



Castor Weekly Research Report

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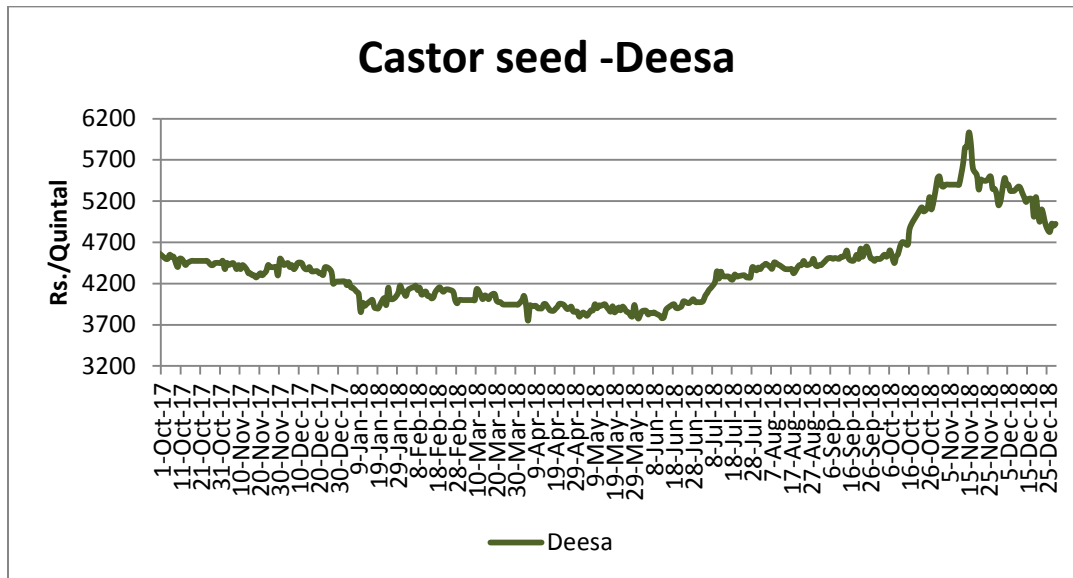
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Castor Domestic Market Fundamentals:

- Castor seed prices went up by Rs 22 to Rs 5,194 per quintal in futures trade this week following widening of holdings by participants, spurred by a firming trend at the physical markets.
- New crop is about to arrive in the market from mid of January and bulk buying is expected due to lower stock with millers and traders and thus it is likely to push the prices besides the arrival pressure.
- Positive leads from the spot market on pick-up in demand from consuming industries largely supported the upside in the prices.
- 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.

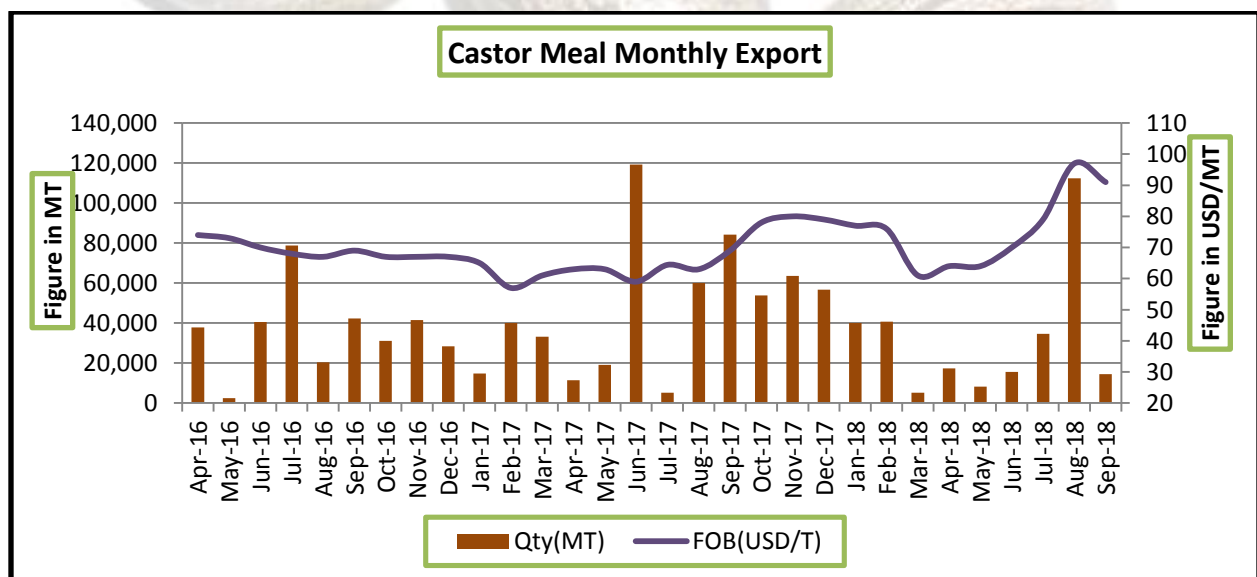
Castor Price Trend Deesa Mandi:



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 oil meals for the month of September 2018. The export of oil meals 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 on-going 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 oil meals. This has compelled China to relook its ban imposed for importing of oil meals 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 oil meals 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 01st Week Jan, 2018

| State | Prices 01-08 Jan 2019 | Prices 24-31 Dec 2018 | Prices 16-23 Dec 2018 | Prices 01-08 Jan 2018 | % Change(Over Previous Week) | % Change(Over Previous to Previous Week) | % Change(Over Previous Year) |
|----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|--|---------------------------------------|
| Andhra Pradesh | 4500.13 | 4401.2 | 4627.6 | 3850.22 | 2.25 | -2.75 | 16.88 |
| Gujarat | 5003.92 | 4810.25 | 4987.1 | 4130.07 | 4.03 | 0.34 | 21.16 |
| Karnataka | | 3880 | | 4373.8 | — | — | — |
| Madhya Pradesh | 4149.4 | | | | — | — | — |
| Maharashtra | | 4440 | | 3275 | — | — | — |
| Rajasthan | 4935.7 | 4915.79 | 5057.7 | 4109.81 | 0.41 | -2.41 | 20.1 |
| Telangana | 4705.99 | 4589.18 | 4711.43 | 3914.21 | 2.55 | -0.12 | 20.23 |
| Average | 4659.03 | 4506.07 | 4845.96 | 3942.18 | | | |

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 | 4900 | 5000 | 5374 | 5520 | 5715 |
| Pre Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Castor | NCDEX | Jan | Buy | 5280 | 5340 | 5360 | 5260 |

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 |
| Production | 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 |
| Carry out | 9.96 | 6.79 | 4.39 | 5.64 | 2.84 |
| Av Monthly Consumption | 1.05 | 1.06 | 1.08 | 1.10 | 1.08 |

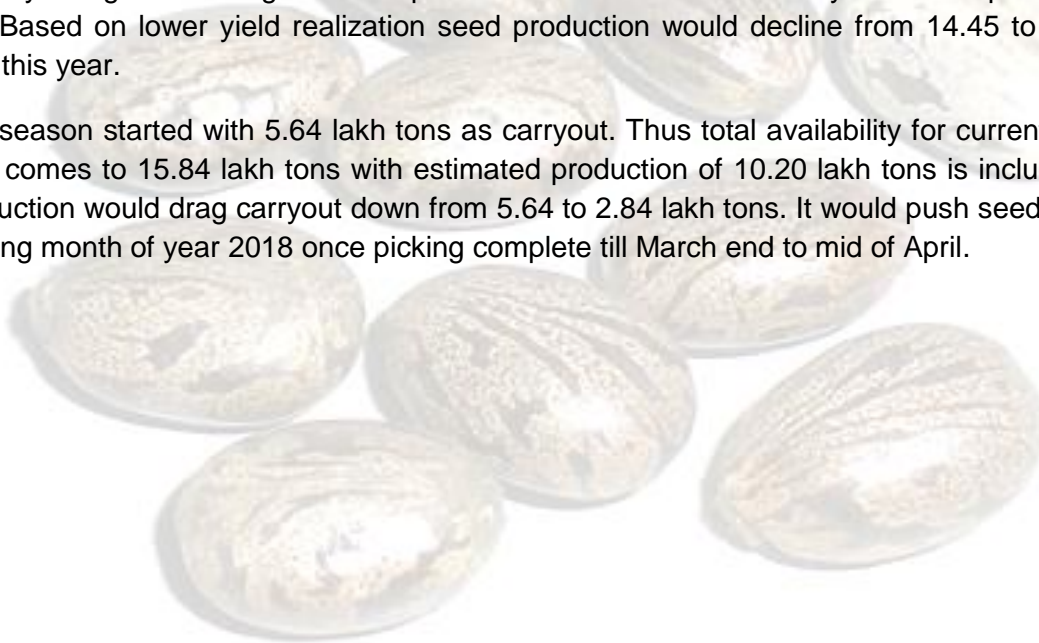


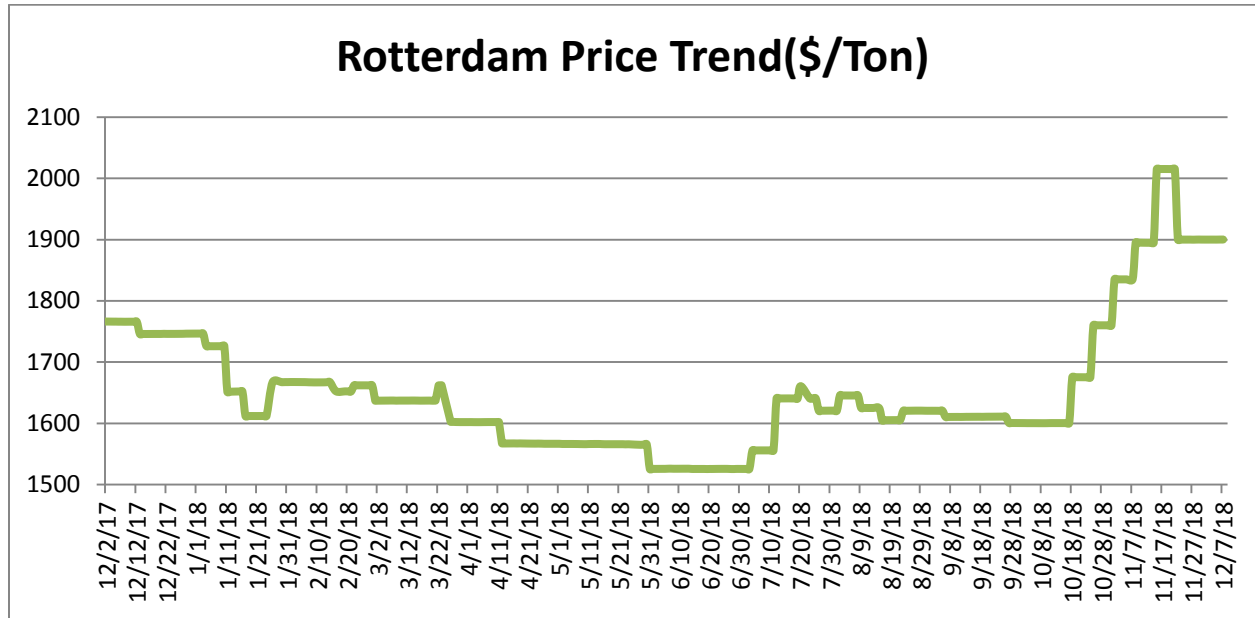
| | | | | | |
|----------------------------|------|------|------|------|------|
| Stock to Month Use | 9.49 | 6.39 | 4.05 | 5.13 | 2.62 |
| Stock to Consumption Ratio | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 |

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 |
|---------------------|--------------------|-----------------------------|-----------------------|--------|
| | | 29th Dec 2018 to 05 Jan2019 | 22nd to 28th Dec 2018 | |
| Gujarat | Patan | 5058 | 5313 | -254 |
| | Harij | 5038 | 5304 | -267 |
| | Rajkot | 4878 | 5185 | -307 |
| | Gondal | 4893 | 5234 | -342 |
| | Deesa | 5028 | 5297 | -270 |
| | Bhabar | 5001 | 5342 | -341 |
| | Mehsana | 5013 | 5285 | -273 |
| | Kadi | 5043 | 5313 | -270 |
| | Sabarkatha | 5000 | 5325 | -325 |
| | Gandhi Nagar | 5043 | 5313 | -269 |
| | Ahmedabad (Sanand) | 4903 | 5146 | -243 |
| | Halvad | 4963 | 5354 | -392 |
| | Junagadh | 4878 | 5176 | -299 |
| | Dhrol | 4450 | 4777 | -327 |
| Rajasthan | Jodhpur | 5027 | 5268 | -241 |
| | Sumerpur | 4900 | 5190 | -290 |

Castor Seed Cumulative Arrivals in Key Centers:

| Center | Market | 29th Dec 2018 to 05 Jan2019 | 22nd to 28th Dec 2018 | Change |
|---------|--------------------|-----------------------------|-----------------------|--------|
| Gujarat | Patan | 2850 | 4425 | -1575 |
| | Harij | 1013 | 1163 | -150 |
| | Rajkot | 750 | 525 | 225 |
| | Gondal | 603 | 884 | -281 |
| | Deesa | 3506 | 2947 | 558 |
| | Bhabar | 6030 | 4256 | 1774 |
| | Mehsana | 600 | 904 | -304 |
| | Kadi | 8560 | 8420 | 140 |
| | Sabarkatha | 256 | 440 | -184 |
| | Gandhi Nagar | 825 | 863 | -38 |
| | Ahmedabad (Sanand) | 55 | 103 | -48 |
| | Halvad | 720 | 570 | 150 |
| | Junagadh | 140 | 125 | 15 |
| | Dhrol | 1 | 8 | -7 |

| | | | | |
|-------------------------------------|----------|--------------|--------------|-------------|
| Rajasthan | Jodhpur | 589 | 465 | 124 |
| | Sumerpur | 3520 | 2720 | 800 |
| Total Arrivals/Above Markets | | 30017 | 28817 | 1200 |

| Week on Week Price: Scenario of Castor Seed : | | | | | |
|---|--------------------|----------|-----------|-----------|----------|
| Commodity | Market | Today | Week ago | Month ago | Year ago |
| Center | | 5-Jan-19 | 29-Dec-18 | 6-Dec-18 | 5-Jan-18 |
| Gujarat | Patan | 4925.00 | 4950 | 5300 | 4225 |
| | Harij | 4920.83 | 4925 | 5350 | 4175 |
| | Rajkot | 4816.67 | 4830 | 5305 | 4030 |
| | Gondal | 4830.00 | 4805 | 5330 | 4105 |
| | Deesa | 4930.83 | 4925 | 5325 | 4155 |
| | Bhabar | 4973.33 | 4950 | 5250 | 4135 |
| | Mehsana | 4886.67 | 4910 | 5360 | 4150 |
| | Kadi | 4885.83 | 4950 | 5400 | 4190 |
| | Sabarkatha | 4883.33 | 4900 | 5425 | 4200 |
| | Gandhi Nagar | 4925.00 | 4950 | 5375 | 4200 |
| | Ahmedabad (Sanand) | 4772.50 | 4750 | 5240 | 0 |
| | Halvad | 5062.50 | 4950 | 5250 | 4225 |
| | Junagadh | 4762.00 | NA | 5255 | 4000 |
| | Dhrol | 4557.50 | NA | NA | 0 |
| Rajasthan | Jodhpur | 4834.00 | 4800 | 5330 | 4290 |
| | Sumerpur | 4812.50 | 4800 | 5200 | 4075 |

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