



# Castor Weekly Research Report

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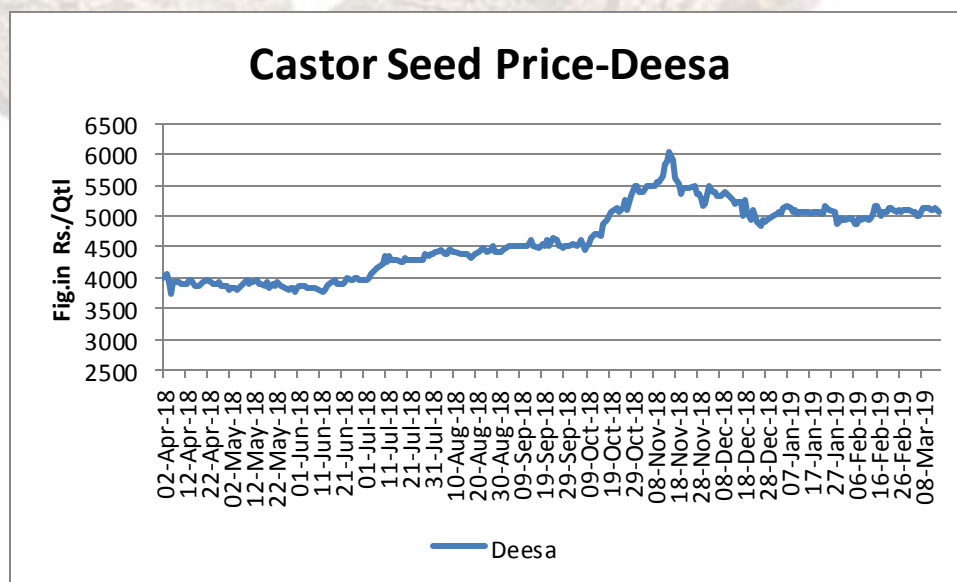
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**Castor Domestic Market Fundamentals:**

- 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	<b>Bearish</b>
Millers expecting higher arrivals of crop in coming days	<b>Bearish</b>
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	<b>Bullish</b>
Trade sources expecting lower castor crop from Gujarat due to deficient rainfall during monsoon 2018	<b>Bullish</b>
Lesser Castor seed meal exports as compared to last year	<b>Bearish</b>
Buying to improve at lower levels as crop production expected to decline	<b>Bullish</b>
Based on Primary & Secondary Sources	

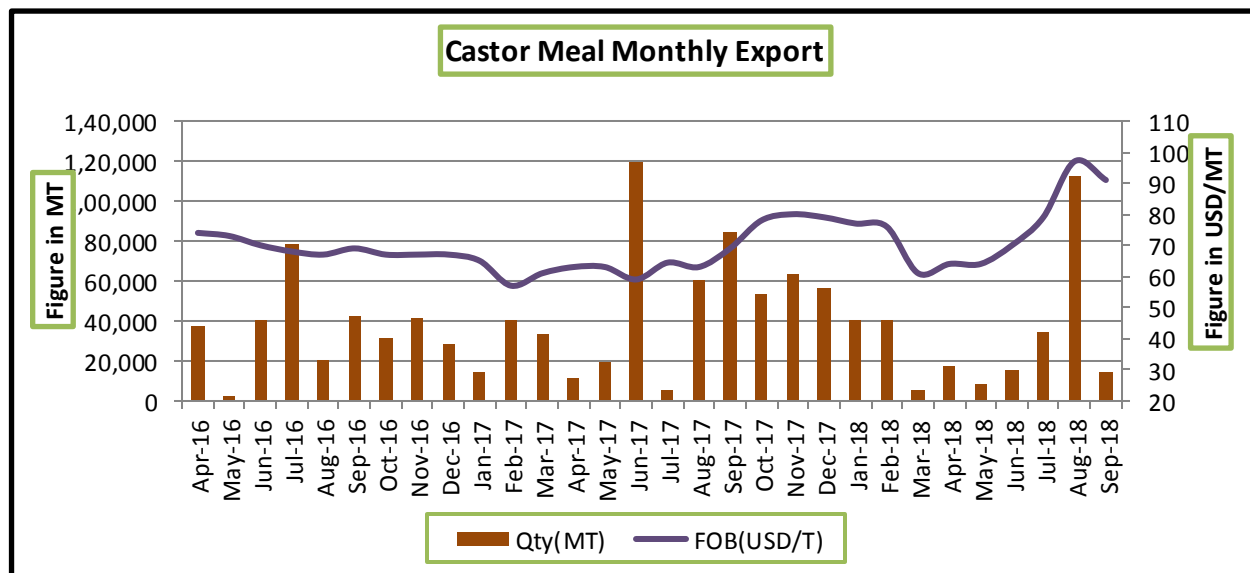
### Castor Price Trend Deesa Mandi:



Source: Agriwatch

Above price chart is of Deesa Mandi in Gujarat, which is a major mandi for castor seed. Price trend is showing firm movement, however price is likely to trade weak with arrival season and thus, as profit booking is likely to happen in which it is advise that traders can buy on every dips.

### 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 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 in neutral region which indicates firmness.



#### Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Apr	4900	5000	5330	5600	5715
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Apr	Buy	5280	5330	5350	5260

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

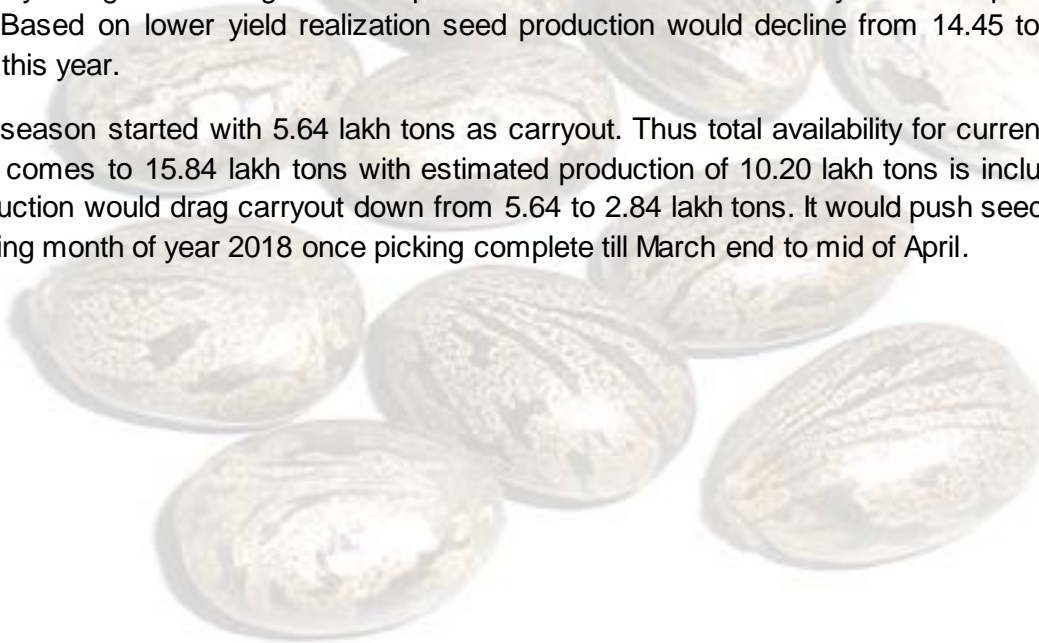
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
<b>Production</b>	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20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

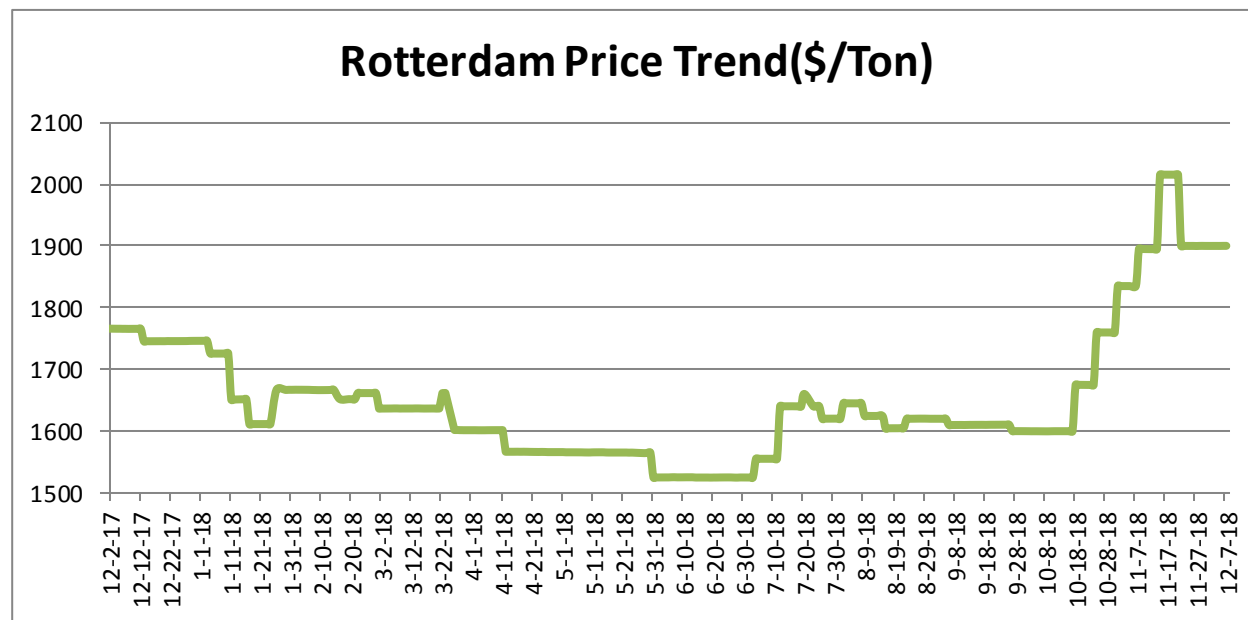
**Castor Seed- Balance Sheet for 2018-19:**

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		12th Mar to 17th Mar 2019	04th Mar to 11 Mar 2019	
<b>Gujarat</b>	Patan	4271	5050	-779
	Harij	4254	5017	-763
	Rajkot	4183	4971	-788
	Gondal	4200	4975	-775
	Deesa	4249	5045	-796
	Bhabar	4221	5035	-814
	Mehsana	4248	5038	-790
	Kadi	4258	5043	-786
	Sabarkatha	4271	5099	-828
	Gandhi Nagar	4246	5052	-806
	Ahmedabad (Sanand)	4233	4996	-763
	Halvad	4258	5073	-815
	Junagadh	4188	4998	-811
	Dhrol	3040	4752	-1712
<b>Rajasthan</b>	Jodhpur	4348	5121	-774
	Sumerpur	4158	4926	-768

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

Center	Market	12th Mar to 17th Mar 2019	04th Mar to 11 Mar 2019	Change
<b>Gujarat</b>	Patan	16500	18000	-1500
	Harij	7125	6000	1125
	Rajkot	1310	1460	-150
	Gondal	1162	1035	127
	Deesa	7940	6408	1532
	Bhabar	22272	22010	262
	Mehsana	7388	4883	2505
	Kadi	24880	22160	2720
	Sabarkatha	3840	2880	960
	Gandhi Nagar	6675	4800	1875
	Ahmedabad (Sanand)	390	375	15
	Halvad	1838	3150	-1313
	Junagadh	268	317	-49
	Dhrol	20	5	15
<b>Rajasthan</b>	Jodhpur	990	885	105

	Sumerpur	6560	5200	<b>1360</b>
<b>Total Arrivals/Above Markets</b>		<b>109157</b>	<b>99567</b>	<b>9590</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>16-Mar-19</b>	<b>08-Mar-19</b>	<b>14-Feb-19</b>	<b>16-Mar-18</b>
<b>Gujarat</b>	Patan	5100	5050	5050	4050
	Harij	5125	5000	5100	4035
	Rajkot	5000	4940	4950	3925
	Gondal	5005	4930	5030	3955
	Deesa	5050	5050	5025	4010
	Bhabar	5050	5000	5055	4025
	Mehsana	5065	5000	5050	4025
	Kadi	5110	5020	5045	4025
	Sabarkatha	5100	5060	5050	4025
	Gandhi Nagar	5060	5050	5060	4050
	Ahmedabad (Sanand)	5095	4965	5010	3950
	Halvad	5125	5125	5025	3850
	Junagadh	5020	5000	4910	3925
	Dhrol	NA	4725	4600	3755
<b>Rajasthan</b>	Jodhpur	5190	5140	5120	4080
	Sumerpur	4975	4925	5000	3975

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