



# Castor Weekly Research Report

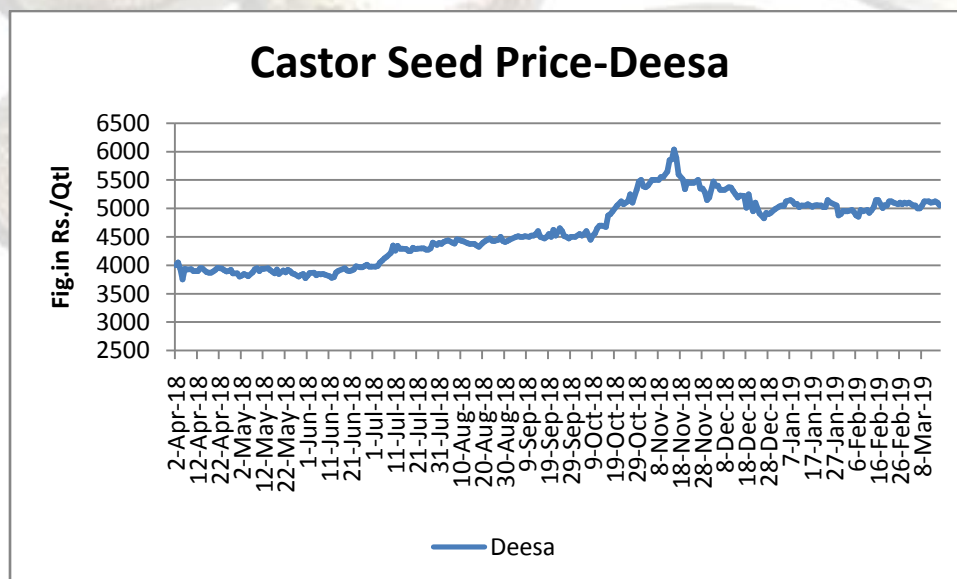
## Contents

- ❖ 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:**

- Strong buying activities from millers and stockists kept Castor seed prices firm in spot markets of Gujarat and Rajasthan. Moreover, firmness in Castor seed futures also kept the domestic market sentiments positive.
- Trader's view is that strong demand from processors amid positive crush margins will support prices in coming days. Medium to long term outlook is positive on expectation of lower crop production. However, IMD forecast of near normal monsoon rainfall is likely to keep a check on any significant upward movement.
- 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.
- According to the Solvent Extractors' Association of India, Castor seed production expected to decline to 1.20 to 1.25 million tonnes in 2018-19 (July-June) against 1.42 million tonnes in the previous year.
- As per trade sources, the decline in all India castor seed production is mainly due to lower crop estimates from Gujarat because of deficient rainfall during monsoon 2018 in major Castor producing areas of Mehsana, Patan, and Surendranagar districts.
- 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 the Department of Agriculture Rajasthan, Castor seed production in 2018-19 is likely to decline at 1.56 lakh tonnes as compared to 1.66 lakh tonnes during 2017-18.
- Castor seed acreage in Andhra Pradesh & Telangana for the year 2018-19 is 60270 hectares as per the government's estimates against last year's estimate of 57930 hectares, which has increased by 4 per cent as compared to the previous year. Total production in the state is estimated to be 0.23 lakh tonnes during the year 2018-19 compared 0.27 lakh tonnes in 2017-18.
- According to the Solvent Extractors Association of India, export of castor seed meal during financial year 2018-19 has declined significantly by 35.83 per cent at 3.67 lakh tonnes as against 5.72 lakh tonnes exported in 2017-18.

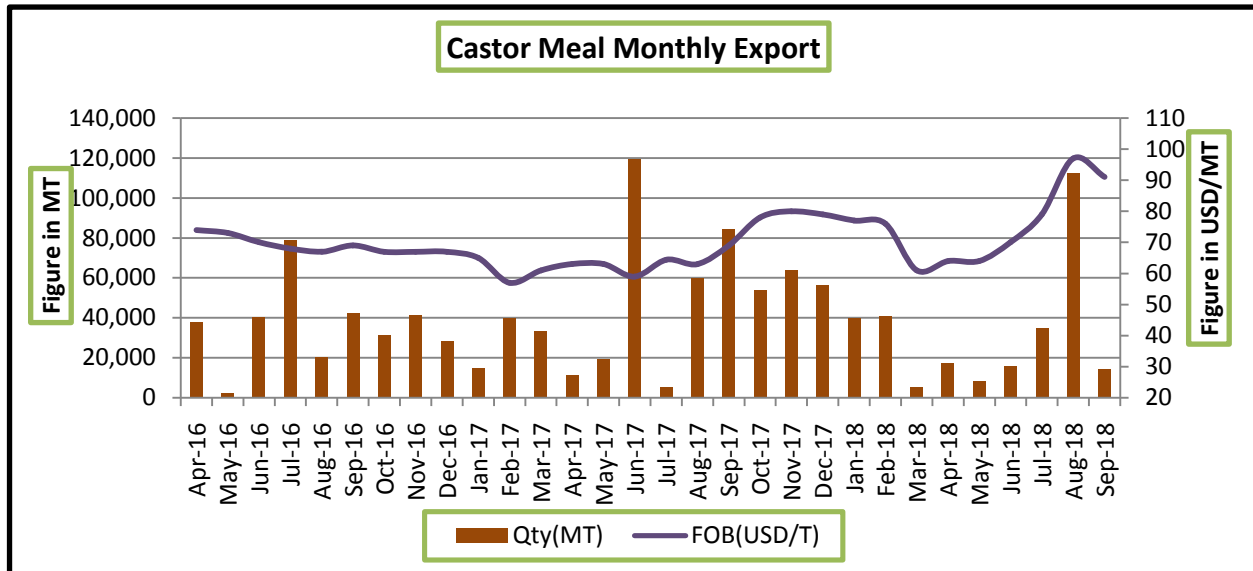
FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Strong buying activities from millers and stockists in most of the spot markets	<b>Bullish</b>
Profit booking at higher levels	<b>Bearish</b>
Castor seed All India production 2018- 19 estimated to decline by 21.37 per cent at 11.77 lakh tonnes	<b>Bullish</b>
Lower Castor production expectation from Mehsana, Patan and Surendranagar districts of Gujarat	<b>Bullish</b>
Export of castor seed meal in 2018-19 has declined significantly by 35 per cent at 3.67 lakh tonnes	<b>Bearish</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 02<sup>nd</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:**

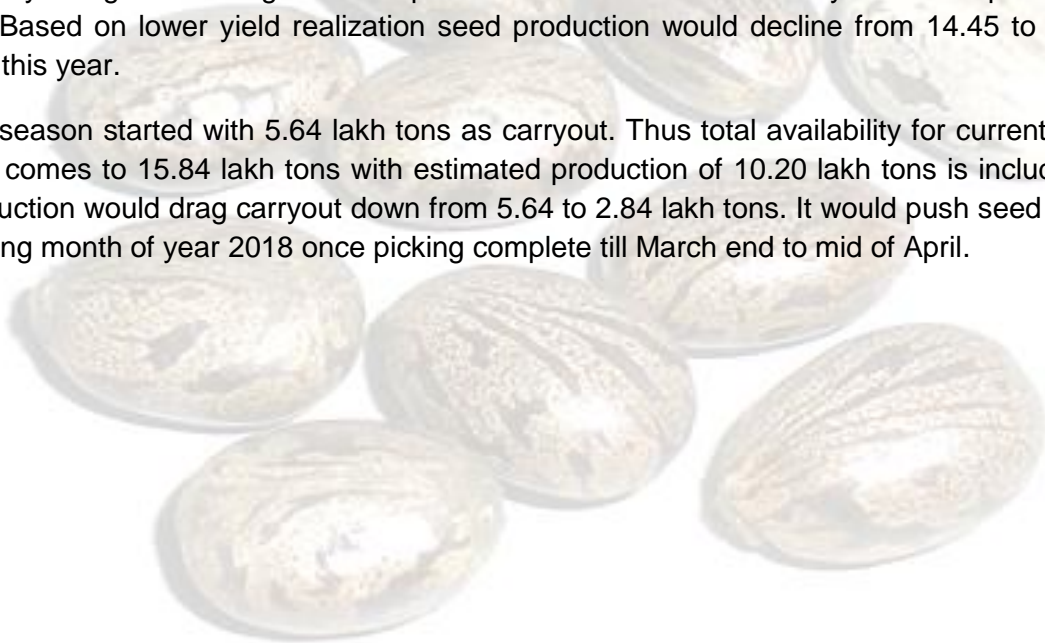
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
<b>Production</b>	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20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

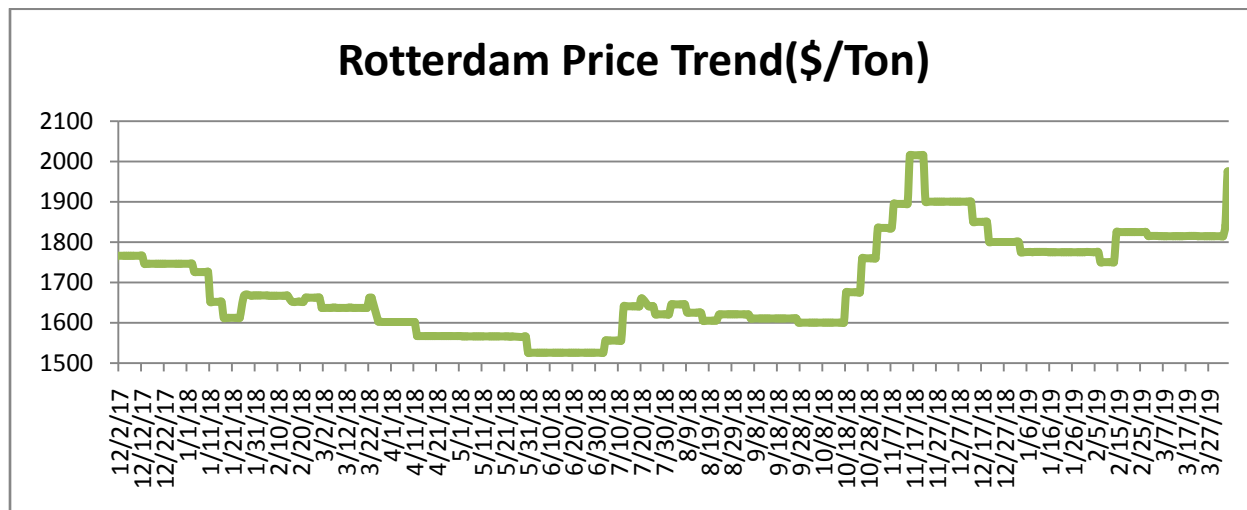
### **Castor Seed- Balance Sheet for 2018-19:**

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 Center	Market	Price (Rs/ Quintal)		Change
		15th Apr-20th Apr-2019	08th Apr to 12th Apr 2019	
Gujarat	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
Rajasthan	Jodhpur	5328	5194	134
	Sumerpur	5188	4954	234

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

Center	Market	15th Apr-20th Apr-2019	08th Apr to 12th Apr 2019	Change
Gujarat	Patan	55125	45750	9375
	Harij	20250	16650	3600
	Rajkot	3660	4010	-350
	Gondal	7170	6022	1148
	Deesa	15240	21760	-6520
	Bhabar	54252	47920	6332
	Mehsana	15000	12675	2325
	Kadi	39120	72160	-33040
	Sabarkatha	7680	8720	-1040
	Gandhi Nagar	11100	11325	-225
	Ahmedabad (Sanand)	968	1418	-450
	Halvad	25575	8550	17025
	Junagadh	2785	2184	601
	Dhrol	57	24	33

<b>Rajasthan</b>	Jodhpur	1710	1703	8
	Sumerpur	5200	6000	-800
<b>Total Arrivals/Above Markets</b>		<b>264892</b>	<b>266870</b>	<b>-1978</b>

<b>Week on Week Price: Scenario of Castor Seed :</b>					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		18-Apr-19	11-Apr-19	19-Mar-19	18-Apr-18
<b>Gujarat</b>	Patan	5525.00	5783.333	5000	3810
	Harij	5556.25	5716.667	5075	3800
	Rajkot	5499.00	5630	4965	3820
	Gondal	5478.75	5658.333	4980	3780
	Deesa	5712.50	5700	5125	3870
	Bhabar	5597.50	5729.167	5025	3810
	Mehsana	5573.75	5729.167	5030	3810
	Kadi	5631.25	5768.333	5020	3870
	Sabarkatha	5530.00	5737.5	5050	3825
	Gandhi Nagar	5550.00	5775	5000	3800
	Ahmedabad (Sanand)	5484.17	5698.333	5010	3815
	Halvad	5775.00	5670.833	5050	3825
	Junagadh	5429.00	5515.833	5000	4025
	Dhrol	5293.00	5247	0	3515
<b>Rajasthan</b>	Jodhpur	5598.00	5726.667	5220	3950
	Sumerpur	5504.00	5611.667	5000	3870

### 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.