



# Castor Weekly Research Report

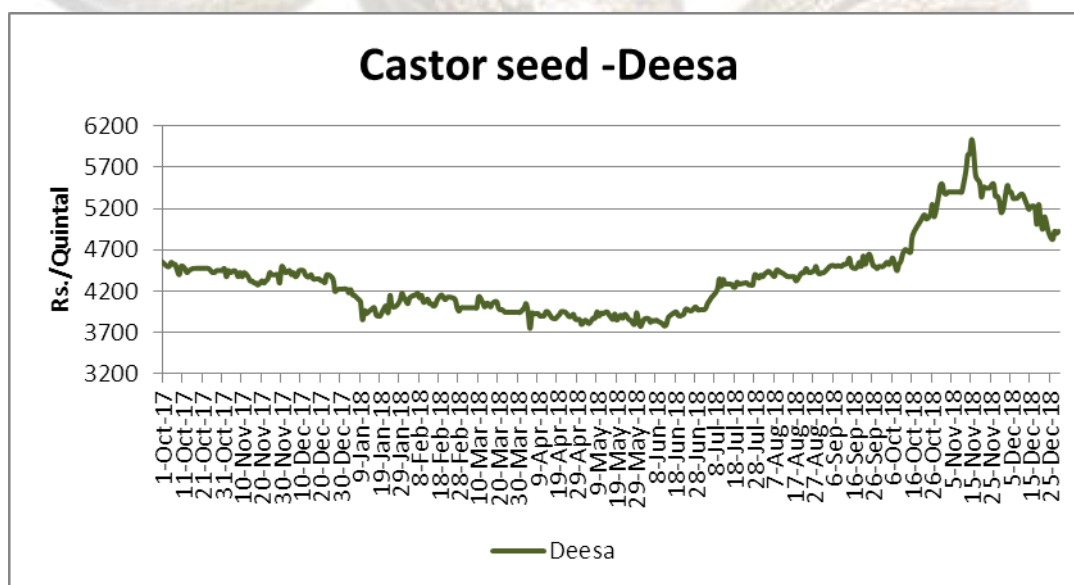
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**Castor Domestic Market Fundamentals:**

- Castor seed prices in spot as well as futures have recovered due to strong domestic and export demand. As per market sources, strong demand is noticed in various spot markets across the country.
- Castor seed prices have turned attractive after recent sharp correction and major downside in prices is likely to be restricted by lower crop outlook. Lower stocks with sluggish new crop outlook are likely to provide good support to castor seed at the prevailing levels.
- The country's castor seed production is expected to be lower around 7- 9 lakh tonnes this year compared to 14 lakh tonnes a year ago.
- According to Gujarat (Deesa) based traders new crop arrivals have started, but the pace is very slow due to lower crop however supply is likely to gain pace after 15 January. The new crop quality is satisfactory.
- Castor seed for Deesa plant delivery available at Rs 5,175 per quintal. Similarly, castor oil is trading around Rs 1,055 per 10 kg in Kadi. Castor meal is trading around Rs 5,800 per tonne in Deesa.
- Castor Oil (First grade) FOB Kandla (Export) was traded steady at \$1,535 per MT on 03rd January 2019. Also, castor oil extank Rotterdam was available flat at \$1,775.
- As per the Solvent Extractors' Association of India, Castor meal export during the month of November surged 68.59 per cent at 30,724 metric tonnes as compared to 18,224 metric tonnes a month ago. However, the overall April to November 2018-19 exports registered a decline of 37 per cent at 2,59,319 tonnes as compared to 4,16,699 tonnes during the corresponding period last year.
- All India Castor seed acreage in 2018 increased to 9.18 lakh hectares up by 5.05 per cent from last year acreage of 8.74 lakh hectares and 25 per cent down by normal area of 10.51 lakh hectares.
- As per the Ministry of Agriculture 1st Advance Estimates for 2018-19, Castor seed production is estimated at 15.17 lakh tonnes as compared to 15.68 lakh tonnes in 2017-18.
- According to the latest 2nd Advance estimates released by the Gujarat Agriculture department Castor seed production in the state estimated to decline by 30 per cent at 10.43 lakh tonnes as compared to 14.84 lakh tonnes in 2017-18 due to deficient rainfall received in major castor growing belts during the 2018 monsoon.

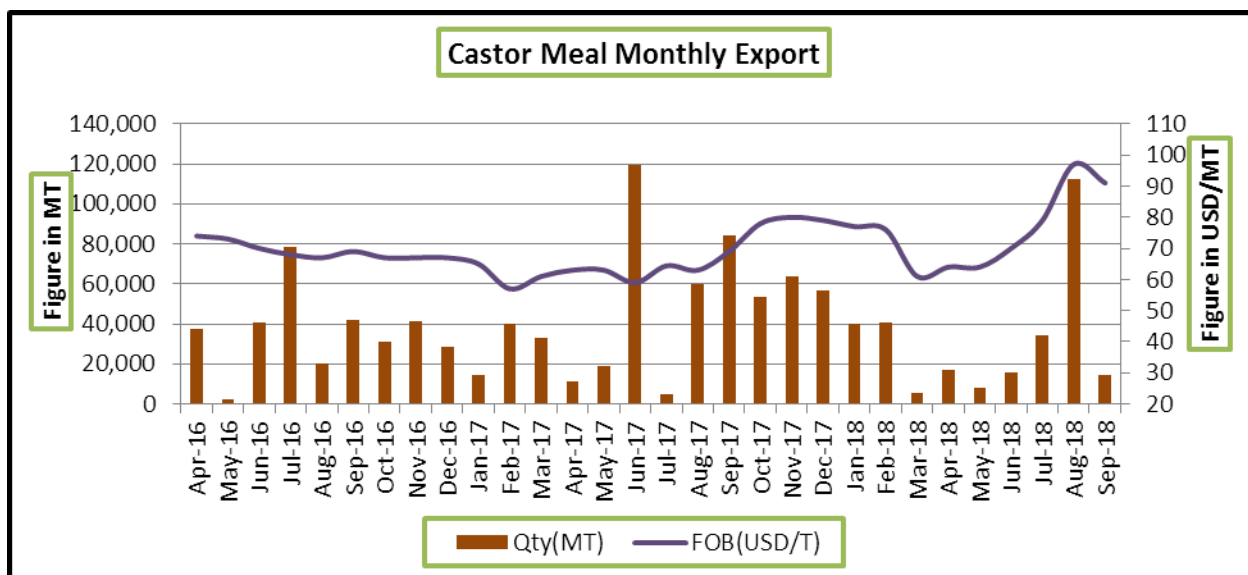
FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Strong demand from domestic and overseas buyers.	<b>Bullish</b>
Expectation of lower crop production estimates as against last year	<b>Bullish</b>
Lower pace of new crop in various spot markets	<b>Bullish</b>
Castor meal export in November increased by 68.59 per cent at 30,724 tons as against 18,224 tons a month ago	<b>Bullish</b>
All India Castor acreage declined to 8.59 lakh hectares from last year acreage of 8.78 lakh hectares	<b>Bullish</b>
Profit booking at lower levels	<b>Bearish</b>
Based on Primary & Secondary Sources	

**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 December 2018. The export of oil-meals during December 2018, provisionally reported at 303,115 tons compared to 391,431 tons in December 2017. The overall export during April to December 2018 is reported at 2,387,028 tons compared to 2,246,989 tons during the same period of last year i.e. up by 6%. The export of rapeseed meal is sharply increased to 821,777 (461,937) tons in first nine months, mainly exported to South Korea, Vietnam and Thailand. The export of rapeseed meal and soybean meal to China is unlikely to resume during current financial year as procedure for registration with MoA, China is too cumbersome, lengthy and time consuming to complete all formalities. Iranian market has opened up for Indian soybean meal. During current year from April to December 2018, about 3.0 lakh tons of soybean meal shipped against last year just 23,000 tons, supporting export of oil-meals 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 01<sup>st</sup> 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	Feb	4900	5000	5298	5520	5715
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Buy	5260	5340	5360	5240

## 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

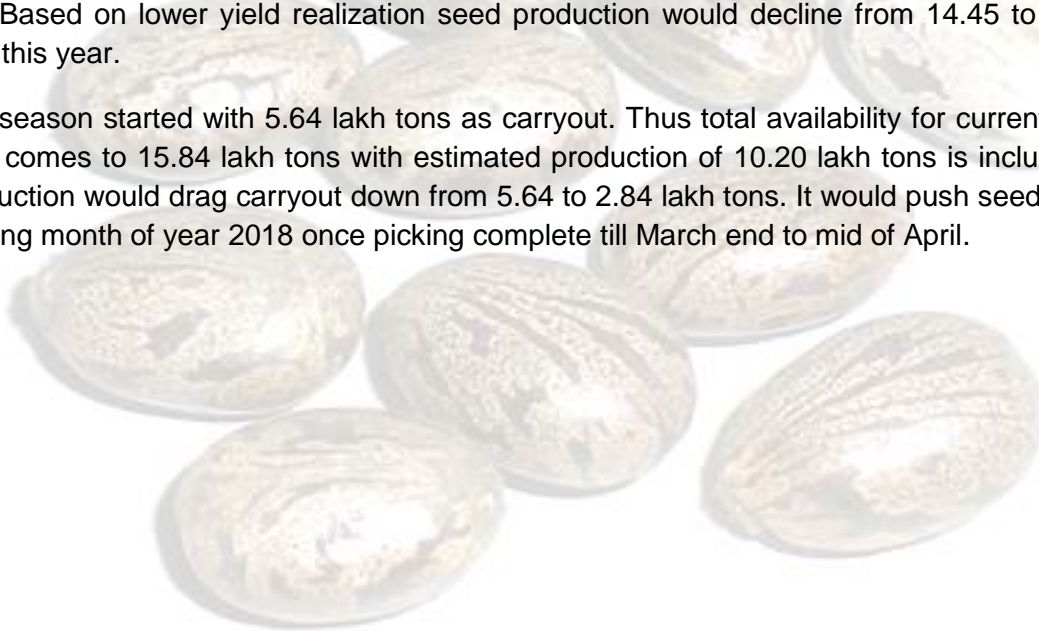


Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

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

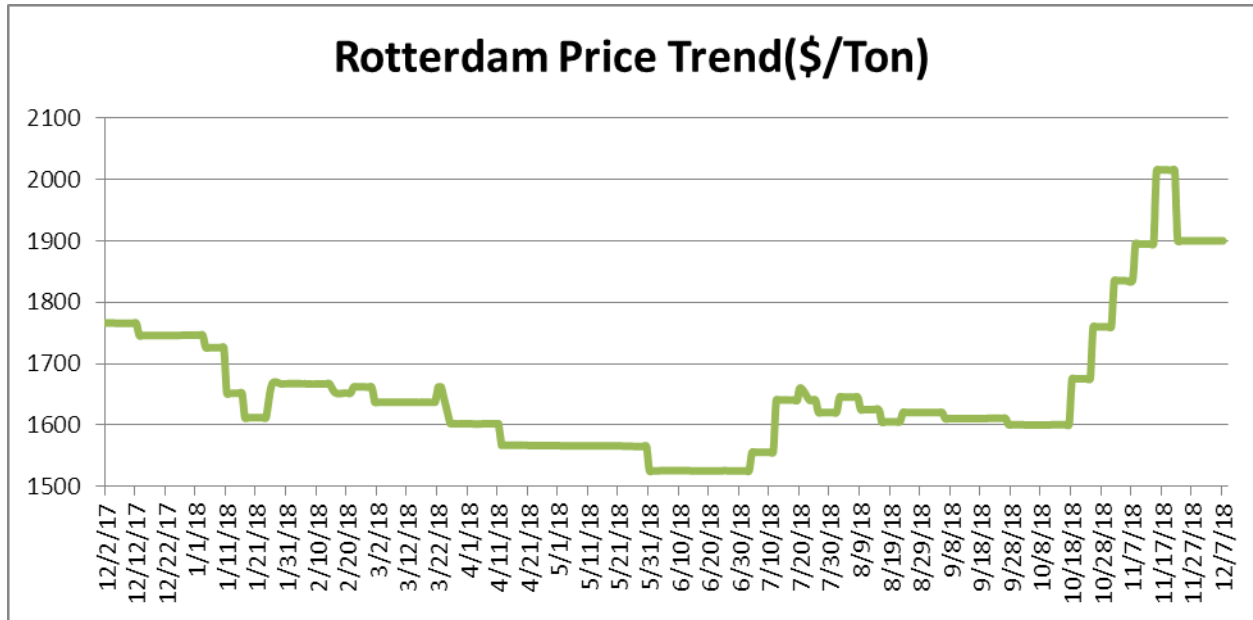
Production shows around 28-30% lower side this year against 2017-18 seasons due to damage of crop in major producing states like Gujarat as lower rainfall recorded during the growth phase. Over all area is slightly up from last from 8.170 lakh hectares to 8.59 lakh hectares but mostly area down in major 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
		07 to 12th Jan2019	29th Dec 2018 to 05 Jan2019	



<b>Gujarat</b>	Patan	5086	5058	<b>28</b>
	Harij	5068	5038	<b>30</b>
	Rajkot	4998	4878	<b>120</b>
	Gondal	5047	4893	<b>154</b>
	Deesa	5084	5028	<b>57</b>
	Bhabar	5053	5001	<b>53</b>
	Mehsana	5106	5013	<b>93</b>
	Kadi	5098	5043	<b>55</b>
	Sabarkatha	5121	5000	<b>121</b>
	Gandhi Nagar	5103	5043	<b>60</b>
	Ahmedabad (Sanand)	5008	4903	<b>105</b>
	Halvad	5163	4963	<b>200</b>
	Junagadh	4967	4878	<b>89</b>
	Dhrol	#DIV/o!	4450	-
<b>Rajasthan</b>	Jodhpur	5188	5027	<b>162</b>
	Sumerpur	5011	4900	<b>111</b>

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

Center	Market	07 to 12th Jan2019	29th Dec 2018 to 05 Jan2019	Change
<b>Gujarat</b>	Patan	3907	2850	<b>1057</b>
	Harij	1200	1013	<b>188</b>
	Rajkot	1080	750	<b>330</b>
	Gondal	1025	603	<b>422</b>
	Deesa	3257	3506	<b>-249</b>
	Bhabar	5768	6030	<b>-262</b>
	Mehsana	1155	600	<b>555</b>
	Kadi	12240	8560	<b>3680</b>
	Sabarkatha	960	256	<b>704</b>
	Gandhi Nagar	863	825	<b>38</b>
	Ahmedabad (Sanand)	170	55	<b>114</b>
	Halvad	975	720	<b>255</b>
	Junagadh	100	140	<b>-40</b>
	Dhrol	0	1	<b>-1</b>
<b>Rajasthan</b>	Jodhpur	548	589	<b>-41</b>
	Sumerpur	3440	3520	<b>-80</b>
<b>Total Arrivals/Above Markets</b>		<b>36686</b>	<b>30017</b>	<b>6669</b>

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		12-Jan-19	5-Jan-19	13-Dec-18	12-Jan-18
Gujarat	Patan	4925.00	5125	5275	4000
	Harij	4920.83	5075	5300	3900
	Rajkot	4816.67	4935	5095	3820
	Gondal	4830.00	5005	5105	3730
	Deesa	4930.83	5125	5250	3930
	Bhabar	4973.33	5050	5325	4010
	Mehsana	4886.67	5090	5275	3975
	Kadi	4885.83	5105	5320	4015
	Sabarkatha	4883.33	5050	5325	3950
	Gandhi Nagar	4925.00	5100	5300	4000
	Ahmedabad (Sanand)	4772.50	4965	5130	0
	Halvad	5062.50	4950	5550	3950
	Junagadh	4762.00	5020	5115	3750
	Dhrol	4557.50	NA	4765	0
Rajasthan	Jodhpur	4834.00	5100	5250	4000
	Sumerpur	4812.50	4950	5125	3900

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