



Castor Weekly Research Report

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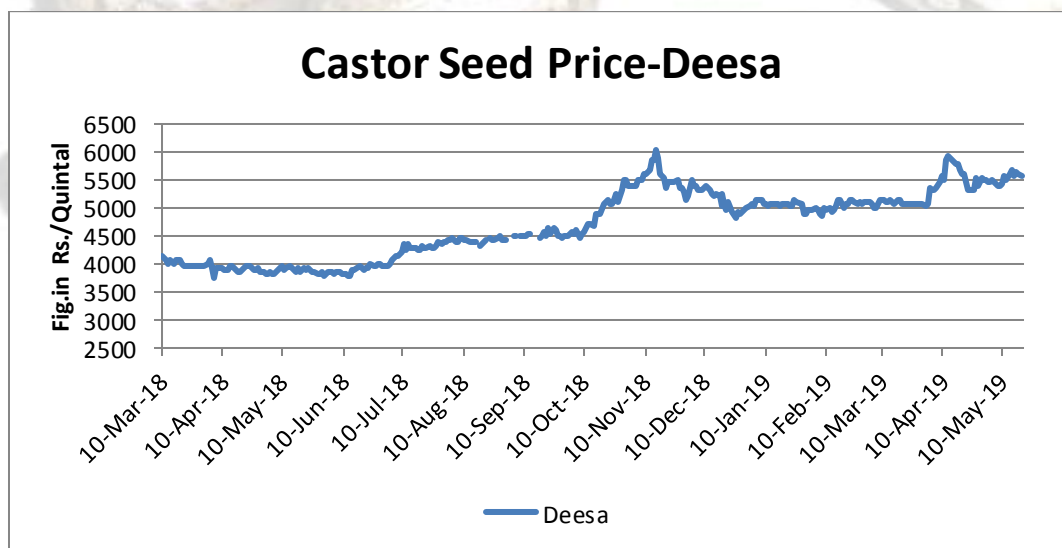
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Castor Domestic Market Fundamentals:

- Forecast of below normal or near normal rainfall for 2019 and lower water levels in reservoirs in the major producing states of castor may decrease the production of castor in 2019-20 as compare to 2018-19.
- As per the Solvent Extractors' Association of India (SEA), all India castor seed production estimate for 2018-19 is 11.27 Lakh MT which is 21.35 per cent lower than the 2017-18 production estimate of 14.33 Lakh MT. However, according to the AGCON, castor production estimate is 9.13 Lakh MT for 2018-19. Lower production is due to lower sowing coverage acreage and lower yield expectation in major producing states of castor like Rajasthan and Gujarat.
- Exchange stocks to Open Interest (O.I.) ratio is increasing which may put downward pressure to the prices. However, FED stocks for Jun'19 expiry are only 6000 MT, 3% of June OI as on May 9, 2019 which might create upward pressure on the prices after expiry of May contract.
- In 2019-20 exports of castor oils are expected to decrease to 5 lakh MT due to expected higher prices and lower demand from the importing countries. According to the market participants, castor oil exports in the month of April 2019 is 45.898 Thousand MT which is 9.92 per cent lower than the exports of March 2019 of 50.956 Thousand MT. Castor oil exports in financial year 2018- 19 is 5.61 Lakh MT which is 13.82 per cent lower than the last year exports of 6.51 Lakh MT.
- According to the AGMARK data, all India castor crop arrivals in the second week of May is reported at 28.997 Thousand MT which is 34.59 percent lower than the first week of May 2019 arrivals of 44.333 Thousand MT. Arrivals are expected to decrease in the coming days due to lower production estimate.
- According to the SEA report, castor meal exports in the month of April 2019 is 53.591 Thousand MT which is much higher than the exports of March 2019 of 7.73 Thousand MT. Castor meal exports in financial year 2018-19 is 3.67 Lakh MT which is 35.95 per cent lower than the last year exports of 5.73 Lakh MT.

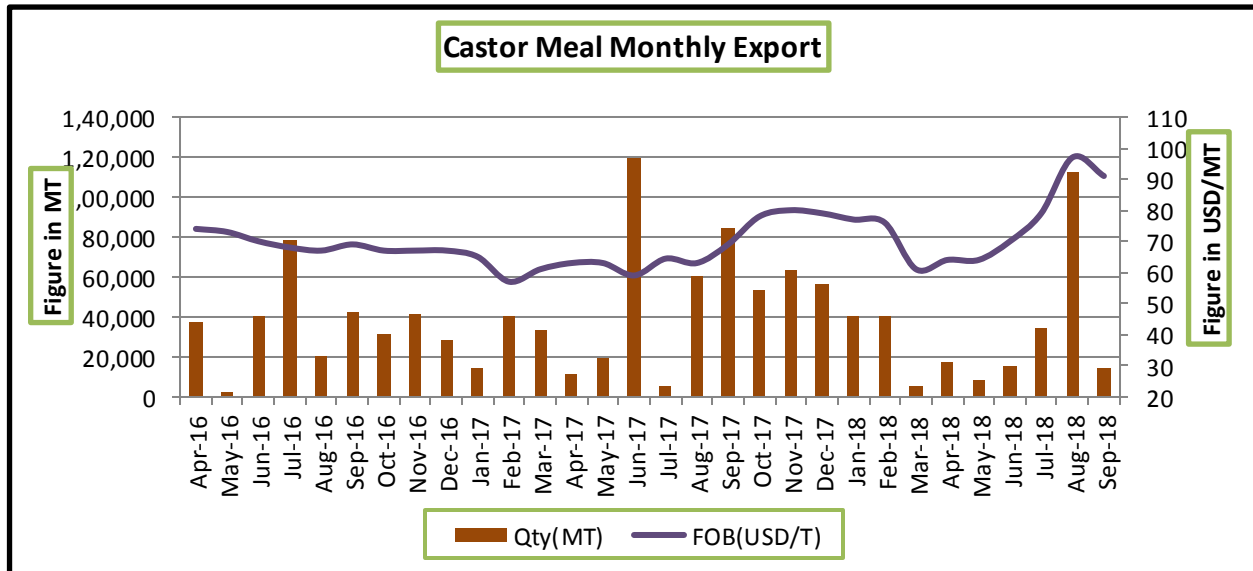
FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Lower production estimate of 2019-20	Bullish
Exchange stocks to OI ratio is increasing	Bearish
Lower exports of castor oil	Bearish
Lower arrivals of castor seed in the domestic mandis	Bullish
Higher meal exports	Bullish
Based on Primary & Secondary Sources	

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 firm movement, however price is likely to trade steady to firm with lower arrival.

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 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.

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 03rd Week May, 2019

State	Prices 16-23 May 2019	Prices 09-15 May 2019	Prices 16-23 May 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4870.73	5058.37		-3.71	---
Gujarat	5536.22	5486.54	3830.11	0.91	44.54
Karnataka	3800	35	3950	10757.14	-3.8
Madhya Pradesh	3467.94	3923.86	2001	-11.62	73.31
Maharashtra		4400	3184.07	---	---
Odisha			4092.28	---	---
Rajasthan	5479.4	5407.71	3779.2	1.33	44.99
Tamil Nadu		5054	3569.17	---	---
Telangana	5071.48	4929.13	3668.68	2.89	38.24
Average	4704.3	4286.83	3509.31		

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	Jun	5200	5300	5918	6200	6300
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jun	Buy	5885	5930	5965	5845

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

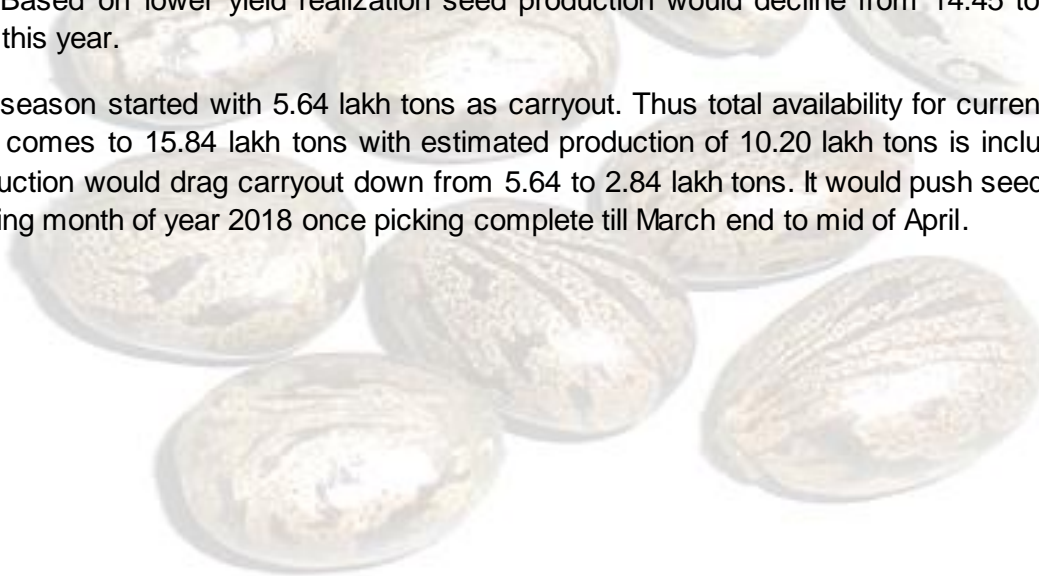
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
Production	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20	13.00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

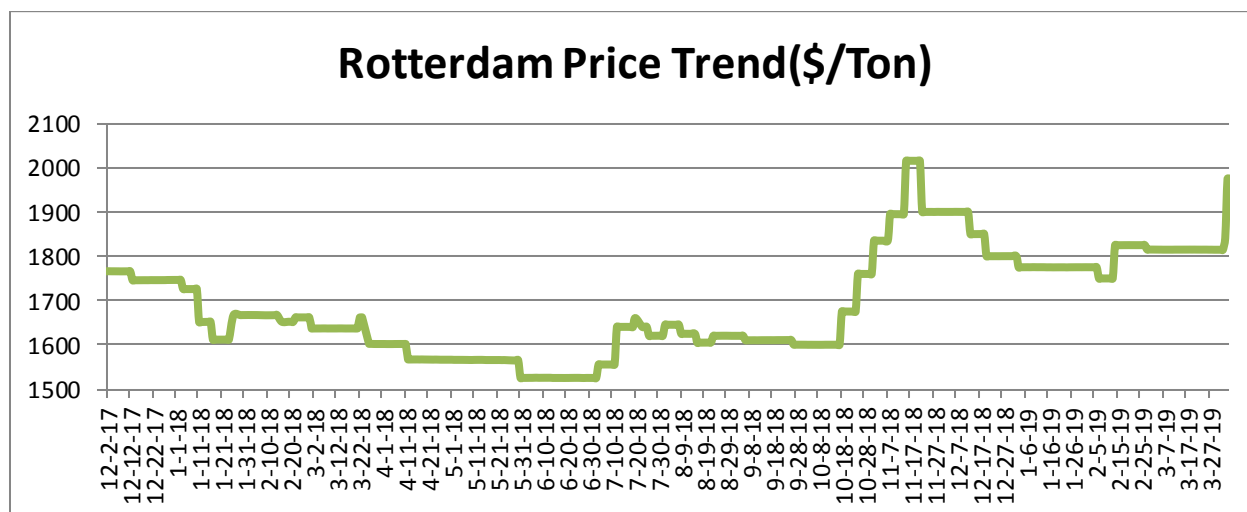
Av Monthly Consumption	1.05	1.06	1.08	1.10	1.08
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

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					
	30thNov '18	23rdNo v '18	30thOct '18	30thNo v '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		13th May to 18th May 2019	06th May to 12th May 2019	
Gujarat	Patan	5552	5506	46
	Harij	5625	5557	68
	Rajkot	5478	5391	87
	Gondal	5505	5397	108
	Deesa	5618	5452	166
	Bhabar	5495	5490	5
	Mehsana	5608	5485	123
	Kadi	5643	5550	93
	Sabarkatha	5671	5580	91
	Gandhi Nagar	5575	5495	80
	Ahmedabad (Sanand)	5588	5433	154
	Halvad	5576	5480	96
	Junagadh	5423	5353	69
	Dhrol	5302	5058	244
Rajasthan	Jodhpur	5640	5525	115
	Sumerpur	5478	5395	83

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	13th May to 18th May 2019	06th May to 12th May 2019	Change
Gujarat	Patan	45750	39375	6375
	Harij	17100	15450	1650
	Rajkot	1383	2350	-967
	Gondal	3452	2789	663
	Deesa	18440	12120	6320
	Bhabar	50360	45680	4680
	Mehsana	7725	8700	-975
	Kadi	28080	44400	-16320
	Sabarkatha	4400	4480	-80
	Gandhi Nagar	8625	9375	-750
	Ahmedabad (Sanand)	320	576	-256
	Halvad	22500	17250	5250
	Junagadh	1181	1498	-317
	Dhrol	3	11	-8
Rajasthan	Jodhpur	1260	1553	-293

	Sumerpur	11200	14400	-3200
Total Arrivals/Above Markets		221779	220007	1773

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		18-May-19	10-May-19	18-Apr-19	18-May-18
Gujarat	Patan	5535	5600	5500	3775
	Harij	5600	5625	5500	3865
	Rajkot	5470	5450	5485	3710
	Gondal	5480	5430	5480	3805
	Deesa	5600	5550	5675	3925
	Bhabar	5550	5550	5500	3795
	Mehsana	5590	5540	5530	3800
	Kadi	Closed	5585	5610	3850
	Sabarkatha	5625	5600	5550	3925
	Gandhi Nagar	5575	5500	5500	3850
	Ahmedabad (Sanand)	5565	5475	5535	3825
	Halvad	5545	5475	5775	3800
	Junagadh	5390	5385	5475	3740
	Dhrol	5300	NA	NA	3460
Rajasthan	Jodhpur	5620	5530	5560	3900
	Sumerpur	5415	5410	5520	3780

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