



# Castor Weekly Research Report

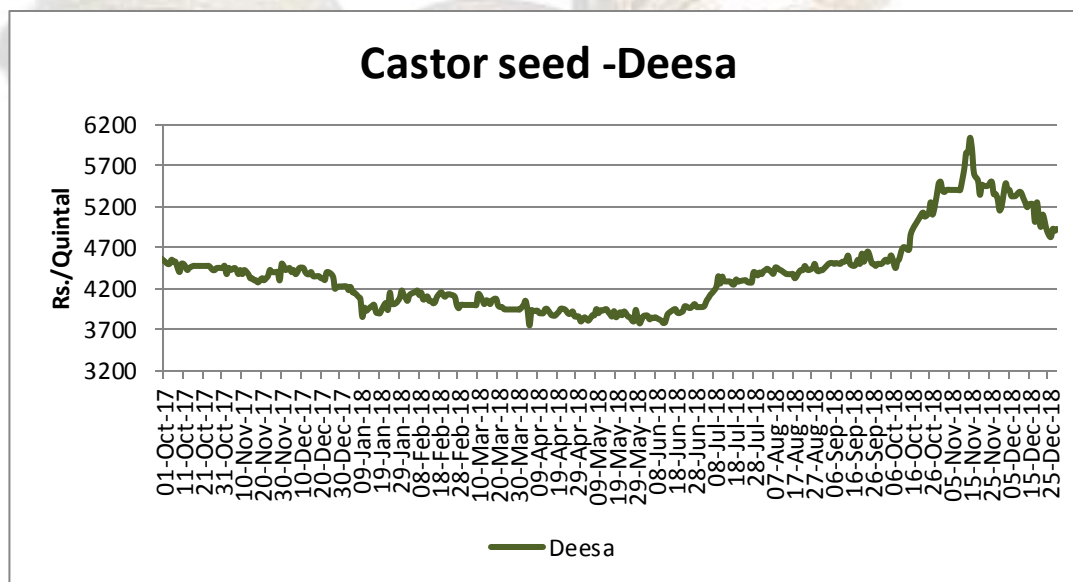
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**Castor Domestic Market Fundamentals:**

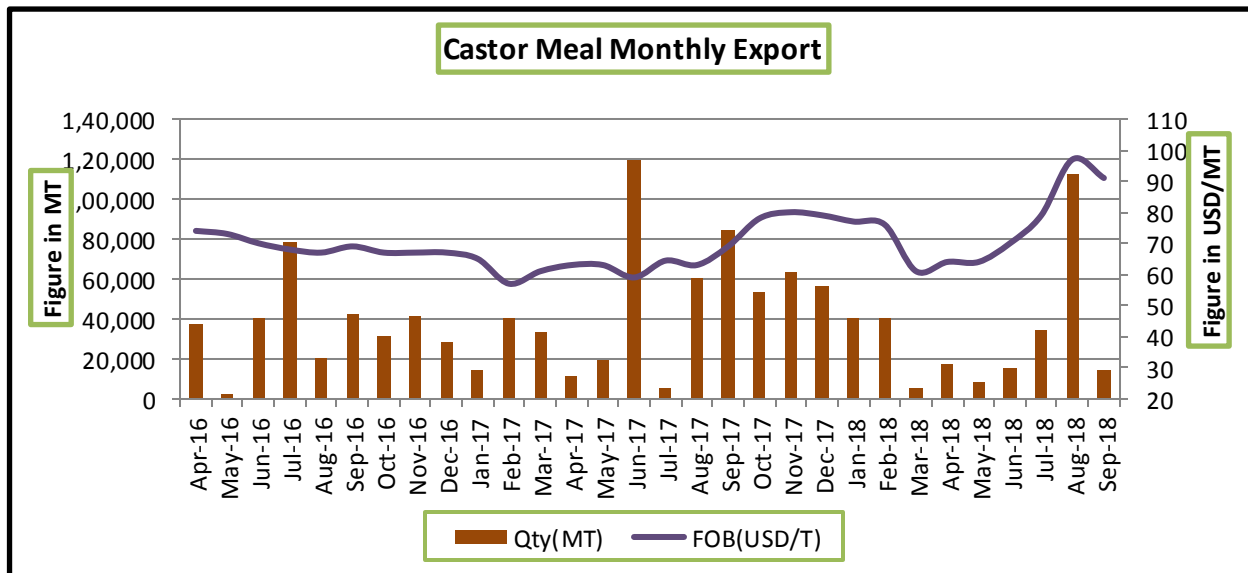
- Castor seed prices continue to trade range bound with slight bullishness due to expected decline in production by 20 to 25 per cent during the current season because of deficient rainfall in key Castor growing belts of Gujarat during monsoon. Moreover, higher exports of Castor compared to last year 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
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 04<sup>th</sup> Week Jan, 2019**

State	Prices 24-31 Jan 2019	Prices 16-23 Jan 2019	Prices 24-31 Jan 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4638.88	4682.27	3818.48	-0.93	21.48
Gujarat	4911.55	5010.77	4031.9	-1.98	21.82
Karnataka	3543	4157	3365	-14.77	5.29
Madhya Pradesh	4200		3100	---	35.48
Rajasthan	4924.69	4969.34	3992.4	-0.9	23.35
Tamil Nadu		5369		---	---
Telangana	4725.3	4711.44	3818.83	0.29	23.74
Uttar Pradesh			3500	---	---
Average	4490.57	4816.64	3660.94		

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

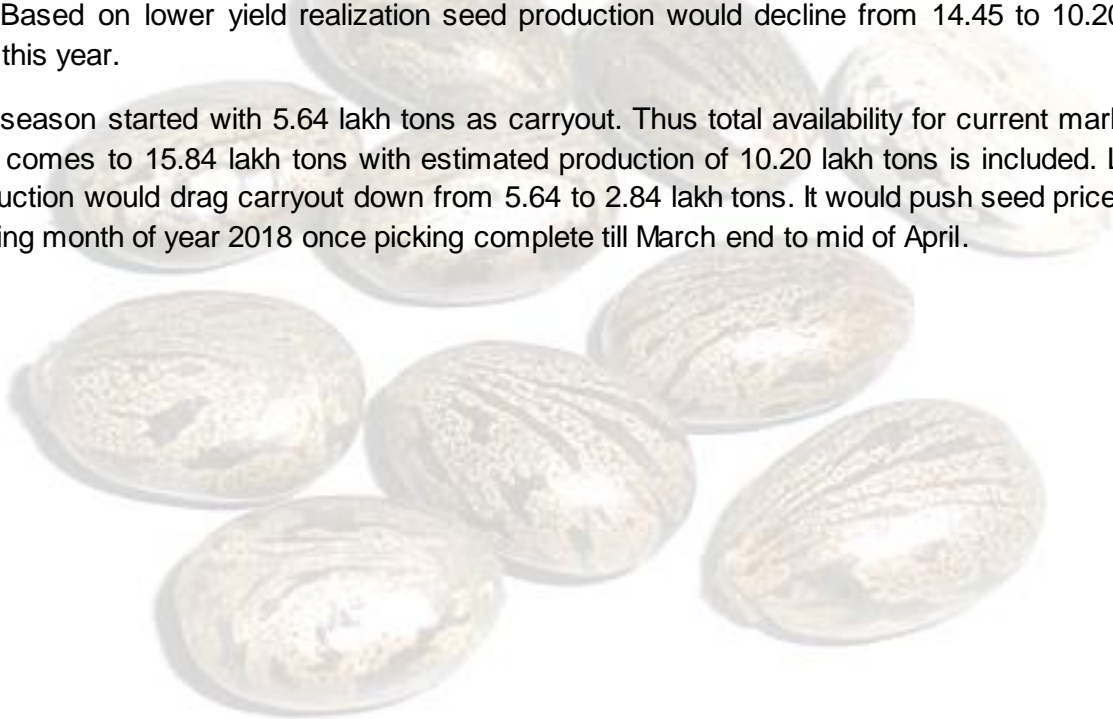
### Castor Seed Supply & Demand for MY-2018-19:

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
<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

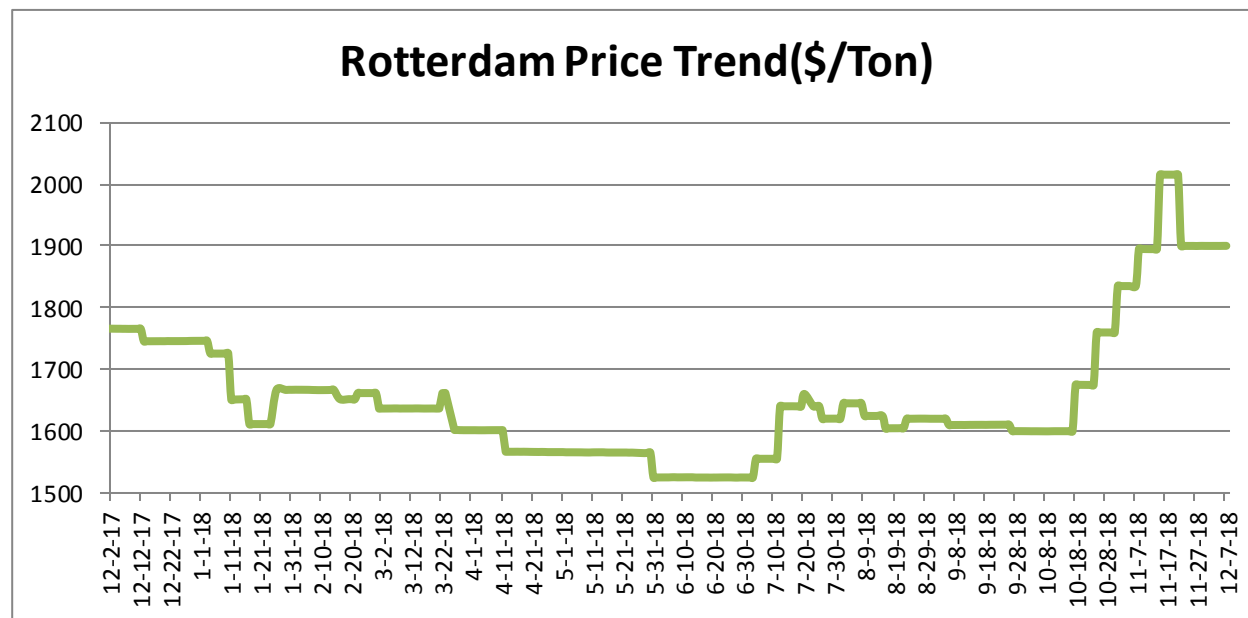
**Castor Seed- Balance Sheet for 2018-19:**

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	Market	Price (Rs/ Quintal)		Change
Center		28th Jan to 2nd Feb 2019	21st to 27th Jan 2019	
<b>Gujarat</b>	Patan	4950	5017	-67
	Harij	4975	5013	-38
	Rajkot	4872	4953	-82
	Gondal	4922	4947	-25
	Deesa	4947	5078	-132
	Bhabar	4971	5047	-76
	Mehsana	4942	5016	-74
	Kadi	4948	5034	-87
	Sabarkatha	4958	5054	-96
	Gandhi Nagar	4958	5064	-106
	Ahmedabad (Sanand)	4833	4978	-145
	Halvad	4971	5108	-138
	Junagadh	4900	4169	731
	Dhrol	4695	3815	880
<b>Rajasthan</b>	Jodhpur	4930	5103	-173
	Sumerpur	4875	4925	-50

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

Center	Market	28th Jan to 2nd Feb 2019	21st to 27th Jan 2019	Change
<b>Gujarat</b>	Patan	10500	10425	75
	Harij	2700	1613	1088
	Rajkot	2345	960	1385
	Gondal	1164	1241	-77
	Deesa	3578	5382	-1803
	Bhabar	9065	10830	-1765
	Mehsana	975	1058	-83
	Kadi	10880	12320	-1440
	Sabarkatha	1400	1040	360
	Gandhi Nagar	1613	900	713
	Ahmedabad (Sanand)	130	227	-97
	Halvad	908	1013	-105
	Junagadh	80	130	-50
	Dhrol	3	6	-3
<b>Rajasthan</b>	Jodhpur	578	525	53

	Sumerpur	2960	3840	<b>-880</b>
<b>Total Arrivals/Above Markets</b>		<b>48878</b>	<b>51508</b>	<b>-2630</b>

<b>Week on Week Price: Scenario of Castor Seed :</b>					
<b>Commodity</b>	<b>Market</b>	<b>Today</b>	<b>Week ago</b>	<b>Month ago</b>	<b>Year ago</b>
<b>Center</b>		<b>02-Feb-19</b>	<b>25-Jan-19</b>	<b>03-Jan-19</b>	<b>02-Feb-18</b>
<b>Gujarat</b>	Patan	4950	5000	5050	4200
	Harij	5050	4975	5050	4125
	Rajkot	4875	4925	4910	4020
	Gondal	4955	4905	4905	3980
	Deesa	4950	5110	5050	4050
	Bhabar	4950	5040	5025	4130
	Mehsana	4975	4990	5000	4125
	Kadi	4975	4995	5035	4170
	Sabarkatha	4975	5025	5025	4125
	Gandhi Nagar	4975	5050	5060	4175
	Ahmedabad (Sanand)	4815	4945	4910	4030
	Halvad	4900	5150	5025	4125
	Junagadh	NA	4960	4950	4100
	Dhrol	NA	4725	0	0
<b>Rajasthan</b>	Jodhpur	4700	5100	5000	4130
	Sumerpur	4900	4875	4900	4075

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