



Castor Weekly Research Report

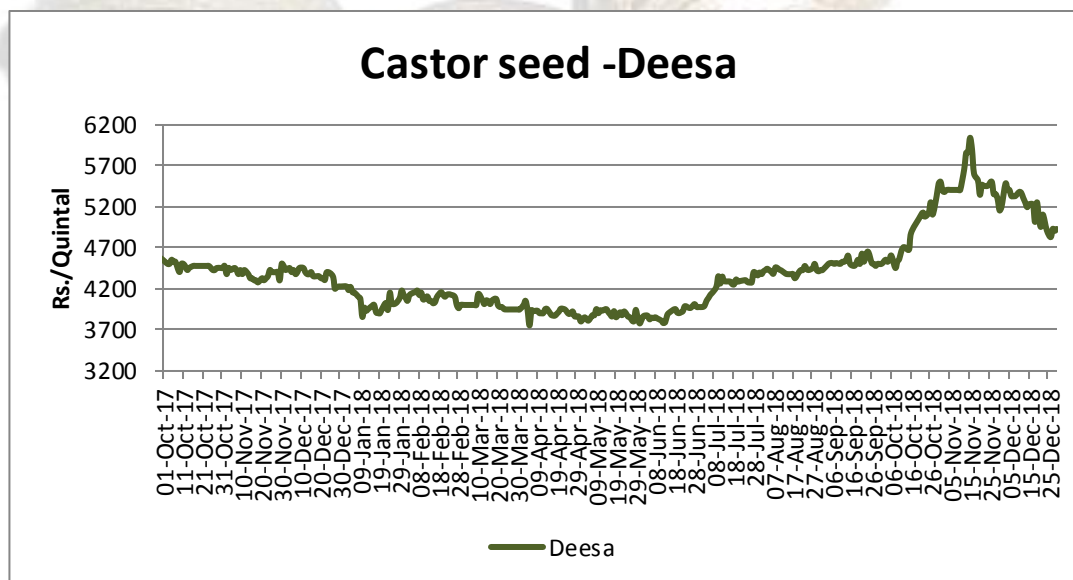
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**Castor Domestic Market Fundamentals:**

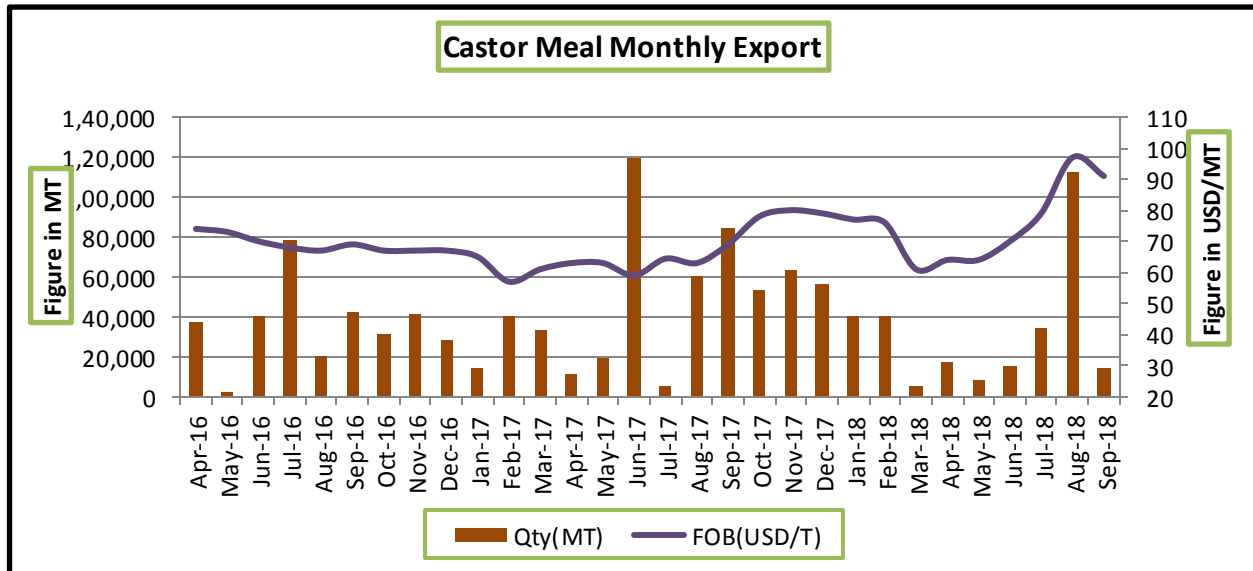
- Castor seed prices in most of the spot markets of Gujarat and Rajasthan remained range bound with slight firmness as domestic demand from Industries such as lubricants, cosmetics, paints etc., improved slight at lower levels. Expected decline in production during current season also helped the commodity 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 (April-March) 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	Bearish
Improved demand from Lubricants, paints, etc. Industries	Bullish
Buying to improve at lower levels as crop production expected to decline	Bullish
India's castor oil exports dropped by 23.9 per cent year-on-year to 40,317 tonnes in December	Bearish
Market sources expecting further decline in demand from China, Japan, European countries and US	Bearish
Castor production in Gujarat to decline at 10.43 lakh tonnes as against 14.84 lakh tonnes	Bullish
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 01st 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 to firm 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	Mar	4900	5000	5096	5600	5715
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Mar	Buy	5350	5400	5440	5320

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

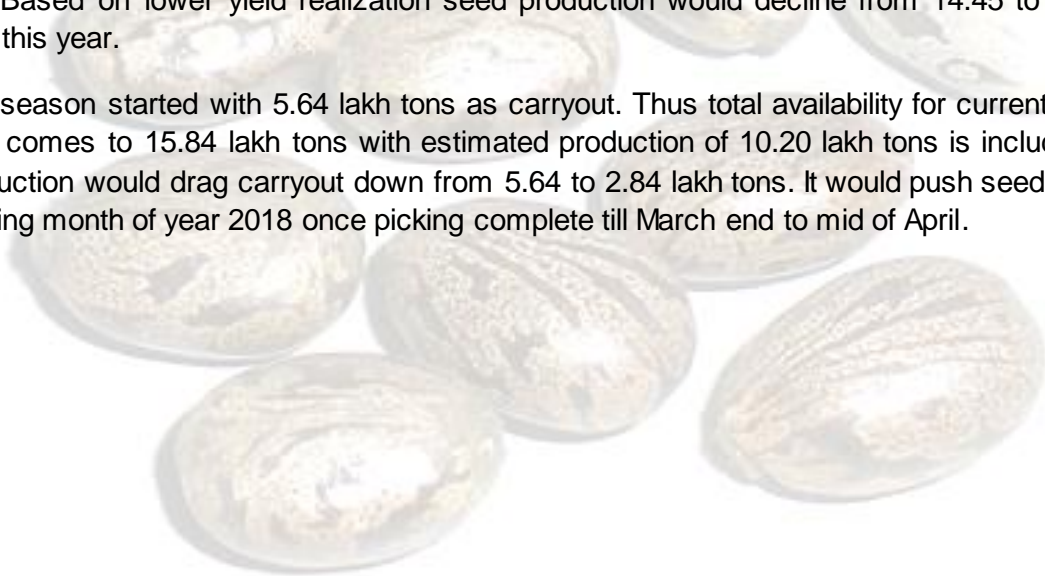
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
Production	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20	13.00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

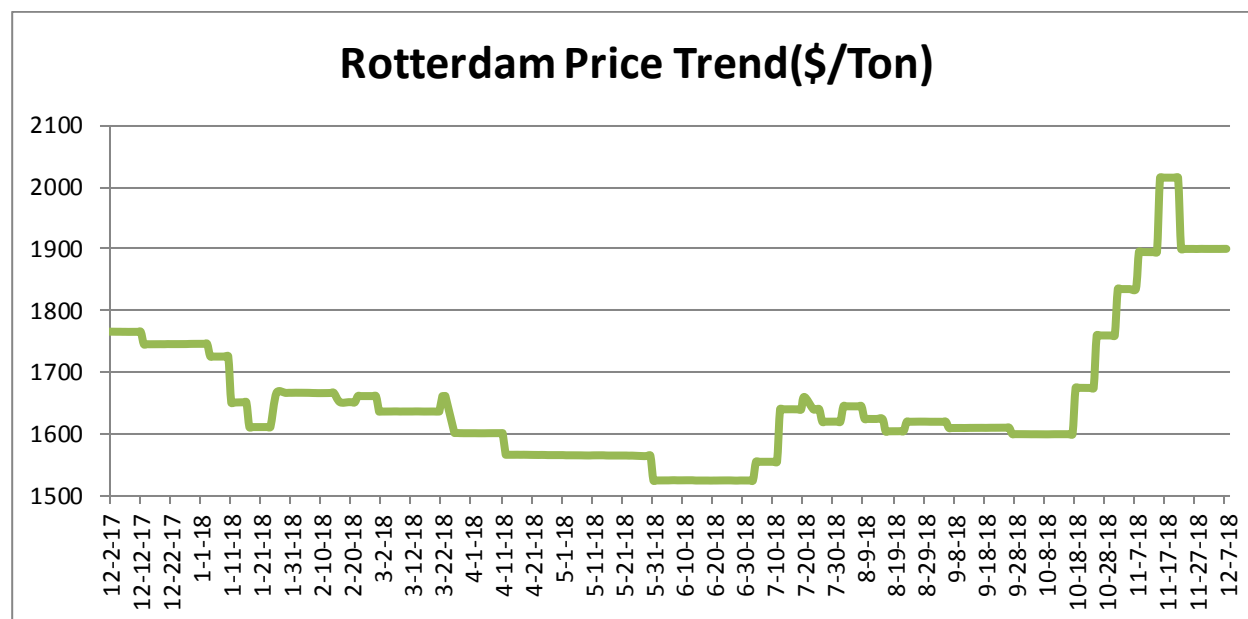
Av Monthly Consumption	1.05	1.06	1.08	1.10	1.08
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

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		11th Feb to 16th Feb 2019	04th Feb to 09th Feb 2019	
Gujarat	Patan	5033	4933	100
	Harij	5060	4946	114
	Rajkot	4948	4847	101
	Gondal	4972	4922	50
	Deesa	5008	4928	80
	Bhabar	5021	4949	72
	Mehsana	5045	4944	101
	Kadi	5030	4961	69
	Sabarkatha	5058	4971	88
	Gandhi Nagar	5032	4950	82
	Ahmedabad (Sanand)	4981	4872	109
	Halvad	5035	4917	118
	Junagadh	4913	4870	43
	Dhrol	4575	4580	-5
Rajasthan	Jodhpur	4957	4870	87
	Sumerpur	4954	4850	104

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	11th Feb to 16th Feb 2019	04th Feb to 09th Feb 2019	Change
Gujarat	Patan	10650	10043	608
	Harij	3225	2363	863
	Rajkot	1801	1560	241
	Gondal	1550	1156	394
	Deesa	3536	3516	20
	Bhabar	12576	8806	3770
	Mehsana	1500	930	570
	Kadi	17840	13320	4520
	Sabarkatha	2360	1640	720
	Gandhi Nagar	1800	1313	488
	Ahmedabad (Sanand)	150	190	-41
	Halvad	2220	2288	-68
	Junagadh	195	175	20
	Dhrol	12	10	2
Rajasthan	Jodhpur	720	825	-105



	Sumerpur	2960	3520	-560
Total Arrivals/Above Markets		63095	51653	11442

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		16-Feb-19	08-Feb-19	17-Jan-19	16-Feb-18
Gujarat	Patan	5050	4950	5100	4100
	Harij	Closed	4925	5075	4025
	Rajkot	4970	4860	4945	3875
	Gondal	5055	4880	4980	0
	Deesa	Closed	4975	5030	4035
	Bhabar	5050	4970	5030	4035
	Mehsana	Closed	4915	5050	4000
	Kadi	5085	4960	5080	4065
	Sabarkatha	5075	4975	5050	3975
	Gandhi Nagar	Closed	4950	5060	4050
	Ahmedabad (Sanand)	5035	4875	4915	3925
	Halvad	5175	4900	5050	3975
	Junagadh	NA	4830	4915	0
	Dhrol	NA	NA	0	3650
Rajasthan	Jodhpur	4850	4970	5180	4130
	Sumerpur	5000	4825	4950	4000

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