



# Castor Weekly Research Report

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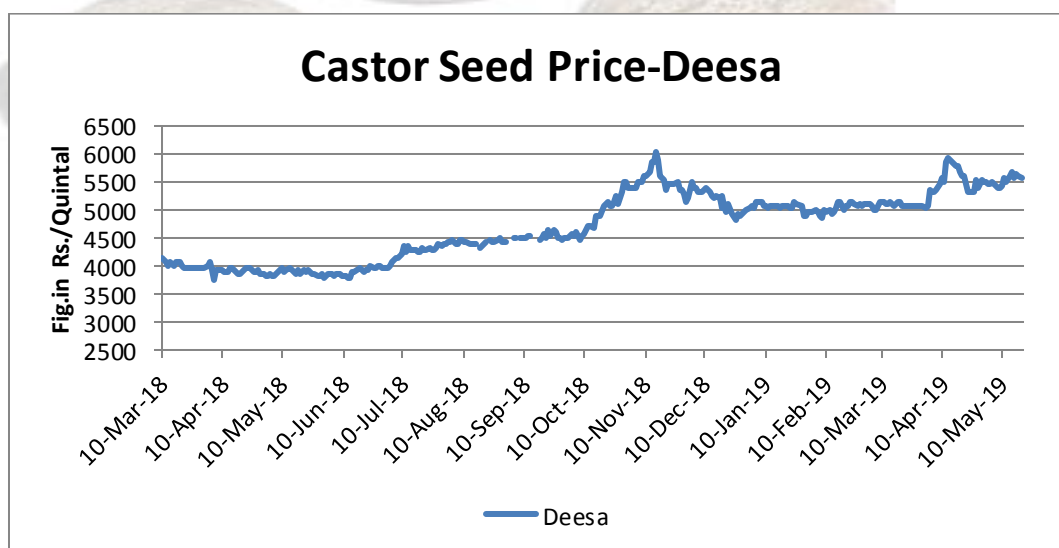
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**Castor Domestic Market Fundamentals:**

- 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	

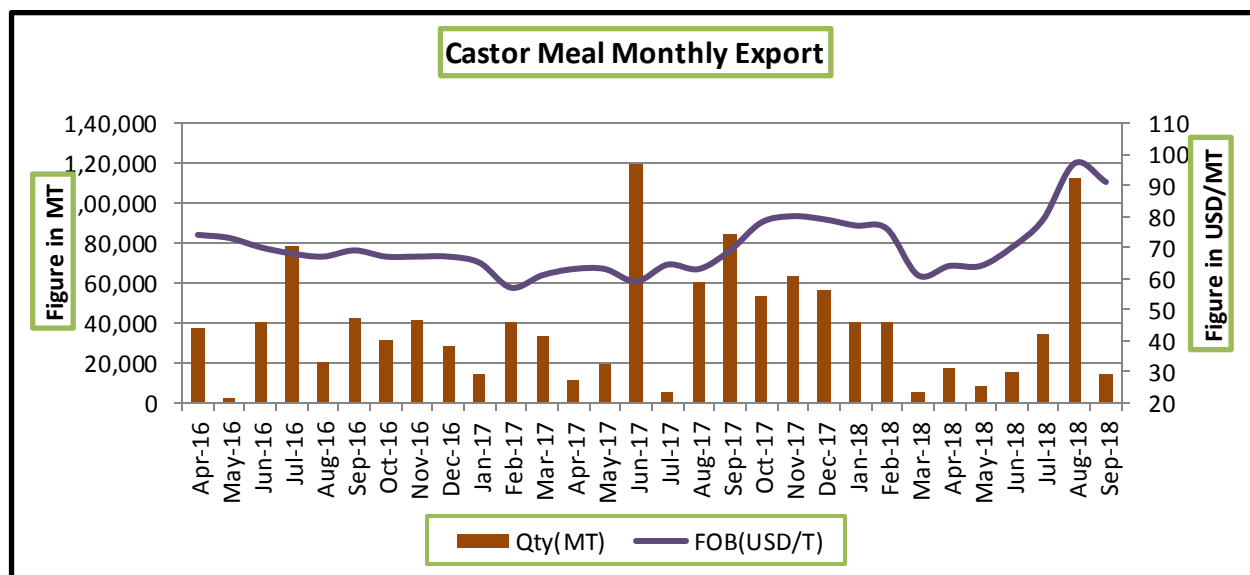
#### Castor Price Trend Deesa Mandi:



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 03<sup>rd</sup> 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:**

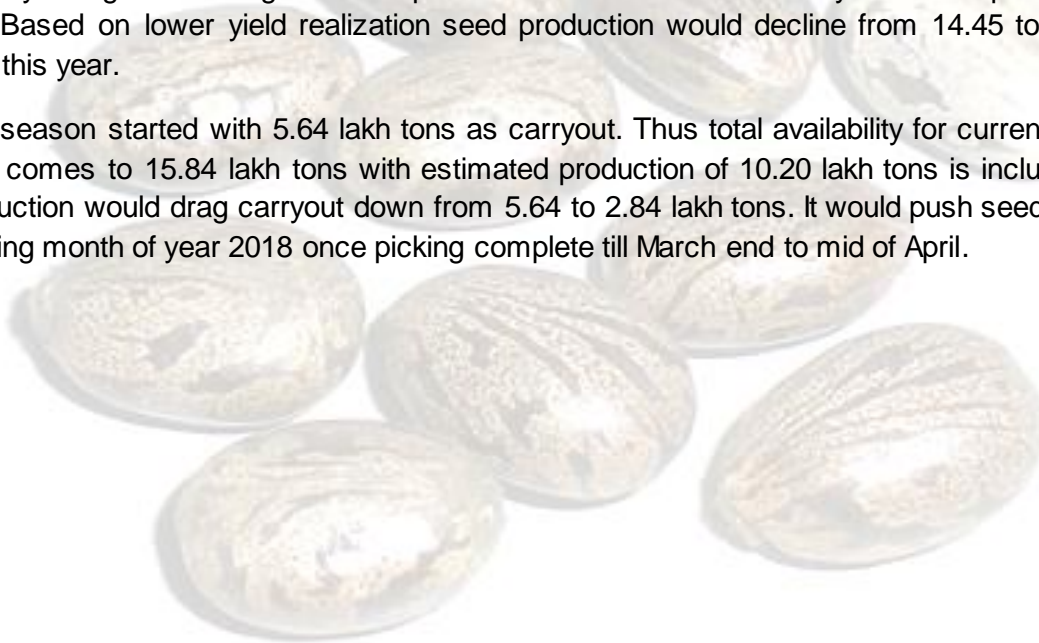
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
<b>Production</b>	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20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

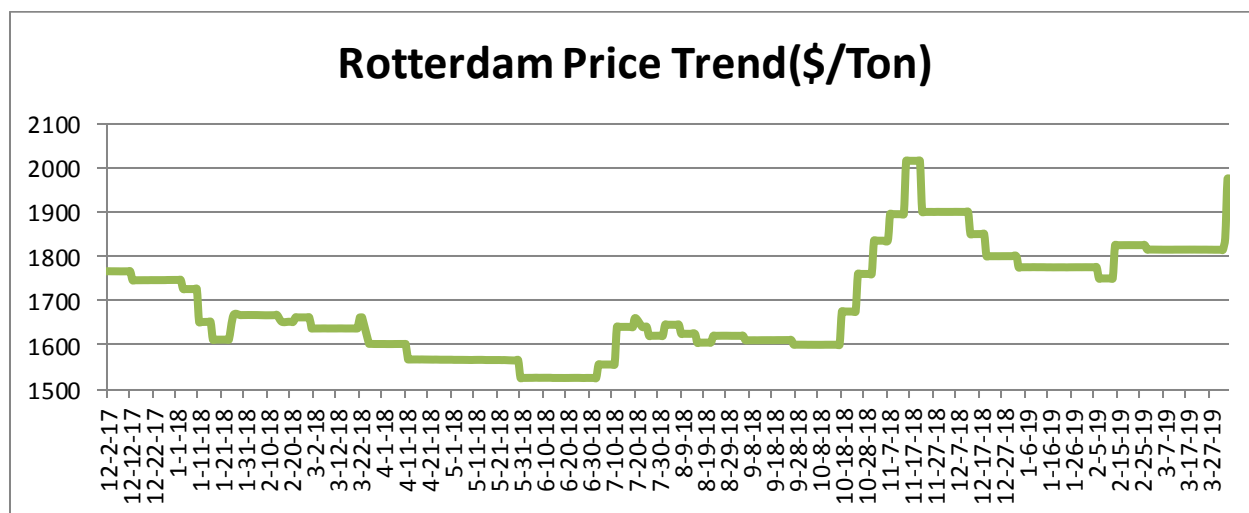
### **Castor Seed- Balance Sheet for 2018-19:**

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	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 Center	Market	Price (Rs/ Quintal)		Change
		30th Jun to 05th Jul 2019	22nd to 29th Jun 2019	
<b>Gujarat</b>	Patan	5390	5317	73
	Harij	5435	5321	114
	Rajkot	5310	5208	102
	Gondal	5355	5293	63
	Deesa	5373	5314	59
	Bhabar	5455	5395	60
	Mehsana	5417	5348	69
	Kadi	5421	5353	68
	Sabarkatha	5454	5353	101
	Gandhi Nagar	5407	5358	49
	Ahmedabad (Sanand)	5284	5249	35
	Halvad	5310	5300	10
	Junagadh	5280	5245	35
	Dhrol	4780	3055	1725
<b>Rajasthan</b>	Jodhpur	5397	5362	35
	Sumerpur	5317	5217	100

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

Center	Market	30th Jun to 05th Jul 2019	22nd to 29th Jun 2019	Change
<b>Gujarat</b>	Patan	7200	17625	-10425
	Harij	1388	2850	-1463
	Rajkot	921	845	76
	Gondal	669	1624	-955
	Deesa	2480	10840	-8360
	Bhabar	6040	13360	-7320
	Mehsana	1913	2937	-1025
	Kadi	6040	8240	-2200
	Sabarkatha	720	1120	-400
	Gandhi Nagar	1725	2513	-788
	Ahmedabad (Sanand)	4	334	-329
	Halvad	1013	17625	-16613
	Junagadh	400	244	156
	Dhrol	6	7	-1
<b>Rajasthan</b>	Jodhpur	1478	1463	15

	Sumerpur	1440	3440	<b>-2000</b>
<b>Total Arrivals/Above Markets</b>		<b>33435</b>	<b>85066</b>	<b>-51630</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>04-Jul-19</b>	<b>26-Jun-19</b>	<b>04-Jun-19</b>	<b>04-Jul-18</b>
<b>Gujarat</b>	Patan	Closed	5400	5500	4050
	Harij	Closed	5375	5500	4075
	Rajkot	Closed	5260	5405	3775
	Gondal	Closed	5380	5390	4030
	Deesa	Closed	5375	5475	4050
	Bhabar	Closed	5550	5450	4050
	Mehsana	5425	5425	5475	4050
	Kadi	Closed	5450	5485	4040
	Sabarkatha	5500	5410	5500	4100
	Gandhi Nagar	Closed	5450	5500	4075
	Ahmedabad (Sanand)	Closed	5310	5385	0
	Halvad	Closed	5400	5525	4000
	Junagadh	Closed	5200	5265	3900
	Dhrol	Closed	4675	5055	3590
<b>Rajasthan</b>	Jodhpur	5440	5450	5550	4100
	Sumerpur	5350	5275	5300	4075

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