



Castor Weekly Research Report

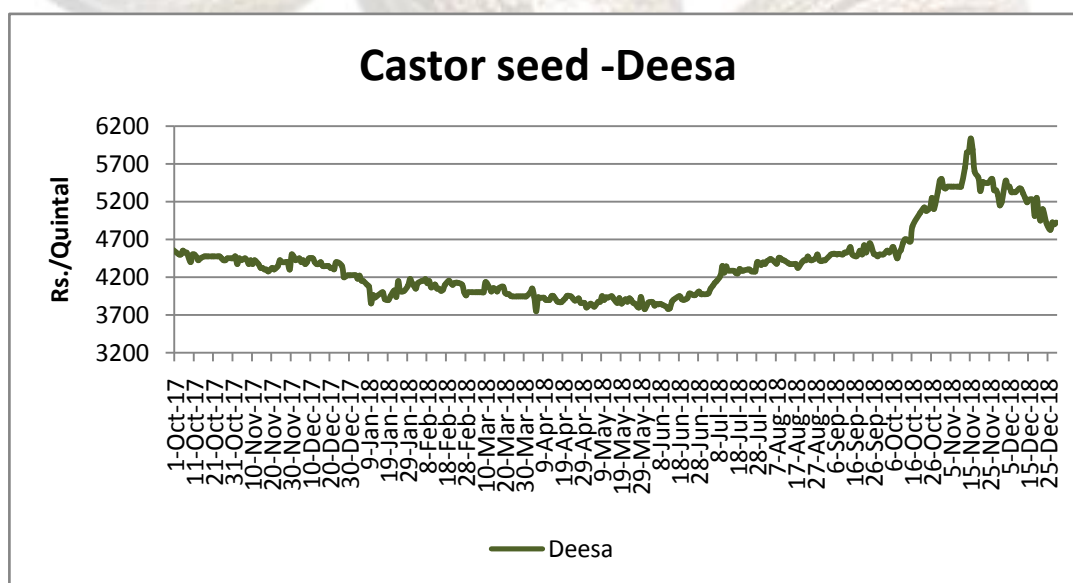
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Castor Domestic Market Fundamentals:

- Castor seed prices continue to trade range bound with slight bullishness due to expected decline in production by 20 to 25 per cent during the current season because of deficient rainfall in key Castor growing belts of Gujarat during monsoon. Moreover, higher exports of Castor compared to last year are also supporting the commodity.
- 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.
- 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 in coming days. The new crop quality is satisfactory.
- As per market sources, despite lower production prospects in Gujarat, the castor prices traded under pressure in last two month as export demand for meal and oil were not encouraging.
- 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.
- According to traders, Castor seed production is expected to decline at around 8-9 lakh tonnes. They also estimated present Castor stocks in the country to be around 3-4 lakh tonnes against 7-8 lakh tonnes in the same period last year.
- 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.
- 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.
- 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.
- As on 20th January Castor seed stocks at NCCL approved warehouses increased to 70,907 metric tonnes as compared to 48,755 metric tonnes.

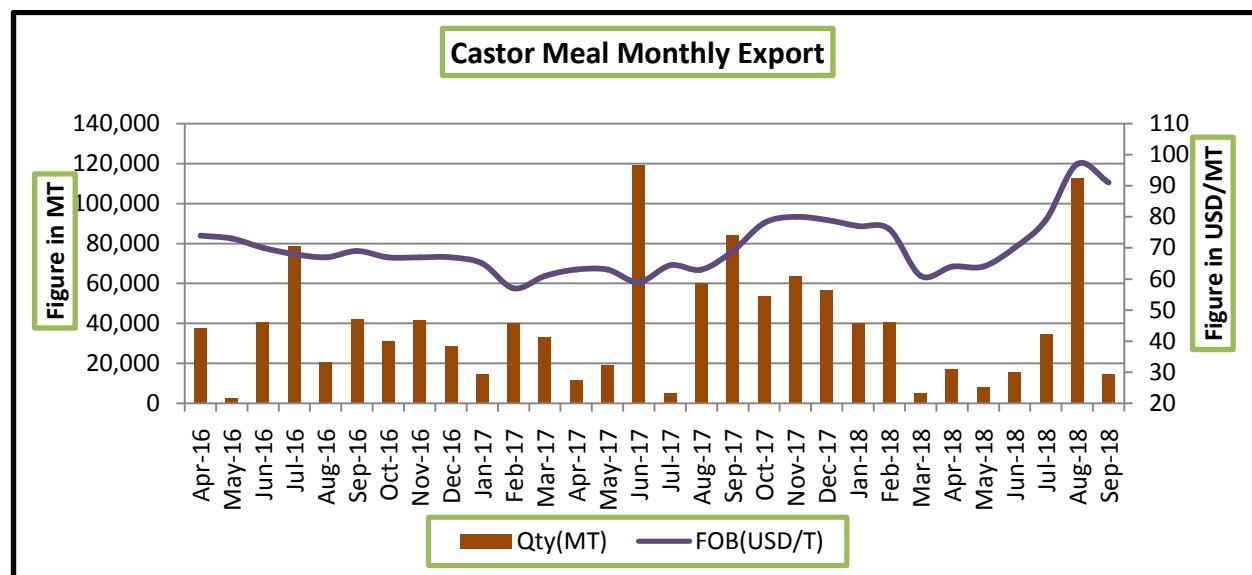
FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Improved demand from domestic and overseas buyers	Bullish
Trade source expecting 20 to 25 per cent decline in production	Bullish
New crop arrivals in various spot markets of Gujarat	Bearish
Castor production in Gujarat to decline at 10.43 lakh tonnes as against 14.84 lakh tonnes	Bullish
Castor meal export in November increased by 68.59 per cent at 30,724 tonnes as against 18,224 tonnes a month ago	Bullish
Profit booking at higher levels	Bullish
<i>Based on Primary & Secondary Sources</i>	

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 03rd Week Jan, 2018

State	Prices 16-23 Jan 2019	Prices 09-15 Jan 2019	Prices 01-08 Jan 2019	Prices 16-23 Jan 2018	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4682.27	4675.13		3720.58	0.15	---	25.85
Gujarat	5010.77	4993.8		3888.32	0.34	---	28.87
Karnataka	4157	4124.22		3716.67	0.79	---	11.85
Madhya Pradesh		5775			---	---	---
Maharashtra		4550		3475	---	---	---
Rajasthan	4969.34	4950.73		3875.94	0.38	---	28.21
Tamil Nadu	5369				---	---	---
Telangana	4711.44	4775.34		3720.89	-1.34	---	26.62
Average	4816.64	4834.89	NaN	3732.9			

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	5020	5050	5080	5010

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

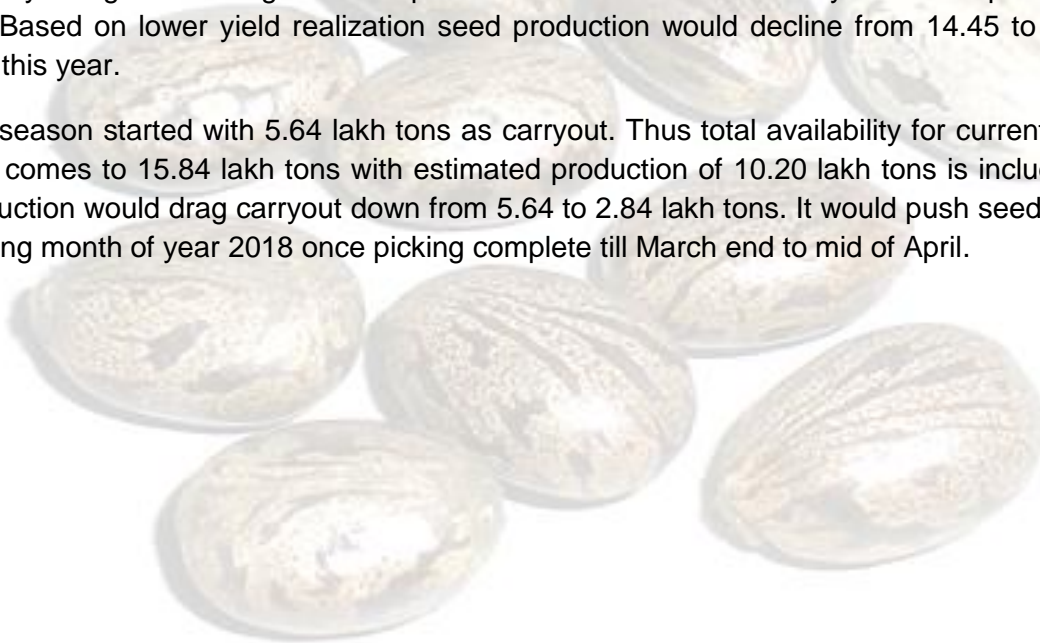


Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

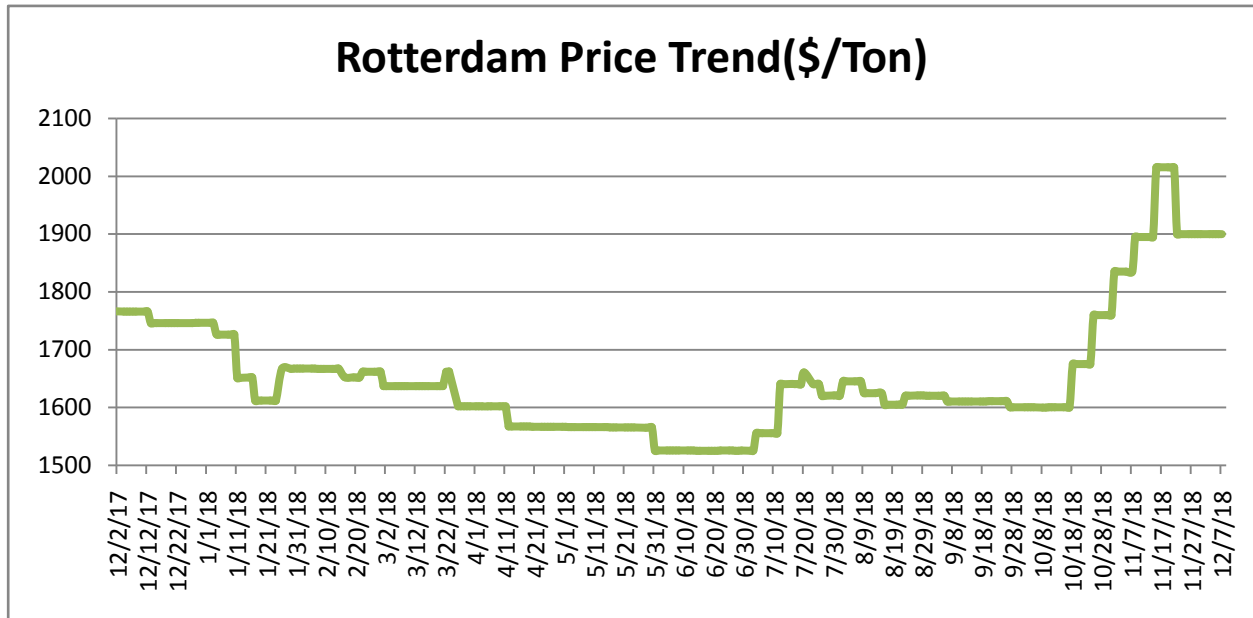
Castor Seed- Balance Sheet for 2018-19:

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
		20th To 27th Jan2019	14 to 19th Jan2019	
Gujarat	Patan	5008	5088	-80
	Harij	4992	5056	-65
	Rajkot	4951	4983	-32
	Gondal	4947	5030	-83
	Deesa	5068	5053	16
	Bhabar	5038	5044	-7
	Mehsana	5009	5059	-50
	Kadi	5029	5063	-34
	Sabarkatha	5050	5075	-25
	Gandhi Nagar	5052	5078	-26
	Ahmedabad (Sanand)	4970	4995	-25
	Halvad	5108	5129	-21
	Junagadh	5014	4958	55
	Dhrol	4783	4690	93
Rajasthan	Jodhpur	5078	5177	-98
	Sumerpur	4921	4958	-38

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	20th To 27th Jan2019	14 to 19th Jan2019	Change
Gujarat	Patan	10800	3562	7238
	Harij	1688	900	788
	Rajkot	1185	1200	-15
	Gondal	1347	928	419
	Deesa	5742	2990	2751
	Bhabar	10394	5139	5255
	Mehsana	1148	1058	90
	Kadi	12480	9920	2560
	Sabarkatha	1120	640	480
	Gandhi Nagar	1163	713	450
	Ahmedabad (Sanand)	227	40	187
	Halvad	975	975	Unch
	Junagadh	105	76	29
	Dhrol	4	7	-3
Rajasthan	Jodhpur	525	326	199
	Sumerpur	3840	3120	720
Total Arrivals/Above Markets		52742	31594	21148

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		25-Jan-19	18-Jan-19	26-Dec-18	25-Jan-18
Gujarat	Patan	4925.00	5100	4800	3900
	Harij	4920.83	5100	4700	4000
	Rajkot	4816.67	4965	4740	3875
	Gondal	4830.00	5055	4780	3855
	Deesa	4930.83	5050	4825	4150
	Bhabar	4973.33	5040	5000	4010
	Mehsana	4886.67	5025	4825	3960
	Kadi	4885.83	5050	4710	4020
	Sabarkatha	4883.33	5075	4775	3975
	Gandhi Nagar	4925.00	5100	4800	4000
	Ahmedabad (Sanand)	4772.50	5000	4675	3870
	Halvad	5062.50	5150	5200	3850
	Junagadh	4762.00	4900	4700	3750
	Dhrol	4557.50	4680	0	3570
Rajasthan	Jodhpur	4834.00	5150	4700	4020
	Sumerpur	4812.50	4900	4800	3970

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