



Castor Weekly Research Report

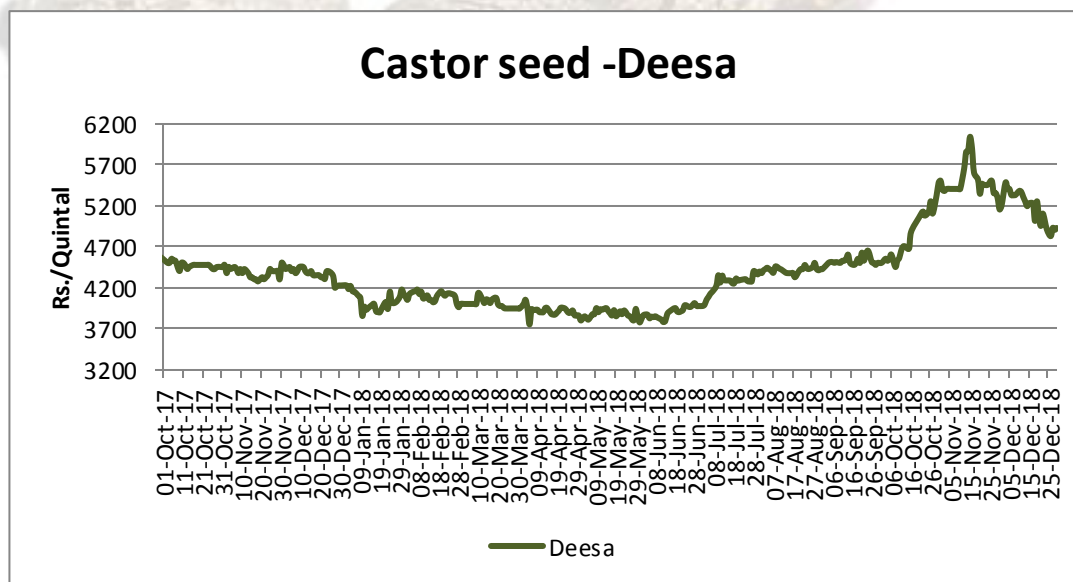
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Castor Domestic Market Fundamentals:

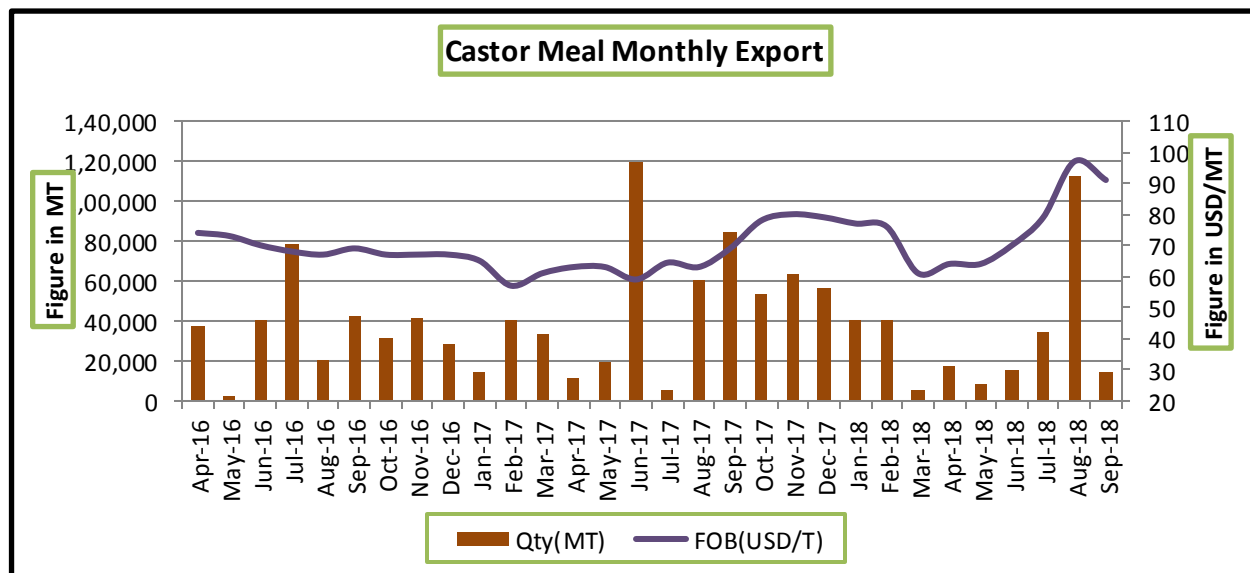
- Castor seed prices in most of the spot markets in the country remained range bound with slight weak tone due to higher availability of the commodity against subdued demand.
- Traders reported that demand of castor seed from millers remained weak due to slow off take of castor oil. In addition to it millers are aware of the fact that new crop supply will increase from March onwards which will help them to procure castor seed at lower price level. Overall trend of castor seed is down for near term.
- 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 the latest second advance estimates by Ministry of Agriculture, Castor seed production for 2018-19 is estimated to decline by 21.37 per cent at 11.77 lakh tonnes as compared to 14.97 lakh tonnes last year. The target set by government for 2018-19 castor seed production is 18.31 lakh tonnes.
- As per trade sources, the decline in all India castor production is mainly due to lower crop estimates from Gujarat because of deficient rainfall during monsoon 2018 in key Castor growing belts (Mehsana, Patan, and Surendranagar).
- Castor seed acreage in Gujarat during 2018 was reported around 5.33 lakh hectares as against 5.95 lakh hectares in Kharif 2017. The seasonal normal Castor acreage in Gujarat is 6.48 lakh tonnes.
- As per the latest revised second advance estimates for 2018-19 crop by the Department of Agriculture Gujarat, Castor seed production is estimated to decline by 35.24 per cent at 9.61 lakh tonnes as against 14.84 lakh tonnes during 2017-18.
- As per market sources, Rajasthan Castor seed production for 2018-19 crop is likely to decline at 1.47 lakh tonnes as compared to 1.66 lakh tonnes during 2017-18.
- As per the Solvent Extractors' Association of India (SEA) latest data Castor seed meal exports during April 2018 to January 2019, declined at 326885 metric tonnes as against 513335 metric tonnes last year.
- Castor meal exports in the month of January 2019 reported 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.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Subdued demand against higher availability in spot markets	Bearish
Millers expecting higher arrivals of crop in coming days	Bearish
Castor seed production for 2018-19 estimated to decline by 21.37 per cent at 11.77 lakh tonnes as compared to 14.97 lakh tonnes last year	Bullish
Trade sources expecting lower castor crop from Gujarat due to deficient rainfall during monsoon 2018	Bullish
Lesser Castor seed meal exports as compared to last year	Bearish
Buying to improve at lower levels as crop production expected to decline	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 Mar, 2019

State	Prices 01-08 Mar 2019	Prices 24-28 Feb 2019	Prices 01-08 Mar 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4700.13	4696.43	3735.11	0.08	25.84
Gujarat	5002.36	5046.39	3952.83	-0.87	26.55
Karnataka			3961.33	--	--
Madhya Pradesh		2229.58		--	--
Maharashtra	3900		3600	--	8.33
Rajasthan	4902.94	4947.1	3860.98	-0.89	26.99
Tamil Nadu	4751			--	--
Telangana	4766.02	4755.99	3796.12	0.21	25.55
Average	4670.41	4335.1	3817.73		

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:

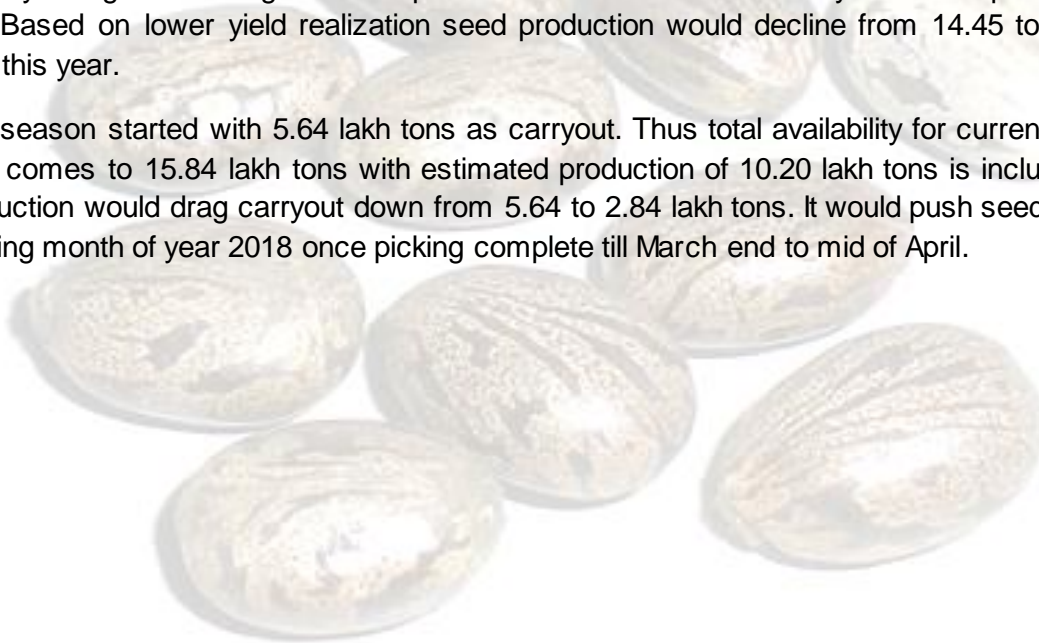
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
Production	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20	13.00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

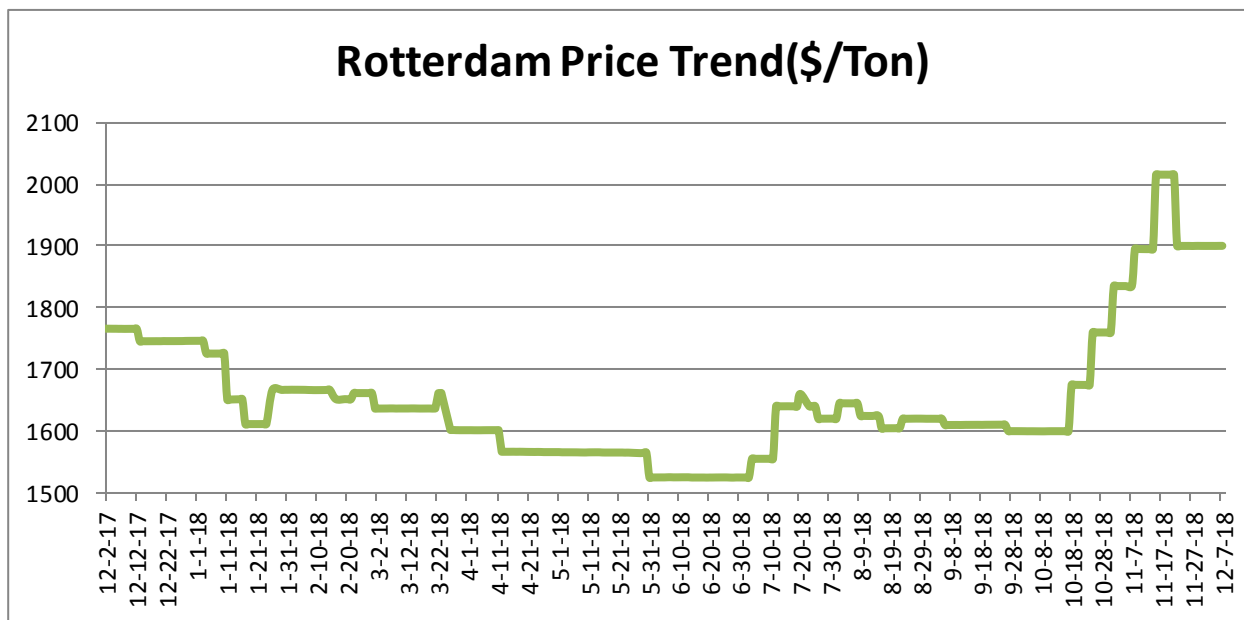
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

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	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		04th mar to 11 Mar 2019	25th Feb to 02 Mar 2019	
Gujarat	Patan	5050	5121	-71
	Harij	5017	5128	-111
	Rajkot	4971	4998	-27
	Gondal	4975	5005	-30
	Deesa	5045	5089	-44
	Bhabar	5035	5091	-56
	Mehsana	5038	5111	-73
	Kadi	5043	5121	-78
	Sabarkatha	5099	5133	-34
	Gandhi Nagar	5052	5104	-52
	Ahmedabad (Sanand)	4996	5071	-75
	Halvad	5073	5163	-90
	Junagadh	4998	4994	4
	Dhrol	4752	940	3812
Rajasthan	Jodhpur	5121	5151	-30
	Sumerpur	4926	4968	-42

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	04th mar to 11 Mar 2019	25th Feb to 02 Mar 2019	Change
Gujarat	Patan	18000	12150	5850
	Harij	6000	4538	1463
	Rajkot	1460	951	509
	Gondal	1035	1198	-163
	Deesa	6408	4760	1648
	Bhabar	22010	15000	7010
	Mehsana	4883	2550	2333
	Kadi	22160	24400	-2240
	Sabarkatha	2880	1800	1080
	Gandhi Nagar	4800	3150	1650
	Ahmedabad (Sanand)	375	442	-67
	Halvad	3150	3188	-38
	Junagadh	317	200	117
	Dhrol	5	1	4
Rajasthan	Jodhpur	885	705	180

	Sumerpur	5200	5920	-720
Total Arrivals/Above Markets		99567	80952	18615

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		09-Mar-19	01-Mar-19	07-Feb-19	09-Mar-18
Gujarat	Patan	5125	5125	4900	4125
	Harij	5025	5125	4900	4175
	Rajkot	5000	5000	4790	3925
	Gondal	5055	5005	4880	4030
	Deesa	5125	5085	4855	0
	Bhabar	5100	5100	4925	4110
	Mehsana	5100	5110	4900	4065
	Kadi	5090	5130	4875	4175
	Sabarkatha	5150	5125	4925	4100
	Gandhi Nagar	5110	5100	4900	4150
	Ahmedabad (Sanand)	5060	5075	4825	3865
	Halvad	5125	5150	4900	4100
	Junagadh	5010	5035	0	4005
	Dhrol	NA	0	4595	3695
Rajasthan	Jodhpur	5190	5165	4900	4100
	Sumerpur	4980	4975	4800	4050

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