



Castor Weekly Research Report

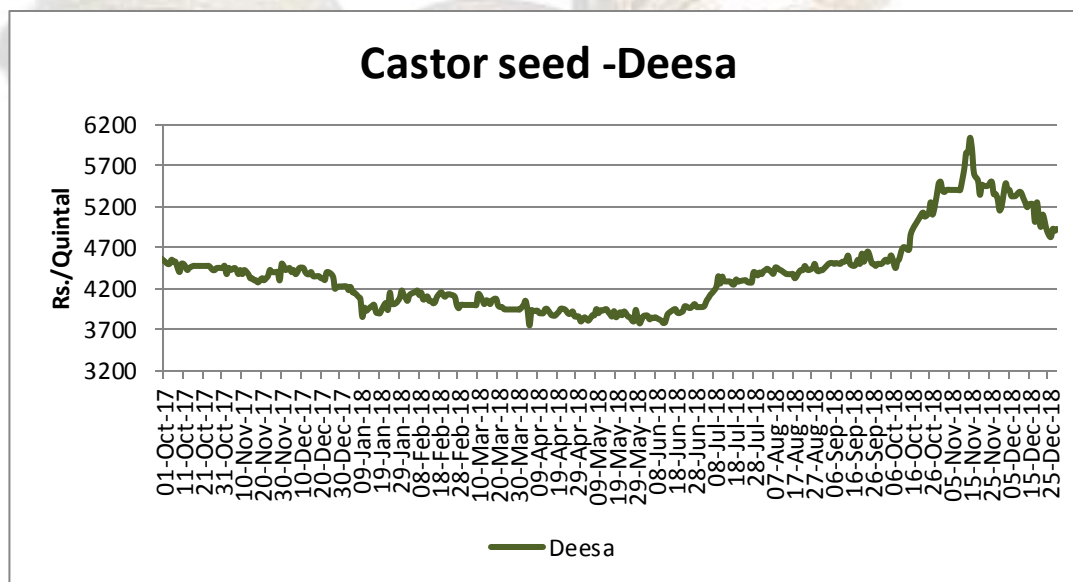
Contents

- ❖ 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:**

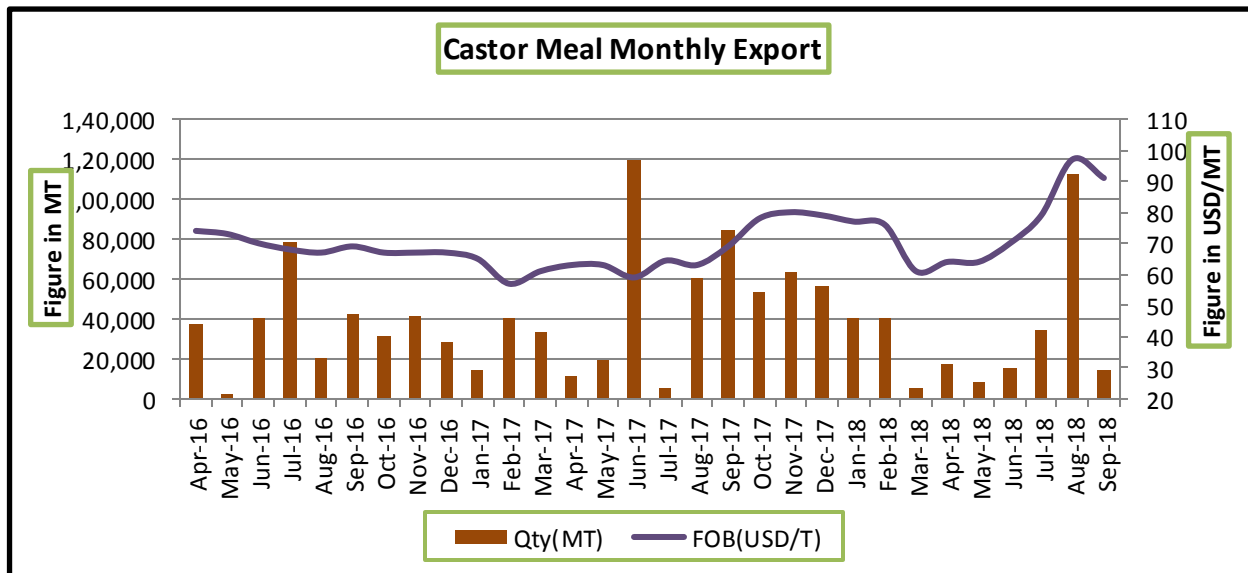
- Expected decline in production in Gujarat by 20 to 25 per cent during the current season have kept market sentiments slightly on the higher side. Moreover higher exports as compared to last year also supported the commodity.
- All India Castor seed acreage in 2018 increased to 9.18 lakh hectares up 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, first advance estimates for 2018-19, Castor production is estimated to decline at 15.17 lakh tonnes as against the target of 18.31 lakh tonnes. Castor production during 2017-18 was estimated at 15.68 lakh tonnes.
- According to market sources, the current season Castor production is expected to decline at around 12.50 lakh tonnes as against 14.20 lakh tonnes produced last year.
- Castor seed acreage in Gujarat during 2018 was reported around 5.33 lakh hectares as against 5.95 lakh hectares in Kharif 2017. A decline of 10.42 per cent due to deficient monsoon rainfall in 2018 in major castor growing belts of Gujarat. The seasonal normal Castor acreage in Gujarat is 6.48 lakh tonnes.
- According to the latest 2nd Advance estimates released by the Gujarat Agriculture department Castor seed production in the state is estimated to decline by 30 per cent at 10.43 lakh tonnes as compared to 14.84 lakh tonnes in 2017-18.
- As per the Solvent Extractors' Association of India (SEA) latest data Castor seed meal exports during April 2018 to January 2019, declined by 36 per cent at 326885 metric tonnes as against 513335 metric tonnes last year. During April 2018 to January 2019, South Korea imported around 220855 tonnes of castor meal and Taiwan imported around 83,146 tonnes.
- Castor meal exports in the month of January 2019 increased at 34,374 metric tonnes as against 17,230 metric tonnes in December 2018. South Korea was the major importer with 32,081 tonnes and Taiwan imported 2,072 tonnes.
- 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.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Overall Castor acreage in 2018 increased to 9.18 lakh hectares up by 5.05 per cent from last year acreage	Bearish
Expectation of decline in production in Gujarat by 30 per cent during the current season	Bullish
All India Castor production estimated to at 15.17 lakh tonnes as against the target of 18.31 lakh tonnes	Bullish
Castor meal exports in April 2018 to January 2019, declined by 36 per cent at 326885 metric tonnes as against 513335 metric tonnes	Bearish
Lower Castor oil exports as compared to last year	Bearish
Buying to improve at lower levels as crop production expected to decline	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 Feb, 2019

State	Prices 16-23 Feb 2019	Prices 09-15 Feb 2019	Prices 16-23 Feb 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4772.4	4722.22	3764.59	1.06	26.77
Gujarat	5029.61	4970.09	4034.35	1.2	24.67
Karnataka	3610	12100	3089.5	-70.17	16.85
Madhya Pradesh	2225	3845.73	2200	-42.14	1.14
Odisha			3200	--	--
Rajasthan	4989.36	4921.59	3987.27	1.38	25.13
Tamil Nadu		2589		--	--
Telangana	4697.99	4472.92	3910.11	5.03	20.15
Average	4220.73	5374.51	3455.12		

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 is neutral region which indicates firmness.



Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Mar	4900	5000	5252	5600	5715
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Mar	Buy	5250	5280	5320	5230

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

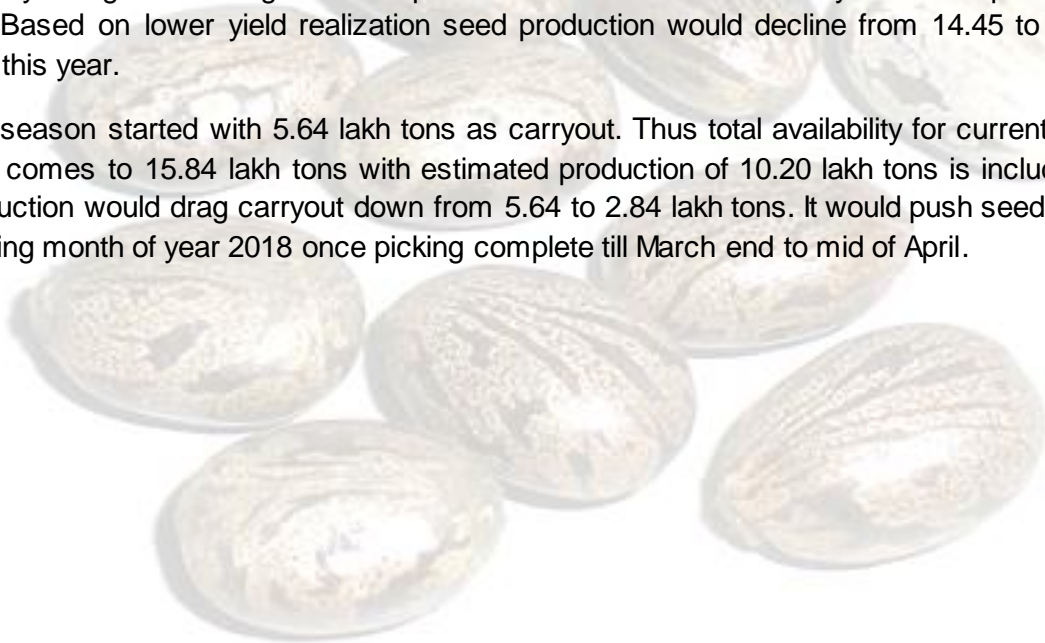
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
Production	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20	13.00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

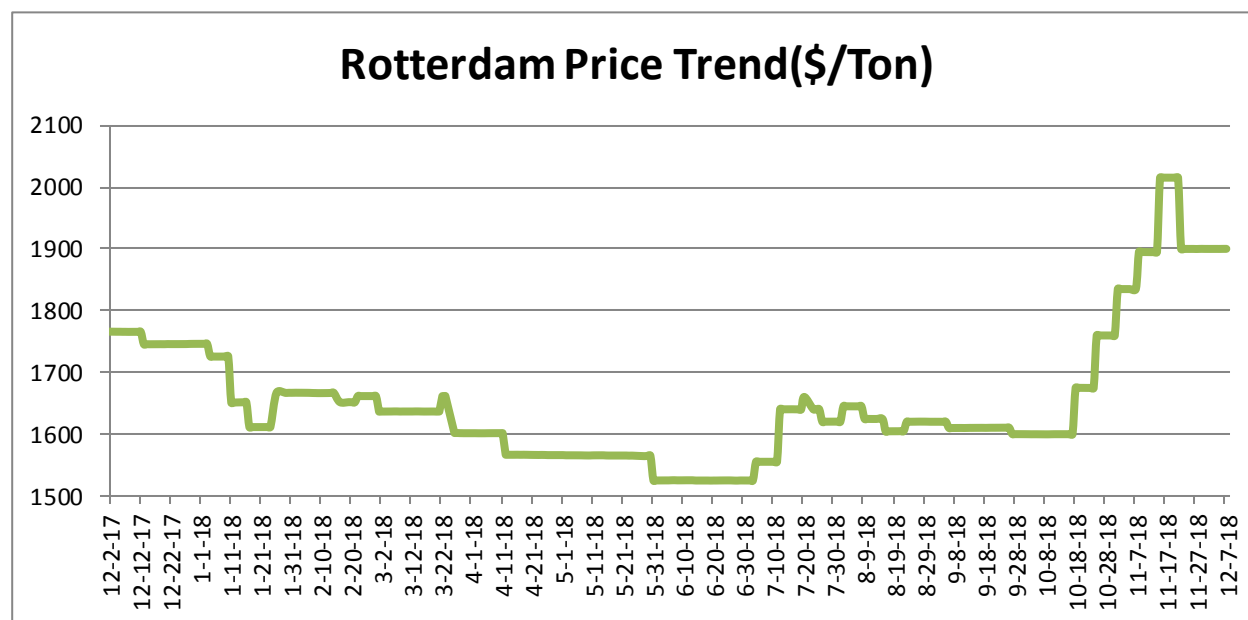
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

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	CHAN GE %
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		18th Feb to 23th Feb 2019	11th Feb to 16th Feb 2019	
Gujarat	Patan	5083	5033	50
	Harij	5064	5060	4
	Rajkot	4978	4948	30
	Gondal	5038	4972	67
	Deesa	5078	5008	70
	Bhabar	5067	5021	46
	Mehsana	5067	5045	22
	Kadi	5098	5030	68
	Sabarkatha	5100	5058	42
	Gandhi Nagar	5063	5032	31
	Ahmedabad (Sanand)	5020	4981	39
	Halvad	5143	5035	108
	Junagadh	4978	4913	65
	Dhrol	4650	4575	75
Rajasthan	Jodhpur	5136	4957	179
	Sumerpur	4979	4954	25

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	18th Feb to 23th Feb 2019	11th Feb to 16th Feb 2019	Change
Gujarat	Patan	12675	10650	2025
	Harij	4725	3225	1500
	Rajkot	1325	1801	-476
	Gondal	1338	1550	-212
	Deesa	5558	3536	2022
	Bhabar	15172	12576	2596
	Mehsana	1800	1500	300
	Kadi	18840	17840	1000
	Sabarkatha	3120	2360	760
	Gandhi Nagar	3188	1800	1388
	Ahmedabad (Sanand)	262	150	113
	Halvad	2745	2220	525
	Junagadh	139	195	-56
	Dhrol	4	12	-8
Rajasthan	Jodhpur	739	720	19



	Sumerpur	4800	2960	1840
Total Arrivals/Above Markets		76429	63095	13335

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		23-Feb-19	15-Feb-19	24-Jan-19	23-Feb-18
Gujarat	Patan	5100	5125	5000	4075
	Harij	5075	5100	5000	4125
	Rajkot	4930	5055	4955	4025
	Gondal	5030	4980	4955	0
	Deesa	5100	5150	5150	4130
	Bhabar	5100	5050	5035	4110
	Mehsana	Closed	5150	5015	4350
	Kadi	5095	5095	5025	4155
	Sabarkatha	5100	5150	5050	4100
	Gandhi Nagar	5050	5150	5050	4100
	Ahmedabad (Sanand)	5050	5035	4980	4055
	Halvad	5225	5200	5050	4000
	Junagadh	4925	5005	5015	0
	Dhrol	NA	NA	0	0
Rajasthan	Jodhpur	5130	5040	5150	4130
	Sumerpur	4950	5075	4900	4070

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.

