



# Castor Weekly Research Report

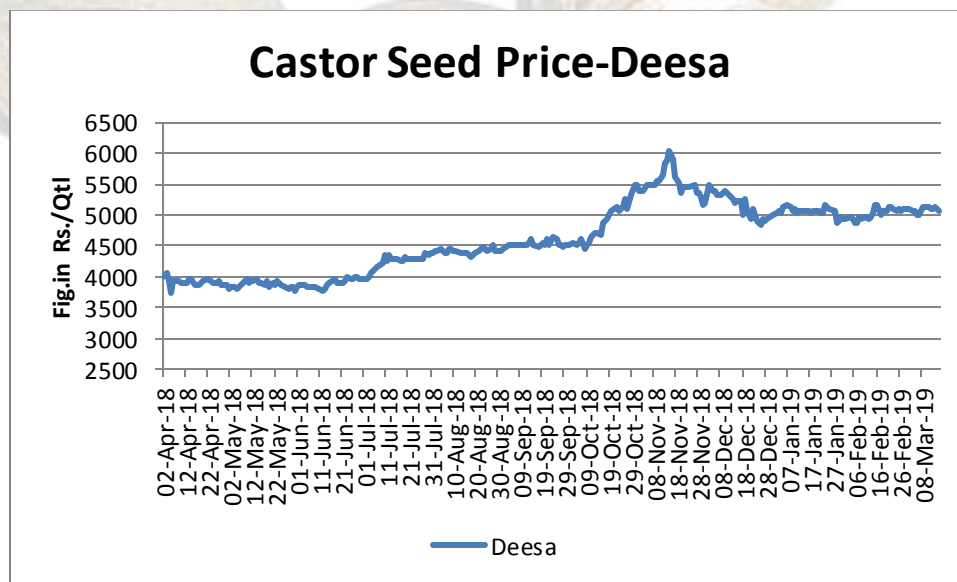
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### Castor Domestic Market Fundamentals:

- Castor seed prices continue to trade range bound with slight bearish tone due to higher arrivals of new crop in most of the spot markets of Gujarat. Castor futures also remained in range bound with slight weak tone tracking subdued demand in spot markets.
- As per market sources, traders and millers are waiting for some more dip in prices before initiating fresh trade.
- According to Gujarat based traders, castor prices are likely to remain weak in near term on higher supplies. However, in the medium to long term Castor outlook is bullish because of significant 21.37 per cent decline in production estimated during current season.
- 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 the all India castor production is mainly due to lower crop estimates from Gujarat because of deficient rainfall during monsoon 2018 in key Castor growing districts of Mehsana, Patan, and Surendranagar districts.
- 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 February 2019, declined at 355654 metric tonnes as against 554057 metric tonnes last year.
- Castor meal exports in the month of February 2019 reported at 23,623 metric tonnes as against 39,520 metric tonnes in January 2019. South Korea was the major importer with 20,037 tonnes, Taiwan imported 3,169 tonnes, China imported 201 tonnes and Italy with 198 tonnes.

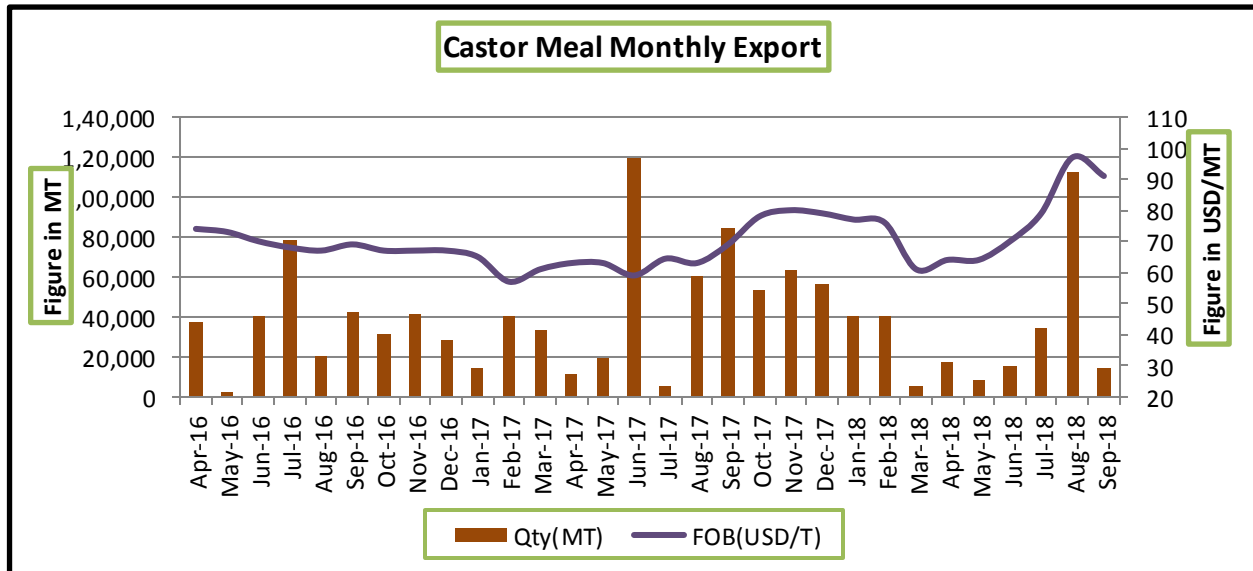
FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Higher arrivals of new crop spot markets of Gujarat against subdued demand	<b>Bearish</b>
Traders and millers waiting for some more dip before initiating fresh trade	<b>Bearish</b>
Castor seed All India production 2018- 19 estimated to decline by 21.37 per cent at 11.77 lakh tonnes	<b>Bullish</b>
Lower Castor production expectation from Mehsana, Patan and Surendranagar districts of Gujarat	<b>Bullish</b>
Castor meal exports during April 2018 to February 2019 declined to 355654 metric tonnes as against 554057 metric tonnes last year	<b>Bearish</b>
Expectation of higher demand from South Korea, Taiwan and China	<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 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 03<sup>rd</sup> Week Mar, 2019**

State	Prices 16-23 Mar 2019	Prices 09-15 Mar 2019	Prices 16-23 Mar 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4509.56	4795.94	3854.22	-5.97	17
Chattisgarh			800	---	---
Gujarat	5017.03	5061.9	3929.55	-0.89	27.67
Karnataka	4500	3192.86	4002.91	40.94	12.42
Madhya Pradesh	4350	2637.5		64.93	---
Maharashtra	4068.18		3310	---	22.91
Odisha				---	---
Rajasthan	4919.79	4981.55	3949.45	-1.24	24.57
Tamil Nadu		4670	3400	---	---
Telangana	4861.57	4837.23	3841.24	0.5	26.56
Average	4603.73	4311	3385.92		

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	Apr	4900	5000	5268	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



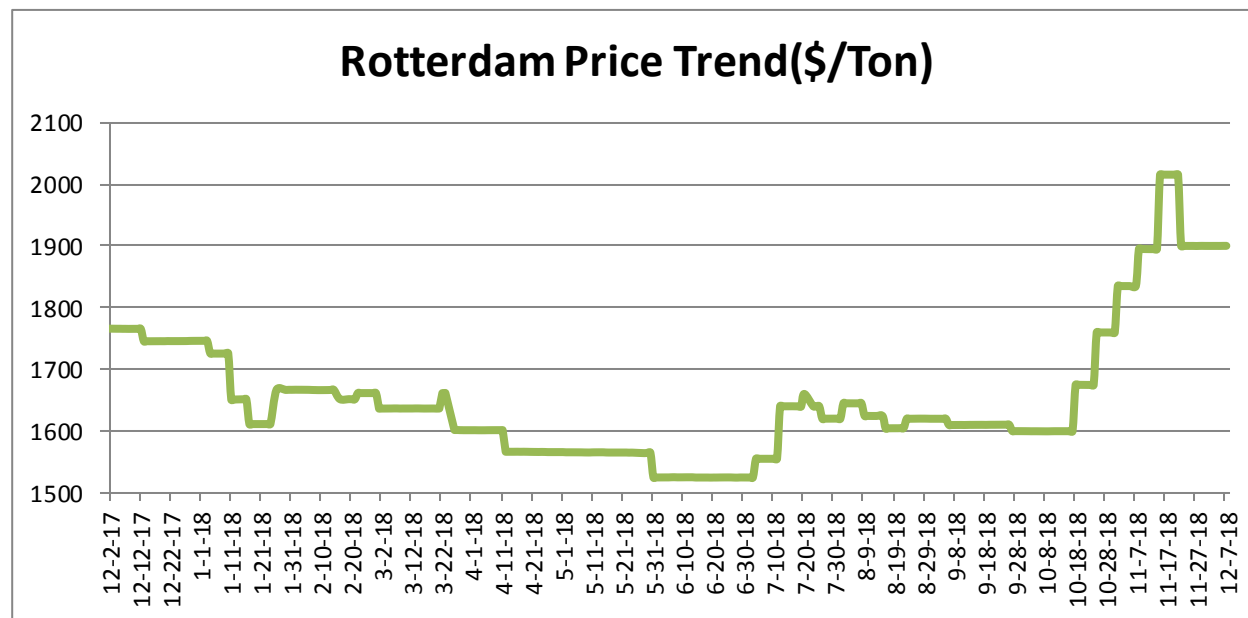
<b>Carry out</b>	<b>9.96</b>	<b>6.79</b>	<b>4.39</b>	<b>5.64</b>	<b>2.84</b>
Av Monthly Consumption	1.05	1.06	1.08	1.10	1.08
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

**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	12th Mar to 17th Mar 2019	
<b>Gujarat</b>	Patan	5060	4271	789
	Harij	5058	4254	804
	Rajkot	4993	4183	810
	Gondal	5013	4200	813
	Deesa	5117	4249	868
	Bhabar	5048	4221	827
	Mehsana	5066	4248	818
	Kadi	5048	4258	791
	Sabarkatha	5088	4271	817
	Gandhi Nagar	5041	4246	795
	Ahmedabad (Sanand)	5028	4233	794
	Halvad	5118	4258	860
	Junagadh	5003	4188	816
	Dhrol	4809	3040	1769
<b>Rajasthan</b>	Jodhpur	5185	4348	838
	Sumerpur	4975	4158	817

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

Center	Market	12th Mar to 17th Mar 2019	12th Mar to 17th Mar 2019	Change
<b>Gujarat</b>	Patan	19725	16500	3225
	Harij	7800	7125	675
	Rajkot	874	1310	-436
	Gondal	1670	1162	508
	Deesa	5084	7940	-2856
	Bhabar	22992	22272	720
	Mehsana	7800	7388	413
	Kadi	23640	24880	-1240
	Sabarkatha	3840	3840	Unch
	Gandhi Nagar	5250	6675	-1425
	Ahmedabad (Sanand)	450	390	60
	Halvad	3675	1838	1838
	Junagadh	356	268	88
	Dhrol	14	20	-6
<b>Rajasthan</b>	Jodhpur	825	990	-165

	Sumerpur	5280	6560	<b>-1280</b>
<b>Total Arrivals/Above Markets</b>		<b>109275</b>	<b>109157</b>	<b>118</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>23-Mar-19</b>	<b>15-Mar-19</b>	<b>21-Feb-19</b>	<b>23-Mar-18</b>
<b>Gujarat</b>	Patan	5025	5125	5175	3925
	Harij	5025	5115	5100	3925
	Rajkot	5015	5050	5035	3885
	Gondal	5030	5055	5080	3855
	Deesa	Closed	5105	5125	3950
	Bhabar	5070	5060	5100	3935
	Mehsana	5065	5095	5100	3925
	Kadi	5050	5110	5185	3950
	Sabarkatha	5100	5125	5150	3925
	Gandhi Nagar	5025	5090	5100	3950
	Ahmedabad (Sanand)	5040	5095	5050	3905
	Halvad	5125	5125	5110	3925
	Junagadh	Closed	5065	5025	3805
	Dhrol	4800	NA	0	0
<b>Rajasthan</b>	Jodhpur	5150	5220	5215	4070
	Sumerpur	4950	4975	5050	3900

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