



Castor Weekly Research Report

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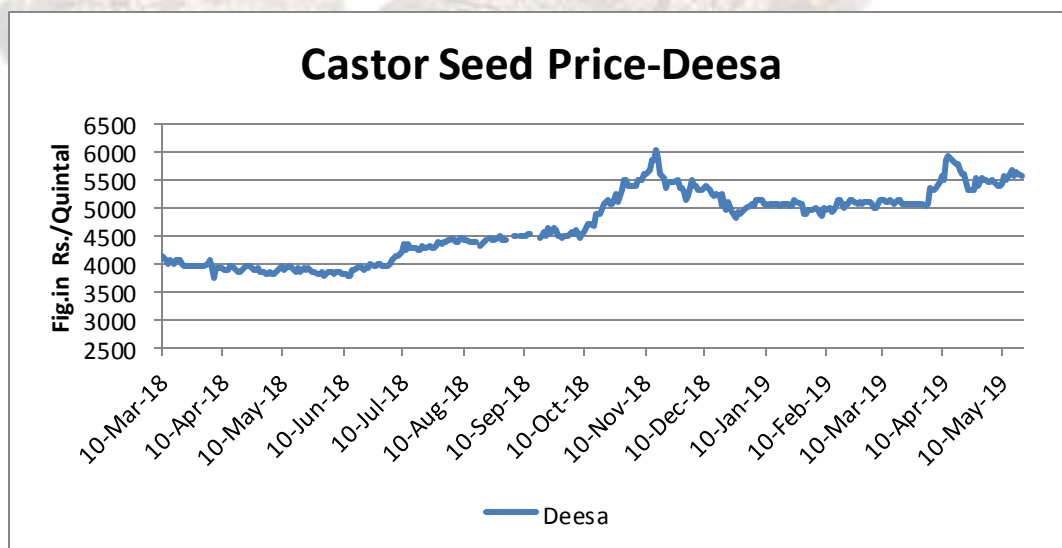


Castor Domestic Market Fundamentals:

- Castor seed weekly prices in major mandis of Gujarat and Rajasthan with lower arrival. All India Castor seed arrival in this week was 161245 quintals which is down by 60534 quintals from last week arrival of 221779 quintals.
- 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
<i>Based on Primary & Secondary Sources</i>	

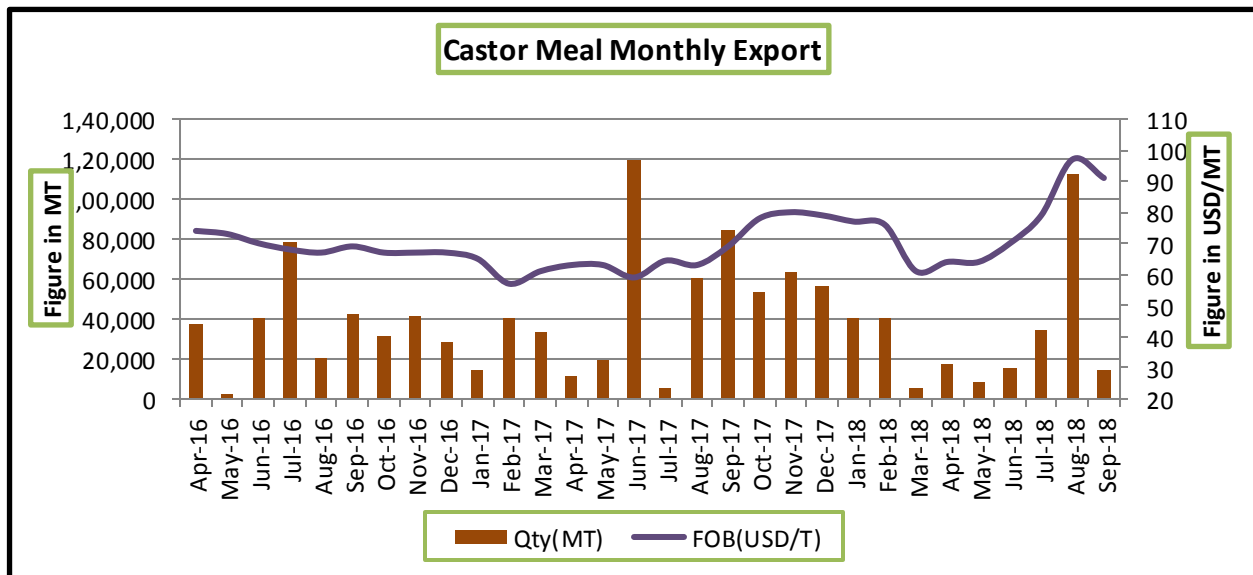
Castor Price Trend Deesa Mandi:



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 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 in 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:

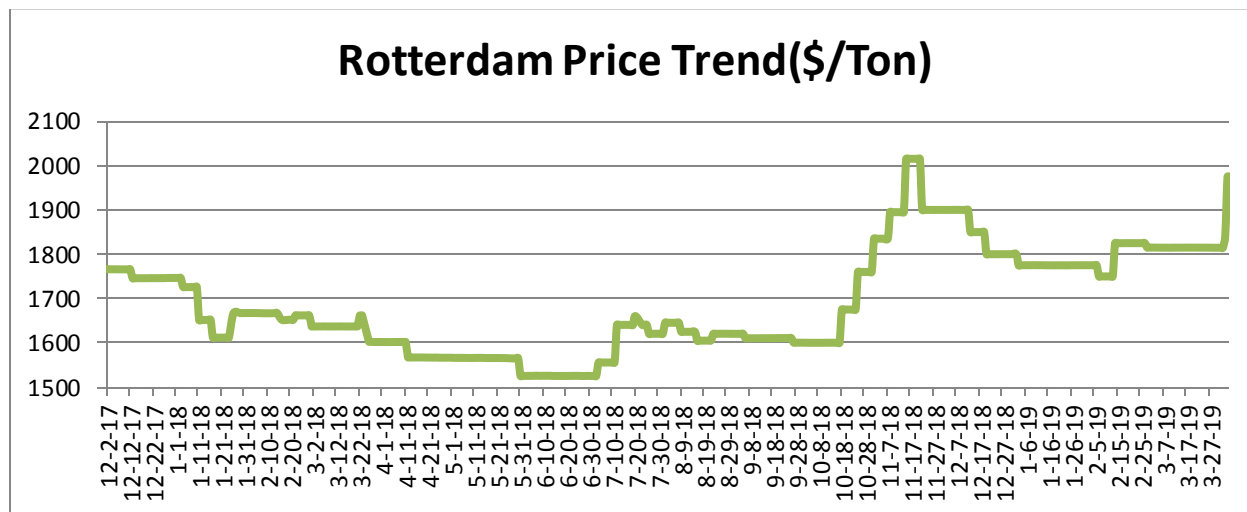
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
Production	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20	13.00

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	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		20th May to 26th May 2019	13th May to 18th May 2019	
Gujarat	Patan	5555	30274	-24719
	Harij	5571	5363	208
	Rajkot	5451	975	4476
	Gondal	5509	1322	4187
	Deesa	5550	13194	-7644
	Bhabar	5524	38260	-32736
	Mehsana	5554	6225	-671
	Kadi	5595	29440	-23845
	Sabarkatha	5585	2720	2865
	Gandhi Nagar	5575	6000	-425
	Ahmedabad (Sanand)	5536	675	4861
	Halvad	5393	14025	-8633
	Junagadh	5375	789	4586
	Dhrol	5280	14	5266
Rajasthan	Jodhpur	5636	1170	4466
	Sumerpur	5488	10800	-5313

161245

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	20th May to 26th May 2019	13th May to 18th May 2019	Change
Gujarat	Patan	30274	45750	-15476
	Harij	5363	17100	-11738
	Rajkot	975	1383	-408
	Gondal	1322	3452	-2130
	Deesa	13194	18440	-5246
	Bhabar	38260	50360	-12100
	Mehsana	6225	7725	-1500
	Kadi	29440	28080	1360
	Sabarkatha	2720	4400	-1680
	Gandhi Nagar	6000	8625	-2625
	Ahmedabad (Sanand)	675	320	355
	Halvad	14025	22500	-8475
	Junagadh	789	1181	-392

	Dhrol	14	3	11
Rajasthan	Jodhpur	1170	1260	-90
	Sumerpur	10800	11200	-400
Total Arrivals/Above Markets		161245	221779	-60534

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		#####	16-May-19	24-Apr-19	24-May-18
Gujarat	Patan	5625	5550	5375	3850
	Harij	5625	5625	5425	3910
	Rajkot	5500	5460	5325	3765
	Gondal	5605	5405	5430	3830
	Deesa	5585	5555	5325	3900
	Bhabar	5550	5475	5400	3850
	Mehsana	5610	5600	5375	3860
	Kadi	5665	5645	5445	3930
	Sabarkatha	5600	5600	5375	3895
	Gandhi Nagar	5600	5600	5400	3900
	Ahmedabad (Sanand)	5600	5585	5250	3855
	Halvad	5400	5600	5450	3800
	Junagadh	5450	5370	5135	3805
	Dhrol	5300	5350	5105	3550

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