



# Castor Weekly Research Report

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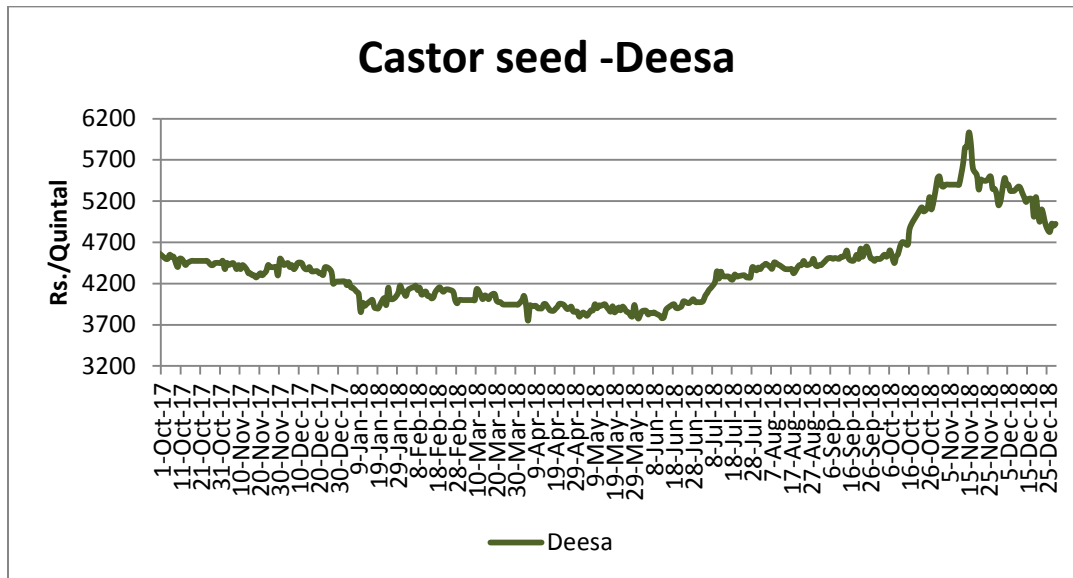
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### Castor Domestic Market Fundamentals:

- 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.
- Castor seed prices rose sharply by Rs 58 to Rs 5,186 per quintal in futures trade recently due to up-tick in demand.
- Rising demand from consuming industries, shortage of supply at the spot markets mainly led to the rise in castor seed futures.
- 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.

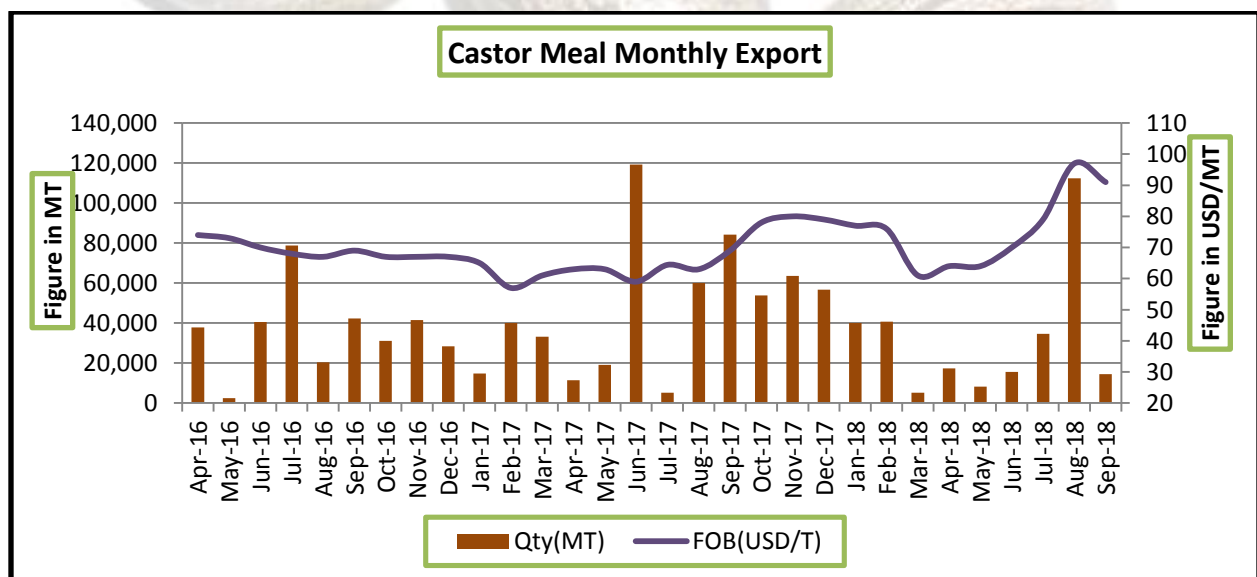
### Castor Price Trend Deesa Mandi:



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 off take 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 04<sup>th</sup> Week Dec, 2018

State	Prices 24-31 Dec 2018	Prices 16-23 Dec 2018	Prices 09-15 Dec 2018	Prices 24-31 Dec 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4123.5	4627.6	4781.73	3935.19	-10.89	-13.77	4.78
Gujarat	4794.8	4987.1	5221.25	4207.25	-3.86	-8.17	13.97
Karnataka			4288.89	4200	—	—	—
Madhya Pradesh			3600	4100	—	—	—
Maharashtra	4400				—	—	—
Rajasthan	4924.7	5057.7	5163.04	4122.12	-2.63	-4.62	19.47
Telangana	4589.2	4711.43	4866	3994.9	-2.59	-5.69	14.88
Average	4566.4	4845.96	4653.48	4093.24			

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	4905	5000	5220	5520	5715
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jan	Buy	5120	5180	5220	5110

**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	9.04	5.54	6.79	4.39	5.64
<b>Production</b>	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20	13.00
Exports	0.00	0.00	0.00	0.00	0.00
Total Usage	12.60	12.75	13.00	13.20	13.00
<b>Carry out</b>	<b>9.96</b>	<b>6.79</b>	<b>4.39</b>	<b>5.64</b>	<b>2.84</b>

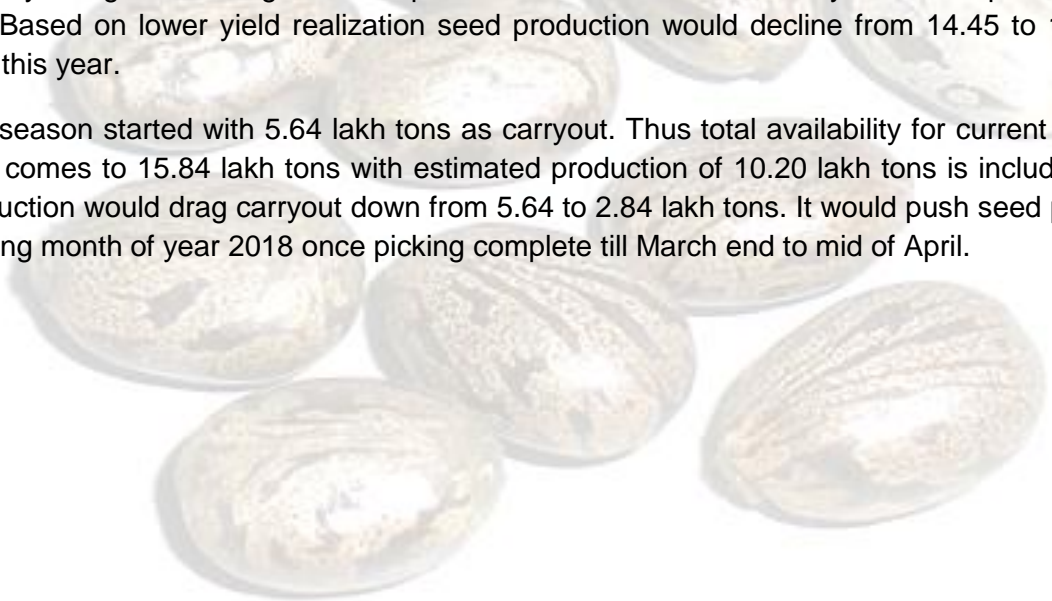


Av Monthly Consumption	1.05	1.06	1.08	1.10	1.08
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

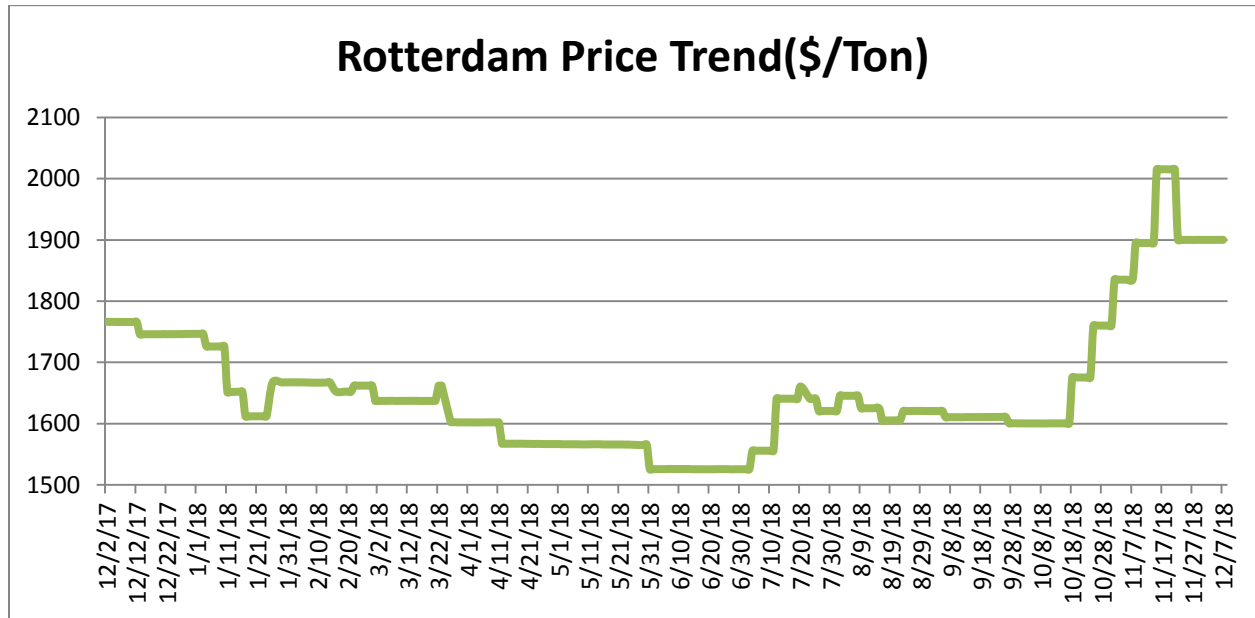
**Castor Seed- Balance Sheet for 2018-19:**

Production shows around 28-30% 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 14.45 to 10.20 lakh tons this year.

The season started with 5.64 lakh tons as carryout. Thus total availability for current marketing year comes to 15.84 lakh tons with estimated production of 10.20 lakh tons is included. Lower production would drag carryout down from 5.64 to 2.84 lakh tons. It would push seed price up in coming month of year 2018 once picking complete till March end to mid of April.





**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 Center	Market	Price (Rs/ Quintal)		Change
		22nd to 28th Dec 2018	15th to 21st Dec 2018	
<b>Gujarat</b>	Patan	5313	5150	163
	Harij	5304	5121	183
	Rajkot	5185	4988	198
	Gondal	5234	5001	233
	Deesa	5297	5118	179
	Bhabar	5342	5173	169
	Mehsana	5285	5085	200
	Kadi	5313	5111	203
	Sabarkatha	5325	5108	217
	Gandhi Nagar	5313	5154	158
	Ahmedabad (Sanand)	5146	5060	86
	Halvad	5354	5300	54
	Junagadh	5176	4940	236
	Dhrol	4777	4633	145
<b>Rajasthan</b>	Jodhpur	5268	5160	108
	Sumerpur	5190	5013	178

**Castor Seed Cumulative Arrivals in Key Centers:**

Center	Market	22nd to 28th Dec 2018	15th to 21st Dec 2018	Change
<b>Gujarat</b>	Patan	4425	5663	-1238
	Harij	1163	1425	-263
	Rajkot	525	1650	-1125
	Gondal	884	1066	-182
	Deesa	2947	3736	-789
	Bhabar	4256	5394	-1138
	Mehsana	904	1215	-311
	Kadi	8420	6096	2324
	Sabarkatha	440	504	-64
	Gandhi Nagar	863	900	-38
	Ahmedabad (Sanand)	103	24	80
	Halvad	570	638	-68
	Junagadh	125	150	-25
	Dhrol	8	10	-2
<b>Rajasthan</b>	Jodhpur	465	405	60
	Sumerpur	2720	2560	160
<b>Total Arrivals/Above Markets</b>		<b>28817</b>	<b>31434</b>	<b>-2617</b>

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		29-Dec-18	22-Dec-18	29-Nov-18	29-Dec-17
Gujarat	Patan	4925.00	5000	5350	4400
	Harij	4920.83	5100	5400	4250
	Rajkot	4816.67	4840	5150	4090
	Gondal	4830.00	4905	5305	4105
	Deesa	4930.83	5100	5290	4225
	Bhabar	4973.33	5075	5325	4240
	Mehsana	4886.67	4950	5325	4215
	Kadi	4885.83	4955	5340	4275
	Sabarkatha	4883.33	4950	5325	4250
	Gandhi Nagar	4925.00	5000	5350	4250
	Ahmedabad (Sanand)	4772.50	4905	5255	0
	Halvad	5062.50	5200	5400	4300
	Junagadh	4762.00	4775	5250	4080
	Dhrol	4557.50	4615	4975	0
Rajasthan	Jodhpur	4834.00	Closed	5370	4000
	Sumerpur	4812.50	4900	5100	4150

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