



Castor Weekly Research Report

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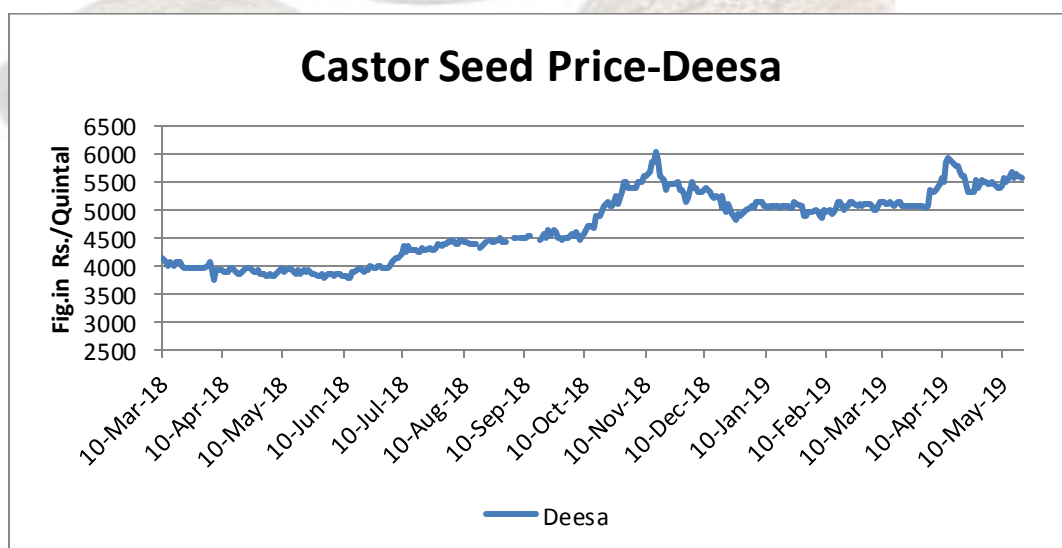


Castor Domestic Market Fundamentals:

- According to the SEA report, castor oil exports in the month of March 2019 is 50.956 Thousand MT which is 29.94 per cent higher than the exports of February 2019 of 39.215 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. In April 2019 exports of oils are expected to increase due to higher miller's demand and higher arrivals in the mandis.
- According to the SEA report, castor meal exports in the month of March 2019 is 7.73 Thousand MT which is 74.18 per cent lower than the exports of February 2019 of 27.32 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.
- According to the AGMARK data, all India castor crop arrivals in the last week of April is reported at 36.51 Thousand MT which is 1.88 percent lower than the third week of April 2019 arrivals of 37.21 Thousand MT. Arrivals are expected to decrease in the coming days due to lower prices in the domestic mandis and lower production estimate.
- Demand of castor from millers is higher than normal due to present lower prevailing prices in the domestic mandis. Stockist are also active in the market as they are expecting prices to move northward in the coming months.
- 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.
- Forecast of below normal or near normal rainfall for 2019 and lower water levels in reservoirs in the major producing states may further decrease the production of castor in 2019-20.

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Higher export demand of castor oil	Bullish
Lower export demand of castor meal	Bearish
Expectation of lower arrivals in the coming days	Bullish
Higher demand from millers	Bullish
Lower production estimate in 2018-19	Bullish
Forecast of lower production in 2019-20	Bullish
Based on Primary & Secondary Sources	

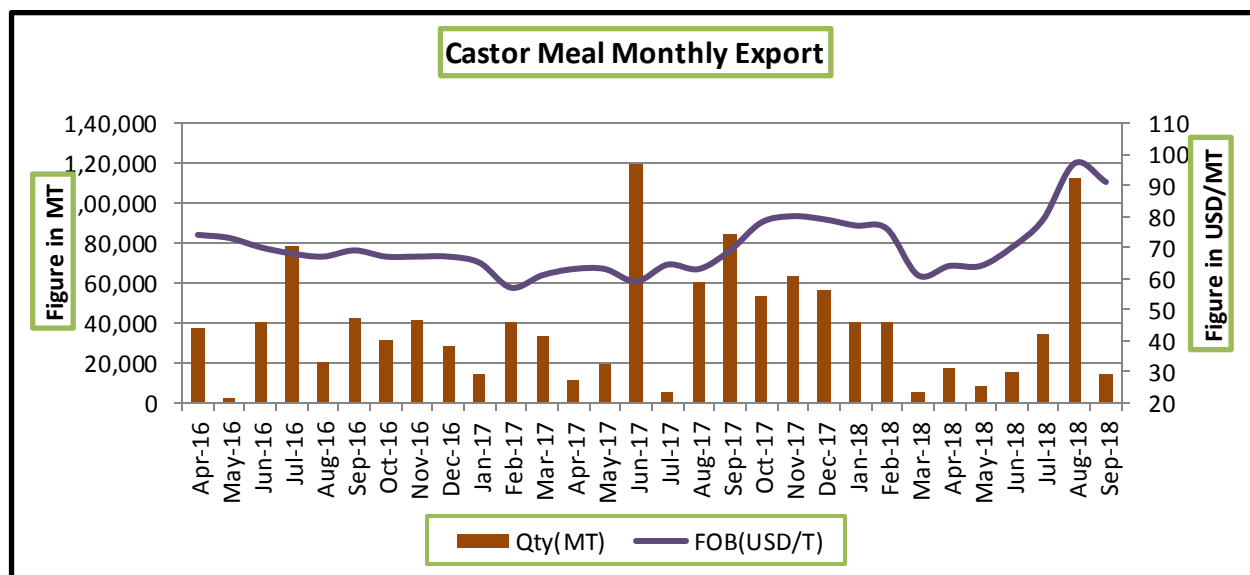
Castor Price Trend Deesa Mandi:



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 t in coming week.
- Increase in prices with lower volume and OI indicates long build up.
- RSI is moving is over sold region which indicates caution to bears.


Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Jul	5100	5200	5670	6200	6300
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jul	Buy	5290	5340	5360	5280

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

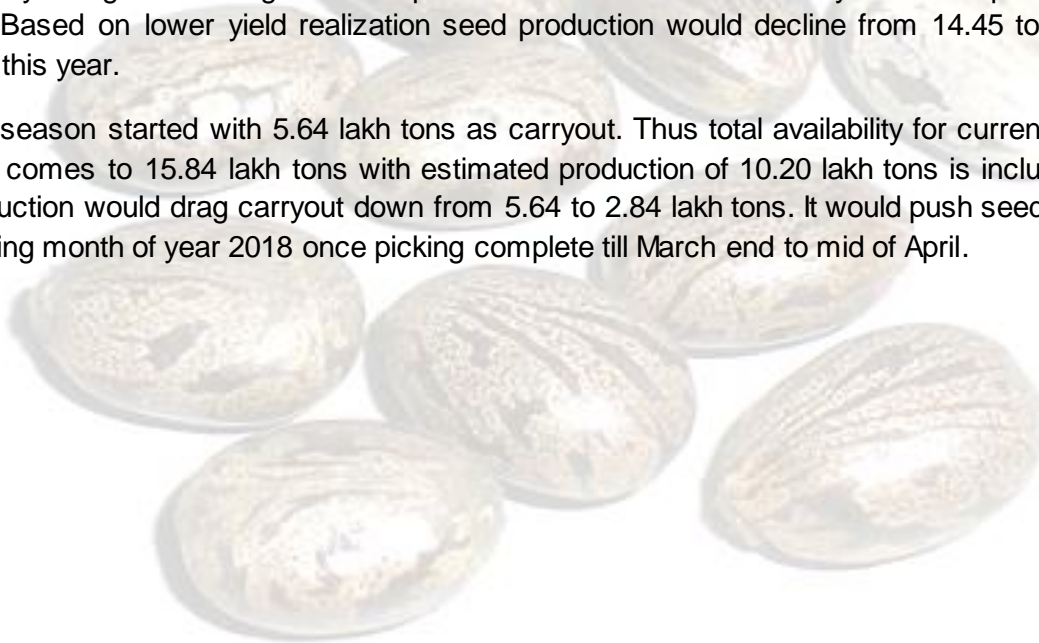
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
Production	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20	13.00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

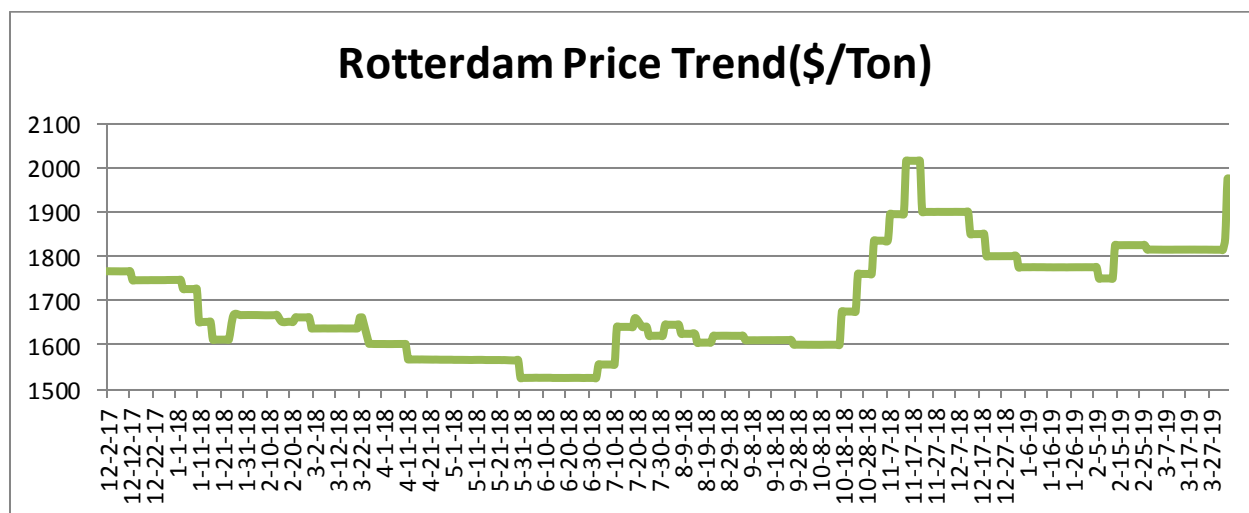
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

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	23rdNov '18	30thOct '18	30thNov '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
		03rd Jun to 09 Jun 2019	27th May to 02 Jun 2019	
Gujarat	Patan	5450	5529	-79
	Harij	5460	5550	-90
	Rajkot	5343	5422	-79
	Gondal	5361	5438	-77
	Deesa	5432	5555	-123
	Bhabar	5422	5517	-95
	Mehsana	5433	5518	-84
	Kadi	5441	5563	-122
	Sabarkatha	5490	5575	-85
	Gandhi Nagar	5450	5588	-138
	Ahmedabad (Sanand)	5339	5488	-149
	Halvad	5463	5525	-63
	Junagadh	5345	5366	-21
	Dhrol	5150	5278	-128
Rajasthan	Jodhpur	5438	5588	-150
	Sumerpur	5275	5442	-167

161245

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	03rd Jun to 09 Jun 2019	27th May to 02 Jun 2019	Change
Gujarat	Patan	17625	30274	-12649
	Harij	2850	5363	-2513
	Rajkot	845	975	-130
	Gondal	1624	1322	302
	Deesa	10840	13194	-2354
	Bhabar	13360	38260	-24900
	Mehsana	2937	6225	-3288
	Kadi	8240	29440	-21200
	Sabarkatha	1120	2720	-1600
	Gandhi Nagar	2513	6000	-3488
	Ahmedabad (Sanand)	334	675	-342
	Halvad	17625	14025	3600
	Junagadh	244	789	-545
	Dhrol	7	14	-7
Rajasthan	Jodhpur	1463	1170	293

	Sumerpur	3440	10800	-7360
Total Arrivals/Above Markets		85066	161245	-76179

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		08-Jun-19	31-May-19	09-May-19	08-Jun-18
Gujarat	Patan	5375	5575	5500	3850
	Harij	5400	5600	5600	3875
	Rajkot	5230	5440	5375	3710
	Gondal	5330	5430	5405	3800
	Deesa	5325	5555	5425	3850
	Bhabar	5350	5500	5500	3810
	Mehsana	5375	5525	5475	3820
	Kadi	5365	5610	5520	3870
	Sabarkatha	5400	5625	5600	3850
	Gandhi Nagar	5375	5625	5475	3850
	Ahmedabad (Sanand)	5250	5505	5420	3780
	Halvad	5400	5550	5500	3800
	Junagadh	Closed	5425	5325	3750
	Dhrol	NA	5350	NA	3450
Rajasthan	Jodhpur	5300	5580	5530	3600
	Sumerpur	5250	5450	5410	3800

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