



# Castor Weekly Research Report

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**Castor Domestic Market Fundamentals:**

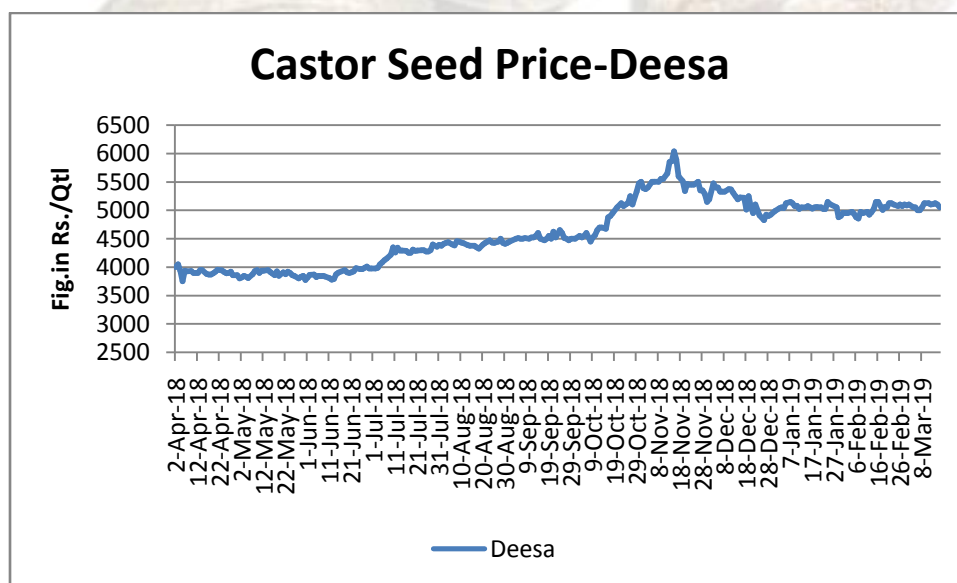
- Castor Seed markets traded firm due to lower production estimates and higher demand from overseas markets.
- All India Castor seed acreage in 2018 increased to 9.18 lakh hectares up by 5.05 per cent from last year acreage of 8.74 lakh hectares and 25 per cent down by normal area of 10.51 lakh hectares.
- 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.

The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of March 2019 as well as for the financial year 2018-19 (April – March). The export of oilmeals during March 2019, provisionally reported at 263,817 tons compared to 261,308 tons in March 2018. The overall export during April 2018 to March 2019 is provisionally reported at 3,205,768 tons compared to 3,026,628 tons during the same period of last year i.e. up by 6%. The export of rapeseed meal is sharply increased to 1,051,869 (663,988) tons, mainly exported to South Korea, Vietnam and Thailand, while soybean meal export is also improved and reported at 1,337,215 tons from the previous year 1,187,818 tons in 2017-18. In term of the total earning has increased to Rs. 6221.95 crores compared to 4761.80 crores, up by 31%. Iranian market has once again opened up for Indian soybean

meal. During current year from April 2018 to March 2019, over 5.0 lakh tons of soybean meal shipped against last year just 23,000 tons. It seems again Iranian Feed Industries looking at India for their requirement of soybean meal, supporting export of oilmeals from India.

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>	

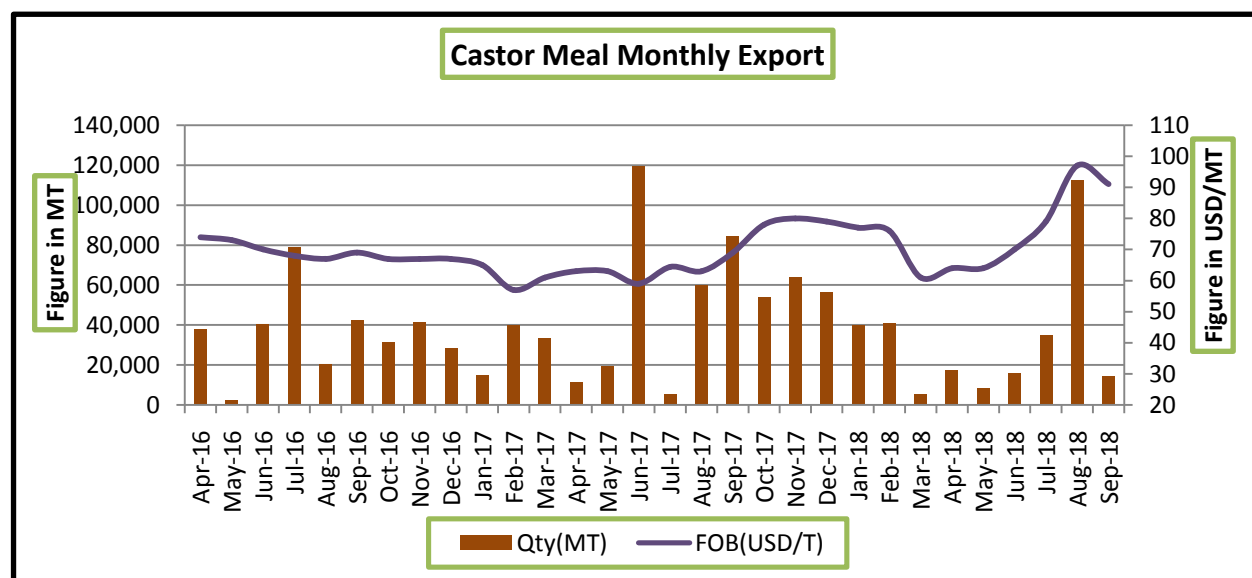
### Castor Price Trend Deesa Mandi:



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 01<sup>st</sup> Week Apr, 2019**

State	Prices 01-08 Apr 2019	Prices 24-31 Mar 2019	Prices 01-08 Apr 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4242.36	4387.06		-3.3	—
Gujarat	5237.83	4990.92	3865.58	4.95	35.5
Karnataka		4500	4135.33	—	—
Madhya Pradesh	2809.49	4087.99	3200	-31.27	-12.2
Maharashtra	3978.38	3799.62	3288.46	4.7	20.98
Odisha			3500	—	—
Rajasthan	4971.77	4886.05	3895.98	1.75	27.61
Tamil Nadu	4525.61	4050		11.74	—
Telangana	4889.66	4786.03	3849.24	2.17	27.03
Average	4379.3	4435.96	3676.37		

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	5742	5900	6100
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Apr	Buy	5625	5700	5750	5610

**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

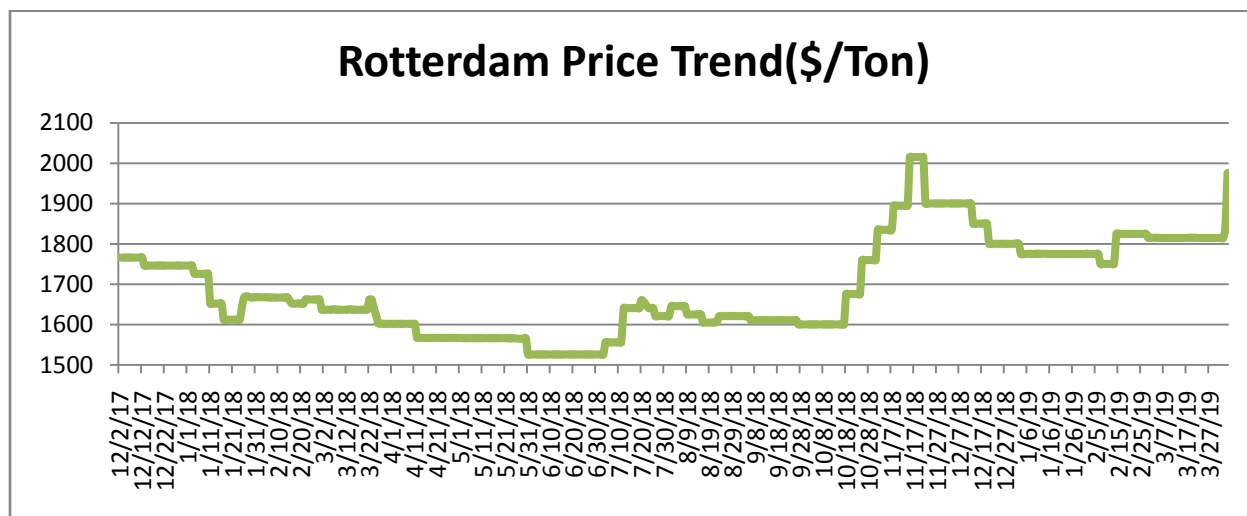


Consumption	12.60	12.75	13.00	13.20	13.00
Exports	0.00	0.00	0.00	0.00	0.00
Total Usage	12.60	12.75	13.00	13.20	13.00
<b>Carry out</b>	<b>9.96</b>	<b>6.79</b>	<b>4.39</b>	<b>5.64</b>	<b>2.84</b>
Av Monthly Consumption	1.05	1.06	1.08	1.10	1.08
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption 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					
	30thNov '18	23rdNo v '18	30thOct '18	30thNo v '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		01st-06th Apr-2019	25th to 30 Mar 2019	
<b>Gujarat</b>	Patan	5233	0	5233
	Harij	5290	0	5290
	Rajkot	5180	0	5180
	Gondal	5267	0	5267
	Deesa	5238	0	5238
	Bhabar	5283	0	5283
	Mehsana	5252	0	5252
	Kadi	5323	0	5323
	Sabarkatha	5335	5095	240
	Gandhi Nagar	5256	1670	3586
	Ahmedabad (Sanand)	5241	1675	3566
	Halvad	5206	1680	3526
	Junagadh	5246	0	5246
	Dhrol	5004	0	5004
<b>Rajasthan</b>	Jodhpur	5328	5194	134
	Sumerpur	5188	4954	234

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

Center	Market	01st-06th Apr-2019	25th to 30 Mar 2019	Change
<b>Gujarat</b>	Patan	37875	0	37875
	Harij	10500	0	10500
	Rajkot	2901	0	2901
	Gondal	6199	0	6199
	Deesa	14088	0	14088
	Bhabar	45461	0	45461
	Mehsana	6150	0	6150
	Kadi	35200	0	35200
	Sabarkatha	5360	2880	2480
	Gandhi Nagar	8400	1500	6900
	Ahmedabad (Sanand)	590	65	525
	Halvad	3263	900	2363
	Junagadh	801	0	801
	Dhrol	48	0	48
<b>Rajasthan</b>	Jodhpur	1106	900	206
	Sumerpur	6960	4800	2160
<b>Total Arrivals/Above Markets</b>		<b>184901</b>	<b>11045</b>	<b>173856</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>4-Apr-19</b>	<b>28-Mar-19</b>	<b>5-Mar-19</b>	<b>4-Apr-18</b>
<b>Gujarat</b>	Patan	4925.00	Closed	5075	3950
	Harij	4920.83	Closed	5110	3950
	Rajkot	4816.67	Closed	5000	3825
	Gondal	4830.00	Closed	5030	0
	Deesa	4930.83	Closed	5050	3940
	Bhabar	4973.33	Closed	5065	3910
	Mehsana	4886.67	Closed	5100	3925
	Kadi	4885.83	Closed	5110	4050
	Sabarkatha	4883.33	Closed	5125	3975
	Gandhi Nagar	4925.00	Closed	5075	3950
	Ahmedabad (Sanand)	4772.50	Closed	5065	3850
	Halvad	5062.50	Closed	5065	3950
	Junagadh	4762.00	Closed	5005	3810
	Dhrol	4557.50	Closed	4830	0
<b>Rajasthan</b>	Jodhpur	4834.00	5200	5110	3950
	Sumerpur	4812.50	4950	4925	3900

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