



Castor Weekly Research Report

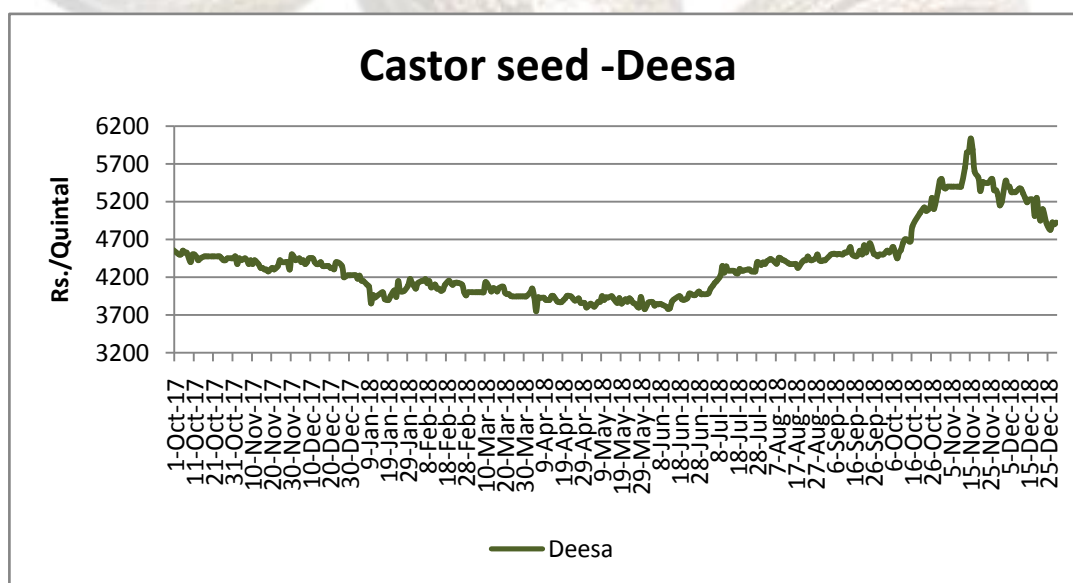
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Castor Domestic Market Fundamentals:

- Castor seed prices in spot as well as futures have fell last week as operators reduced holdings amid negative physical lead.
- As per traders, trimming of positions by participants in line with weak trend at spot markets on mounting stocks following relentless arrivals from growing bets against slackened demand from consuming industries, led to the fall in castor seed prices in futures trade here.
- 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.

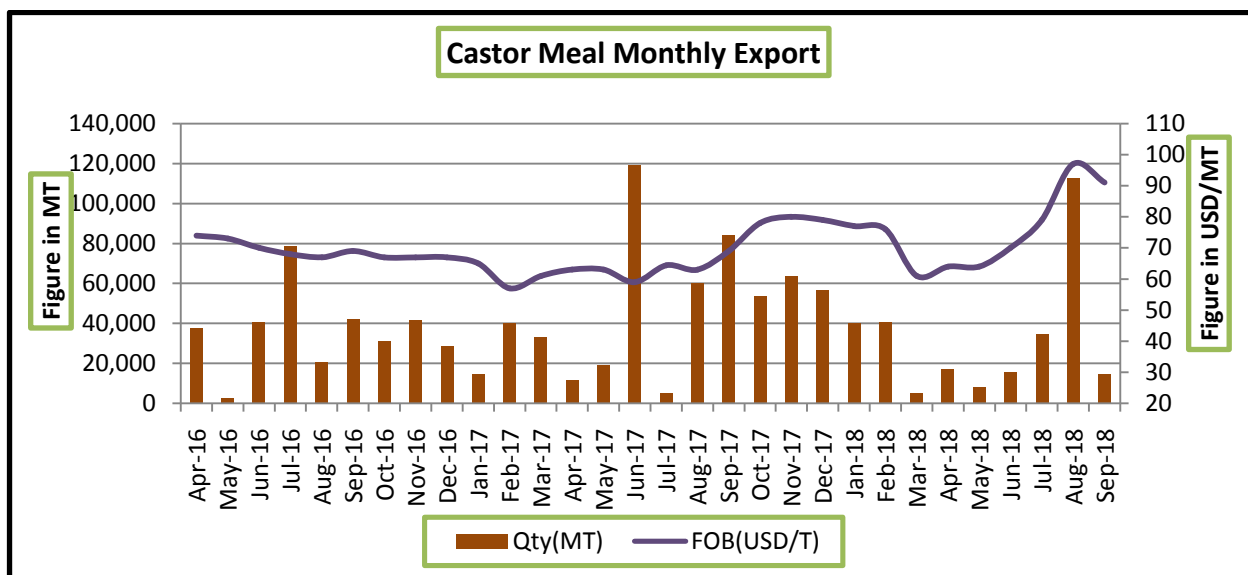
FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Strong demand from domestic and overseas buyers.	Bullish
Expectation of lower crop production estimates as against last year	Bullish
Lower pace of new crop in various spot markets	Bullish
Castor meal export in November increased by 68.59 per cent at 30,724 tons as against 18,224 tons a month ago	Bullish
All India Castor acreage declined to 8.59 lakh hectares from last year acreage of 8.78 lakh hectares	Bullish
Profit booking at lower levels	Bearish
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 02nd Week Jan, 2018

State	Prices 09-15 Jan 2019	Prices 01-08 Jan 2019	Prices 09-15 Jan 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4675.13	4529.43	3683.27	3.22	26.93
Gujarat	4993.8	5028.25	3917.99	-0.69	27.46
Karnataka	4124.22	3400		21.3	---
Madhya Pradesh	5775	4149.4		39.18	---
Maharashtra	4550		3600	---	26.39
Rajasthan	4950.73	4946.9	3883.69	0.08	27.47
Tamil Nadu		4729		---	---
Telangana	4775.34	4723.81	3755.39	1.09	27.16
Average	4834.89	4500.97	3768.07		

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)	5100-5150	5150-5300
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	5258	5520	5715
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Buy	5230	5255	5280	5220

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

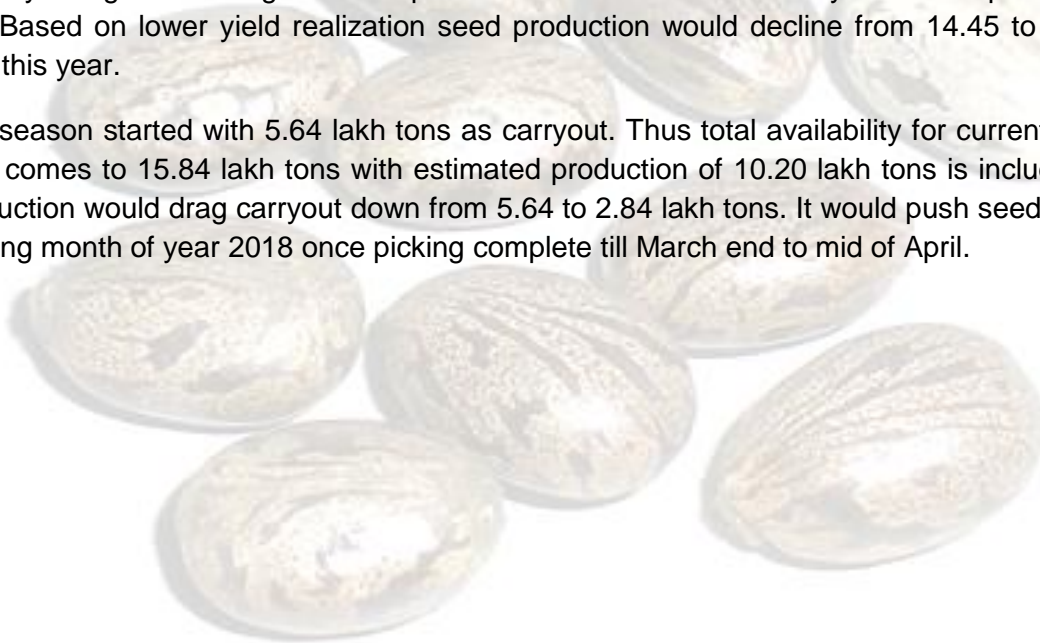


Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

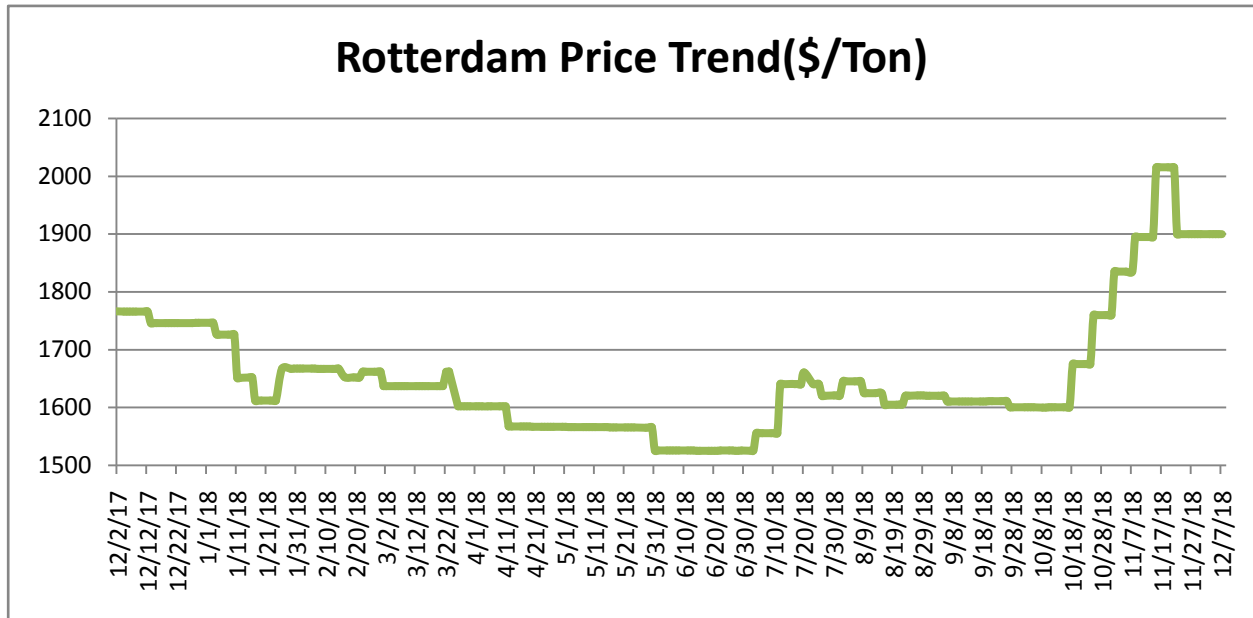
Castor Seed- Balance Sheet for 2018-19:

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	Market	Price (Rs/ Quintal)		Change
Center		14 to 19th Jan2019	07 to 12th Jan2019	
Gujarat	Patan	5088	5086	2
	Harij	5056	5068	-11
	Rajkot	4983	4998	-16
	Gondal	5030	5047	-17
	Deesa	5053	5084	-32
	Bhabar	5044	5053	-9
	Mehsana	5059	5106	-47
	Kadi	5063	5098	-35
	Sabarkatha	5075	5121	-46
	Gandhi Nagar	5078	5103	-25
	Ahmedabad (Sanand)	4995	5008	-13
	Halvad	5129	5163	-33
	Junagadh	4958	4967	-8
	Dhrol	4690	#DIV/o!	-
Rajasthan	Jodhpur	5177	5188	-12
	Sumerpur	4958	5011	-53

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	14 to 19th Jan2019	07 to 12th Jan2019	Change
Gujarat	Patan	3562	3907	-345
	Harij	900	1200	-300
	Rajkot	1200	1080	120
	Gondal	928	1025	-97
	Deesa	2990	3257	-266
	Bhabar	5139	5768	-629
	Mehsana	1058	1155	-98
	Kadi	9920	12240	-2320
	Sabarkatha	640	960	-320
	Gandhi Nagar	713	863	-150
	Ahmedabad (Sanand)	40	170	-130
	Halvad	975	975	Unch
	Junagadh	76	100	-24
	Dhrol	7	0	7
Rajasthan	Jodhpur	326	548	-221
	Sumerpur	3120	3440	-320
Total Arrivals/Above Markets		31594	36686	-5093

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		17-Jan-19	10-Jan-19	18-Dec-18	17-Jan-18
Gujarat	Patan	4925.00	5075	5125	3900
	Harij	4920.83	5050	5150	3900
	Rajkot	4816.67	5050	4955	3800
	Gondal	4830.00	5030	5005	3830
	Deesa	4930.83	5080	5010	3910
	Bhabar	4973.33	5070	5125	3910
	Mehsana	4886.67	5075	5050	3900
	Kadi	4885.83	5125	5105	3920
	Sabarkatha	4883.33	5125	5100	3925
	Gandhi Nagar	4925.00	5100	5100	3900
	Ahmedabad (Sanand)	4772.50	4990	5055	0
	Halvad	5062.50	5250	5300	3900
	Junagadh	4762.00	4900	4900	3650
	Dhrol	4557.50	0	4765	0
Rajasthan	Jodhpur	4834.00	5200	5200	3980
	Sumerpur	4812.50	5040	4975	3850

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