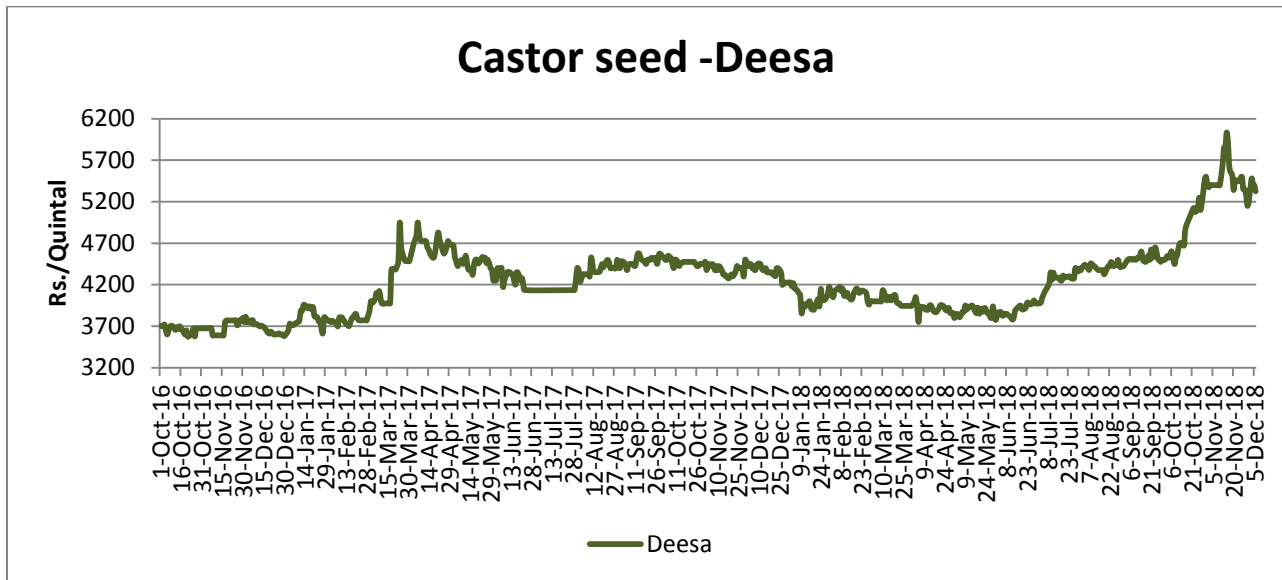
Castor Weekly Research Report

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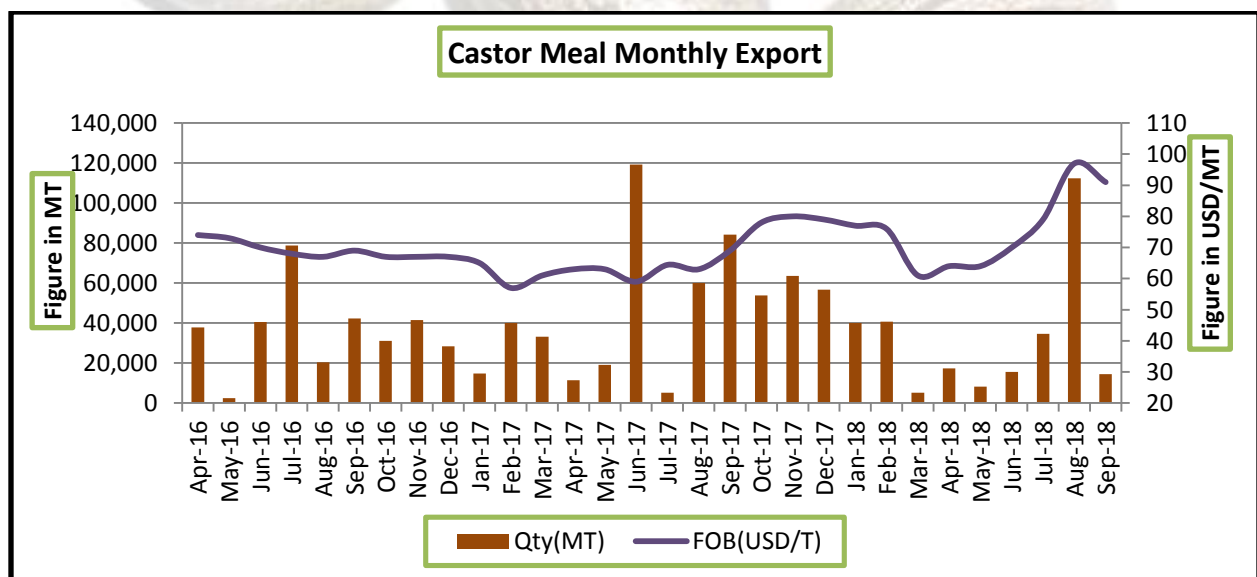
Castor Domestic Market Fundamentals:

- Despite 30 to 35 %lower crop size this year pressure on castor seed market continues. Buyers are unwilling to buy at current level for stock purpose. Export demand from mills is weak. So mills are buying as per their immediate requirements. Even in domestic market oil demand at current level has weakened.
- New crop is almost three months away and bulk buying till then is unlikely. Stockists would continue to release old crop and pressure would continue on cash market. Exporters buying too are weak ahead of new crop.
- In Patan market castor seed is being traded at Rs5250 to 5300. Agriwatch expects market to dip further by 200 to 300 more from current level. There is no scope for recovery in oil export demand as bulk buyers like China, USA and EU have covered their two-three months need.
- Castor seed prices showed declining trend from last couple of week as limited buying and selling activities were noted in most of the spot markets of Gujarat and Rajasthan.
- Castor seed price so far this calendar year rose by over 28 per cent and most of the gains were witnessed since October as drought looms over Castor crop in Gujarat.
- According to traders, Castor seed production for next season is expected to sharply down at around 8-9 lakh tonnes only. They also pegged present Castor stocks in the country to be around 3-4 lakh tonnes against 7-8 lakh tonnes in the same period last year.
- Castor seed may trade volatile in the near term, but long-term outlook is bullish as consumption demand is expected to remain strong ahead and lower crop unlikely to fulfil it.
- The final Kharif acreage under Castor in Gujarat declined to 5.33 lakh hectares as compared to 5.95 lakh hectares last year. The normal Kharif Castor acreage in Gujarat is 6.48 lakh hectares.
- Gujarat Agriculture Department in its first advance estimates for 2018-19 estimated Castor crop to decline more than 20 per cent to 11.73 lakh tonnes versus 14.84 lakh tonnes.
- During April to Sept'18, Vietnam imported 277,406 tonnes of oil meals (compared to 223,184 tonnes) consisting of 7,160 tonnes of soybean meal, around 94,559 tonnes of rapeseed meal and 175,687 tonnes of Rice Bran Extraction. South Korea imported 441,119 tonnes of oil meals (compared to 427,126 tonnes) consisting 280,292 tonnes of rapeseed meal, 10,832 tonnes of soybean meal and 149,995 tonnes of Castor meal. Thailand imported 167,101 tonnes of oil-meals (compared to 76,895 tonnes) consisting 4,747 tonnes of soybean meal, 10,253 tonnes of De-oiled Rice Bran Extraction, and 152,065 tonnes of rapeseed meal. France imported 76,704 tonnes of oil-meals consisting 74,499 tonnes of soybean meal and 2,205 tonnes of Castor meal.

Castor Price Trend Deesa Mandi:


Source: Agriwatch

Above price chart is of Deesa Mandi in Gujarat, which is a major mandi for castor seed. Price trend is showing some correction after firming from July-2018, as profit booking is likely to happen in which it is advise that traders can buy on every dips. Arrival or picking from January onwards puts some pressure on seed price.

Castor Meal Monthly Export:


Source: Sea of India

Castor Meal Export Summary:

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.

Castor oil exports drop 30% in October on poor offtake from China:

As per SEA latest report, India's castor oil exports plunged 30.5 per cent year-on-year to 36,669 tonnes in October. Slowdown in demand from China, which accounts for around 70 per cent of India's non-edible oil exports, dragged overall exports lower. Castor oil exports were 3 per cent lower month-on-month, the data showed. The outlook for exports is bearish as demand in the global market is unlikely to gather pace in the coming months. During April-October, India shipped 334,519 tonnes of castor oil compared with 386,330 tonnes a year ago. In 2017—18 (April-March), India's total exports were pegged at 651,326 tonnes as against 556,778 tonnes in the previous year. Japan, European countries, and the US are the prominent buyers of Indian castor oil besides China.



State wise Wholesale Prices Weekly Analysis for Castor Seed 02nd Week Dec, 2018

State	Prices 01-08 Dec 2018	Prices 24-30 Nov 2018	Prices 01-08 Dec 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4905.12	4835.4	3973.34	1.44	23.45
Chhattisgarh		800		---	---
Gujarat	5229.23	5252.9	4318.48	-0.45	21.09
Karnataka	4592	2683.17	4000	71.14	14.8
Madhya Pradesh	3655	4756.72		-23.16	---
Maharashtra	4200			---	---
Rajasthan	5298.68	5172.06	4041.49	2.45	31.11
Telangana			3853.71	---	---
Uttar Pradesh			3150	---	---
Average	4646.67	3916.71	3889.5		

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)	5100-5275	5300-5375
Medium Term (30 days)	5300-5500	5500-5720

Technical Analysis:
Castor – Technical Outlook
Technical Commentary:

- Prices are likely to move steady in coming week.
- Increase in prices with lower volume and OI indicates long build up.
- RSI is moving in neutral region which indicates firmness.


Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Jan	5205	5300	5348	6200	6500
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jan	Buy	5450	5520	5580	5430

Castor Seed- Balance Sheet for 2018-19:

Production shows around 15.6% 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. Andhra Pradesh is facing the worst drought of recent times with crop in lakhs of hectares under stress including castor seed which may impact on yield. The failure of the northeast monsoon has hit farmers really hard. While a rainfall deficit of 73% was recorded in October — the first month of the northeast monsoon — there seems to be no letup in the second month recording a rainfall deficit of 64%. 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.

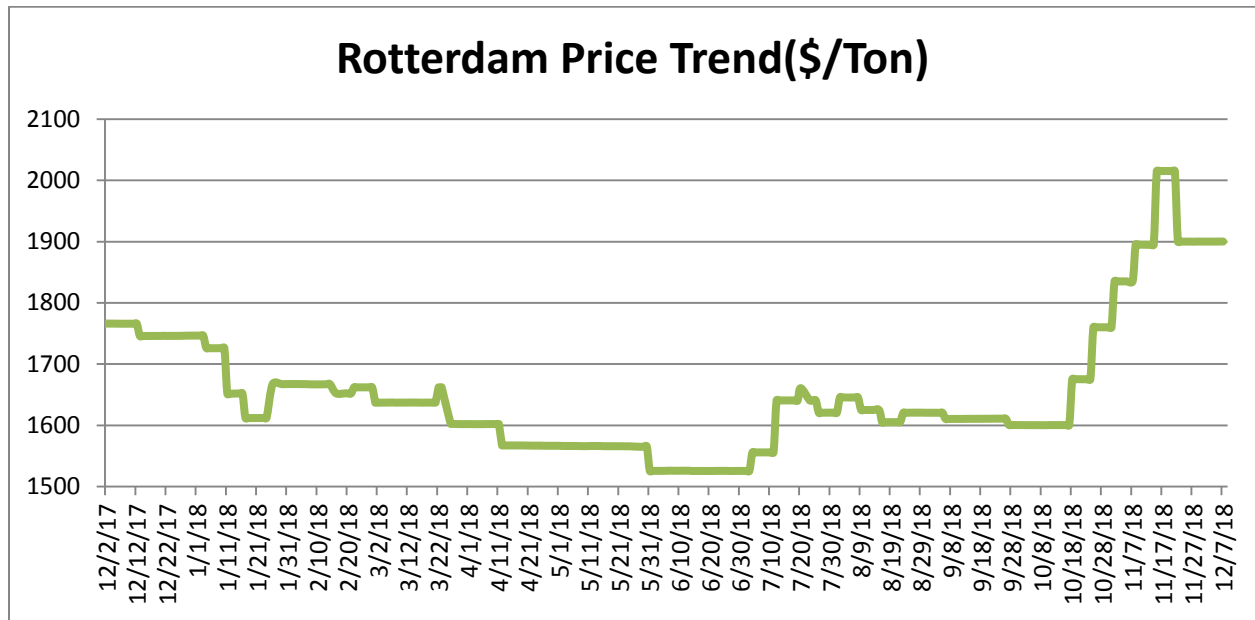
The season started with 6.10 lakh tons as carryout. Thus total availability for current marketing year comes to 16.65 lakh tons with estimated production of 10.55 lakh tons is included. Lower production would drag carryout down from 6.10 to 3.10 lakh tons. It would push seed price up in coming month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

Source: SEA.

Comparative Prices Of Castor Products Including Seed					
	30th Nov '18	23rd Nov '18	30th Oct '18	30th Nov '17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	52450	NQ	56450	44460	15.23
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	93.00	NQ	94.00	80.00	13.98
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	6450	NQ	6900	5100	20.93
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1605	NQ	1565	1453	9.47
Local rates for oil in domestic market (Rs./M.T.) for comm.	112000	NQ	116000	93892	16.17

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		08th to 14th Dec 2018	01st to 07th Dec 2018	
Gujarat	Patan	5313	5288	25
	Harij	5304	5306	-2
	Rajkot	5185	5243	-58
	Gondal	5234	5272	-38
	Deesa	5297	5359	-62
	Bhabar	5342	5271	71
	Mehsana	5285	5319	-34
	Kadi	5313	5253	60
	Sabarkatha	5325	5358	-33
	Gandhi Nagar	5313	5363	-50
	Ahmedabad (Sanand)	5146	5162	-16
	Halvad	5354	5258	96
	Junagadh	5176	5132	44
	Dhrol	4777	4988	-211
Rajasthan	Jodhpur	5268	5334	-66
	Sumerpur	5190	5220	-30

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	08th to 14th Dec 2018	01st to 07th Dec 2018	Change
Gujarat	Patan	6600	6150	450
	Harij	983	1763	-780
	Rajkot	1390	2270	-880
	Gondal	928	1095	-167
	Deesa	2364	2314	50
	Bhabar	5048	7532	-2484
	Mehsana	645	1065	-420
	Kadi	3426	5594	-2167
	Sabarkatha	256	360	-104
	Gandhi Nagar	1050	1200	-150
	Ahmedabad (Sanand)	28	37	-9



	Halvad	720	720	Unch
	Junagadh	377	1157	-780
	Dhrol	14	3	11
	Jodhpur	443	439	4
	Sumerpur	1680	1600	80
Total Arrivals/Above Markets		25951	33298	-7347

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		14-Dec-18	7-Dec-18	14-Nov-18	14-Dec-17
Gujarat	Patan	5250	5250	Closed	4425
	Harij	5250	5325	Closed	4400
	Rajkot	5140	5280	5815	4235
	Gondal	5080	5205	Closed	4255
	Deesa	5190	Closed	5860	4375
	Bhabar	5350	5300	5850	4380
	Mehsana	5200	5275	5975	4350
	Kadi	5320	5160	6015	4475
	Sabarkatha	5300	5375	6000	4375
	Gandhi Nagar	5250	5300	5950	4400
	Ahmedabad (Sanand)	5100	5150	NA	NA
	Halvad	5400	5350	5850	4300
	Junagadh	5075	4870	6000	NA
	Dhrol	4725	4975	NA	NA
Rajasthan	Jodhpur	5340	Closed	6060	4388
	Sumerpur	5150	Closed	5725	4200

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