



# Castor Weekly Research Report

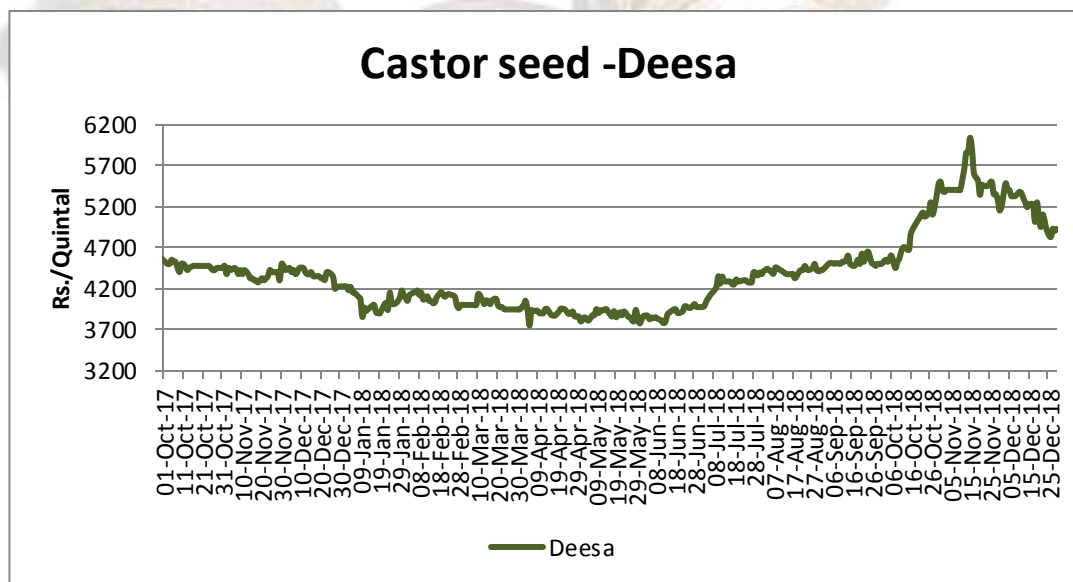
## Contents

- ❖ Outlook and Review
- ❖ Castor Seed price Chart
- ❖ Export
- ❖ NCDEX Spot Price
- ❖ Outlook
- ❖ Future Chart
- ❖ Progressive Sowing
- ❖ Weekly Spot Price change
- ❖ International Market Update

**Castor Domestic Market Fundamentals:**

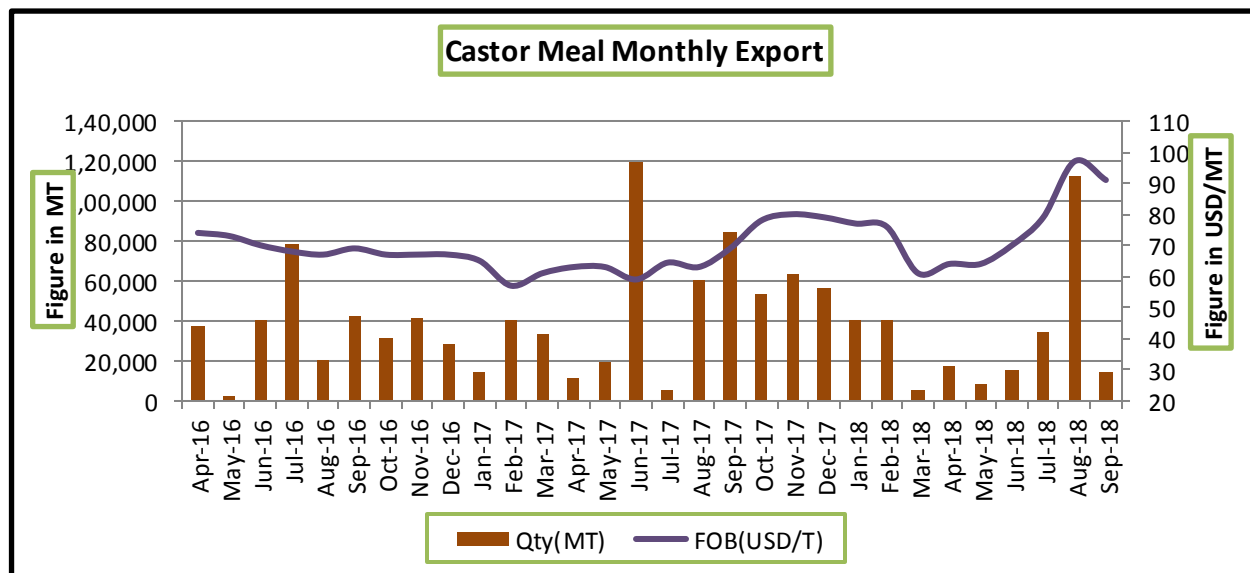
- Castor seed prices in most of the spot markets of Gujarat and Rajasthan remained range bound with slight firmness as domestic demand from Industries such as lubricants, cosmetics, paints etc., improved slight at lower levels. Expected decline in production during current season also helped the commodity but, as exports remained on the lower side Castor prices could not found sufficient support to trade on higher side.
- According to Gujarat based traders new crop arrivals has started, but the pace is slow due to lower crop however supply is likely to gain pace in coming days which will keep prices on the lower side.
- India's castor oil exports dropped by 23.9 per cent year-on-year to 40,317 tonnes in December, according to data from the Solvent Extractors' Association of India (SEA).Exports of the industry oil also slipped by 14.6 per cent from 47,264 tonnes in November.
- Subdued import demand from Beijing weighed on the overall shipments from India. China accounts for around 70 percent of nonedible oil exports from India.
- During April-December, India shipped out 431,238 tonnes of castor oil, down from 530,256 tonnes exported a year ago. In 2017-18 (AprilMarch) India's total exports were pegged at 651,326 tonnes as against 556,778 tonnes in the previous year.
- Exports in the coming months are also seen falling following tepid buying from other major buyers in the global market. Apart from China, Japan, European countries and United States are prominent buyers of Indian castor oil.
- 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.
- India's castor seed production is expected to fall to 1.20-1.25 million tonnes in 2018-19 (Jul-Jun) from 1.42 million tonnes produced in the previous year, according to another official with the Solvent Extractors' Association of India. The estimate is lower than the government's projection of 1.52 million tonnes.
- 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
New crop arrivals in spot markets of Gujarat and Rajasthan	<b>Bearish</b>
Improved demand from Lubricants, paints, etc. Industries	<b>Bullish</b>
Buying to improve at lower levels as crop production expected to decline	<b>Bullish</b>
India's castor oil exports dropped by 23.9 per cent year-on-year to 40,317 tonnes in December	<b>Bearish</b>
Market sources expecting further decline in demand from China, Japan, European countries and US	<b>Bearish</b>
Castor production in Gujarat to decline at 10.43 lakh tonnes as against 14.84 lakh tonnes	<b>Bullish</b>
<i>Based on Primary &amp; 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 01<sup>st</sup> Week Feb, 2019**

State	Prices 01-08 Feb 2019	Prices 24-31 Jan 2019	Prices 01-08 Feb 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4521.31	4638.88	3851.13	-2.53	17.4
Gujarat	4896.54	4911.55	4087.75	-0.31	19.79
Karnataka	3530	3543	2066.33	-0.37	70.83
Madhya Pradesh		4200	3500	---	---
Maharashtra			3337.5	---	---
Rajasthan	4852.26	4924.69	4063.57	-1.47	19.41
Tamil Nadu			5409	---	---
Telangana	4688.29	4725.3	3901.23	-0.78	20.17
Uttar Pradesh			3290	---	---
Average	4497.68	4490.57	3722.95		

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	5096	5520	5715
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Buy	5100	5150	5220	5090

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

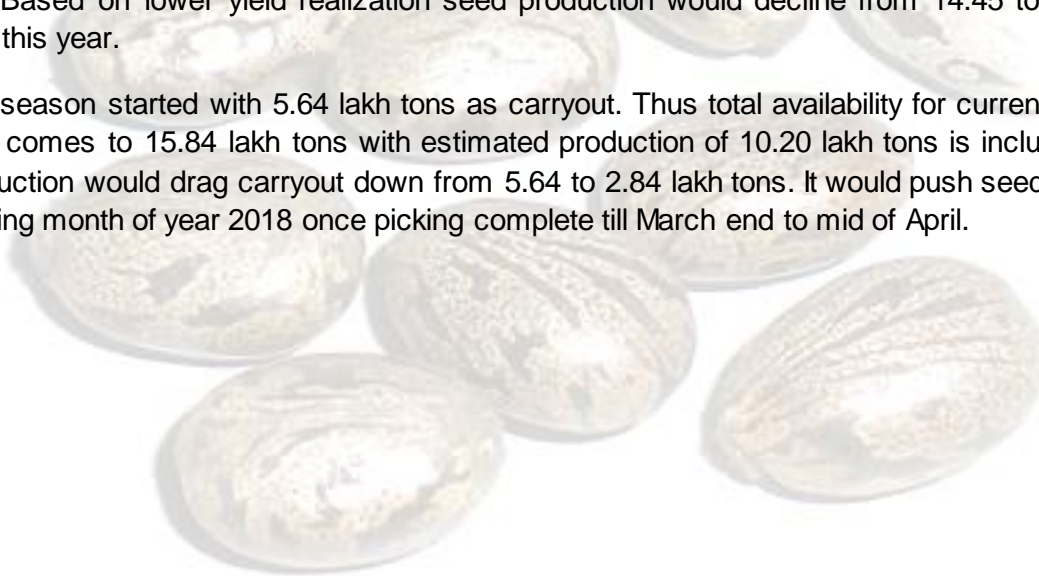
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
<b>Production</b>	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20	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

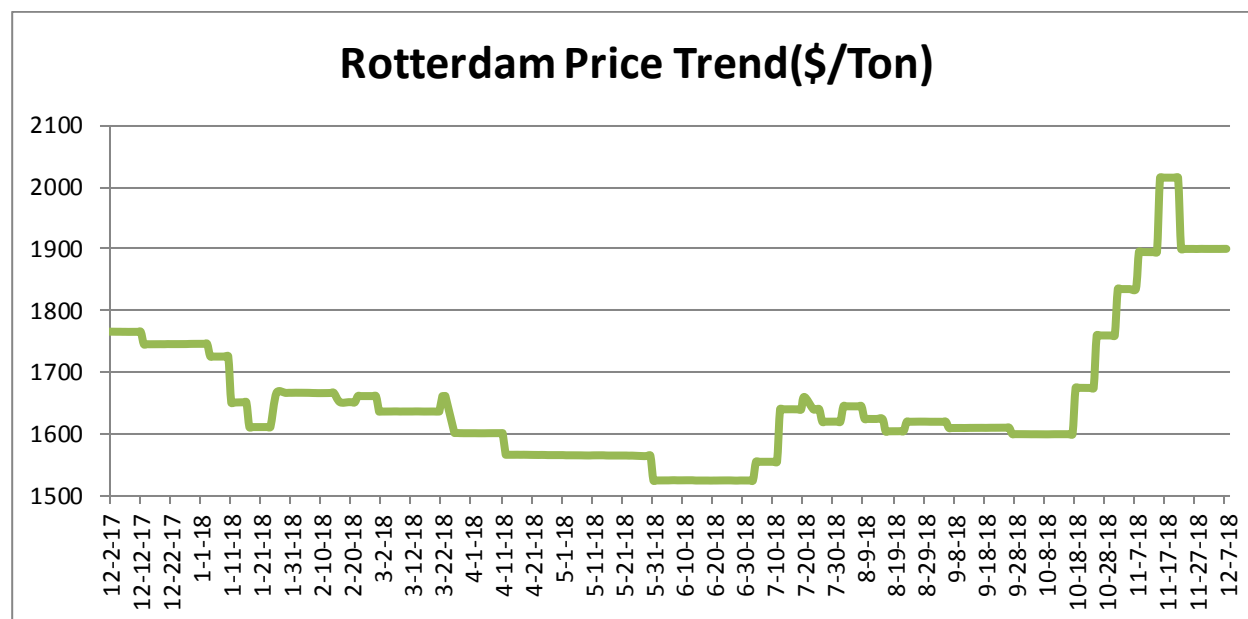
### **Castor Seed- Balance Sheet for 2018-19:**

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.**

<b>Comparative Prices Of Castor Products Including Seed</b>					
	<b>30th Nov '18</b>	<b>23rd Nov '18</b>	<b>30th Oct '18</b>	<b>30th Nov '17</b>	<b>CHANGE %</b>
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	52450	NQ	56450	44460	<b>15.23</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	93.00	NQ	94.00	80.00	<b>13.98</b>
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	6450	NQ	6900	5100	<b>20.93</b>
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1605	NQ	1565	1453	<b>9.47</b>
Local rates for oil in domestic market (Rs./M.T.) for comm.	112000	NQ	116000	93892	<b>16.17</b>



**Castor Seed Weekly Prices at Key Spot Markets:**

Commodity	Market	Price (Rs/ Quintal)		Change
Center		04th Feb to 09th Feb 2019	28th Jan to 2nd Feb 2019	
<b>Gujarat</b>	Patan	4933	4950	-17
	Harij	4946	4975	-29
	Rajkot	4847	4872	-25
	Gondal	4922	4922	Unch
	Deesa	4928	4947	-18
	Bhabar	4949	4971	-22
	Mehsana	4944	4942	3
	Kadi	4961	4948	13
	Sabarkatha	4971	4958	13
	Gandhi Nagar	4950	4958	-8
	Ahmedabad (Sanand)	4872	4833	39
	Halvad	4917	4971	-54
	Junagadh	4870	4900	-30
	Dhrol	4580	4695	-115
<b>Rajasthan</b>	Jodhpur	4870	4930	-60
	Sumerpur	4850	4875	-25

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

Center	Market	04th Feb to 09th Feb 2019	28th Jan to 2nd Feb 2019	Change
<b>Gujarat</b>	Patan	10043	10500	-458
	Harij	2363	2700	-338
	Rajkot	1560	2345	-785
	Gondal	1156	1164	-8
	Deesa	3516	3578	-62
	Bhabar	8806	9065	-259
	Mehsana	930	975	-45
	Kadi	13320	10880	2440
	Sabarkatha	1640	1400	240
	Gandhi Nagar	1313	1613	-300
	Ahmedabad (Sanand)	190	130	60
	Halvad	2288	908	1380
	Junagadh	175	80	95
	Dhrol	10	3	7

<b>Rajasthan</b>	Jodhpur	825	578	<b>248</b>
	Sumerpur	3520	2960	<b>560</b>
<b>Total Arrivals/Above Markets</b>		<b>51653</b>	<b>48878</b>	<b>2775</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>09-Feb-19</b>	<b>01-Feb-19</b>	<b>10-Jan-19</b>	<b>09-Feb-18</b>
<b>Gujarat</b>	Patan	4950	4975	5075	4075
	Harij	4925	5050	5050	4075
	Rajkot	4875	4905	5050	3980
	Gondal	4980	4930	5030	4005
	Deesa	4950	4950	5080	4150
	Bhabar	4975	4975	5070	4090
	Mehsana	4975	4975	5075	4025
	Kadi	5000	4960	5125	4085
	Sabarkatha	5000	4975	5125	4050
	Gandhi Nagar	5000	4975	5100	4075
	Ahmedabad (Sanand)	4900	4800	4990	4055
	Halvad	4950	4925	5250	4100
	Junagadh	NA	0	4900	4010
	Dhrol	NA	0	4805	3540
<b>Rajasthan</b>	Jodhpur	4800	4950	5200	4100
	Sumerpur	4900	4900	5040	4025

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2019 Indian Agribusiness Systems Pvt. Ltd.