



# Castor Weekly Research Report

## Contents

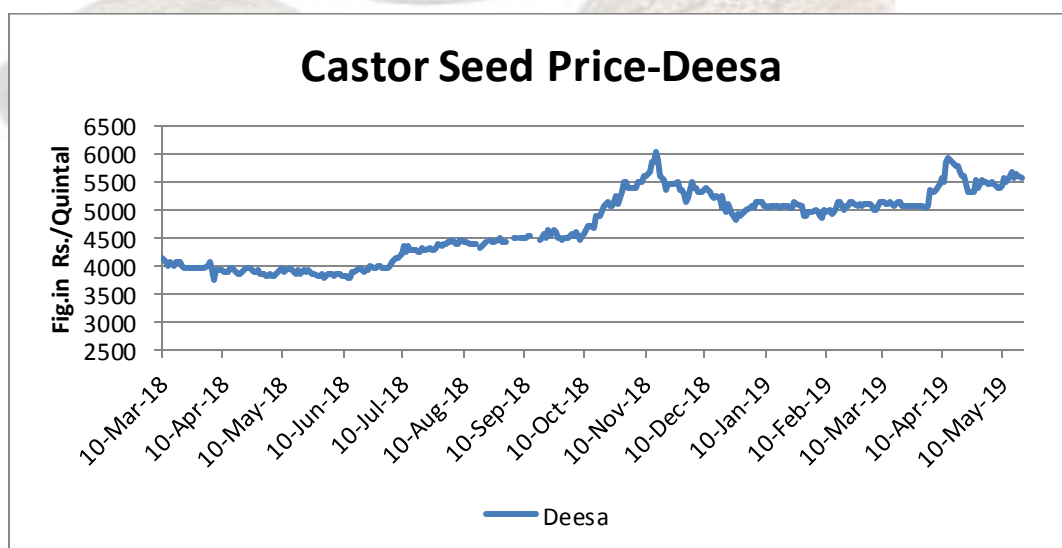
- ❖ Outlook and Review
- ❖ Castor Seed price Chart
- ❖ Export
- ❖ NCDEX Spot Price
- ❖ Outlook
- ❖ Future Chart
- ❖ Progressive Sowing
- ❖ Weekly Spot Price change
- ❖ International Market Update

**Castor Domestic Market Fundamentals:**

- 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	

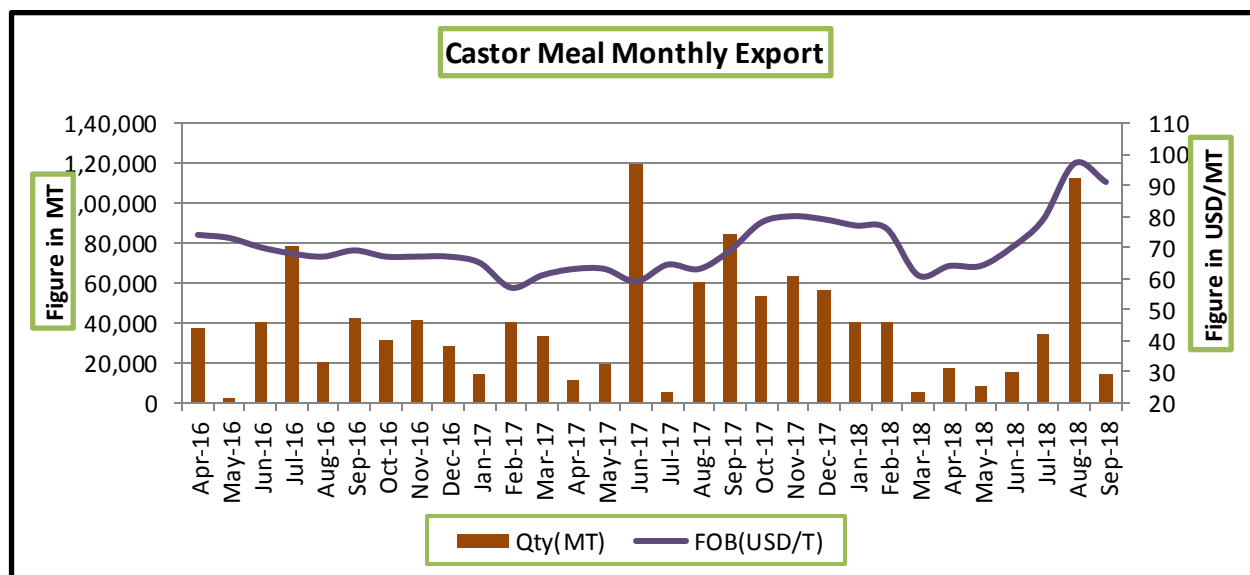
#### Castor Price Trend Deesa Mandi:



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:**

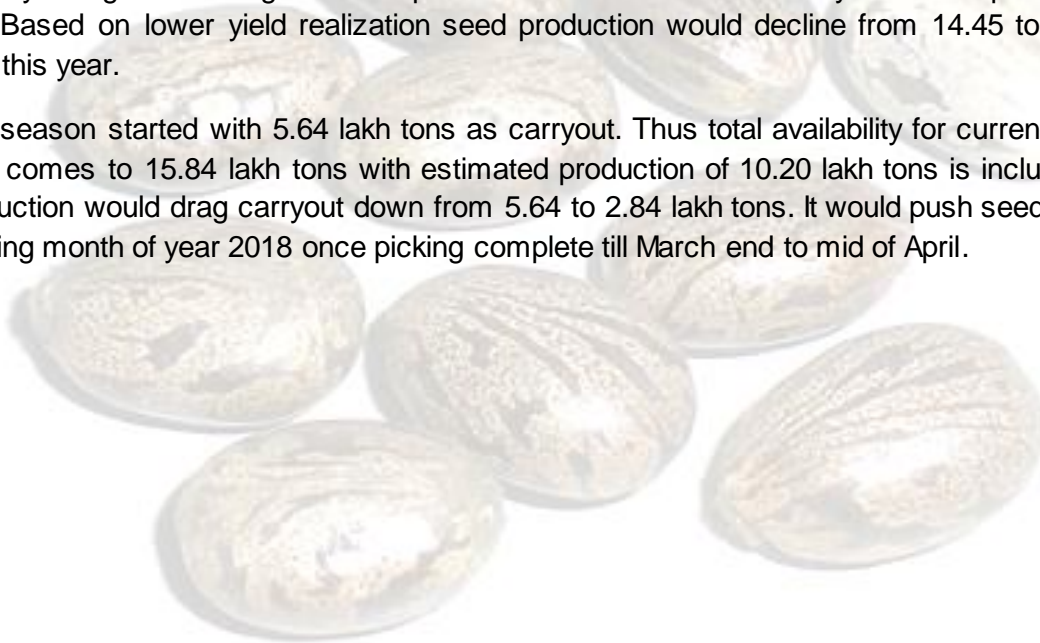
Preliminary Forecast For 2018-19					
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	2018-19*
Carry in	9.04	5.54	6.79	4.39	5.64
<b>Production</b>	13.52	14.00	10.60	14.45	10.20
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	22.56	19.54	17.39	18.84	15.84
Consumption	12.60	12.75	13.00	13.20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

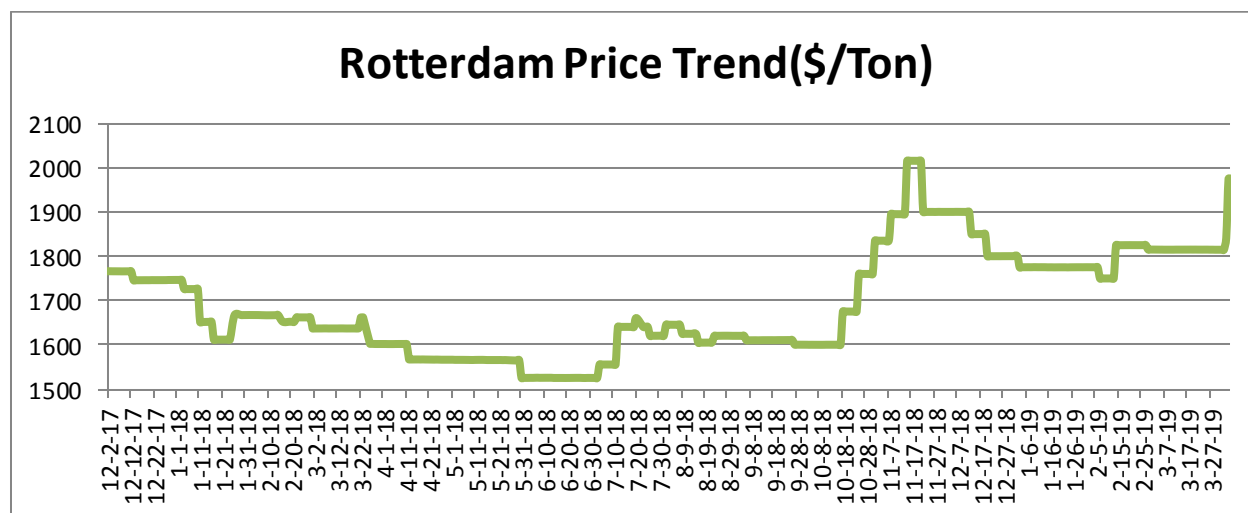
### **Castor Seed- Balance Sheet for 2018-19:**

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
		15t Jul to 20th Jul 2019	08th Jul to 14 Jul 2019	
<b>Gujarat</b>	Patan	5440	5508	-68
	Harij	5480	5508	-28
	Rajkot	5329	5363	-34
	Gondal	5405	5326	79
	Deesa	5414	5441	-27
	Bhabar	5470	5496	-26
	Mehsana	5449	5484	-35
	Kadi	5468	5498	-31
	Sabarkatha	5522	5551	-29
	Gandhi Nagar	5464	5485	-21
	Ahmedabad (Sanand)	5397	5383	14
	Halvad	5410	5467	-57
	Junagadh	5281	3491	1790
	Dhrol	4981	2959	2022
<b>Rajasthan</b>	Jodhpur	5381	5398	-18
	Sumerpur	5383	5383	Unch

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

Center	Market	15t Jul to 20th Jul 2019	08th Jul to 14 Jul 2019	Change
<b>Gujarat</b>	Patan	11438	15750	-4313
	Harij	1388	1650	-263
	Rajkot	442	630	-188
	Gondal	389	628	-239
	Deesa	2336	2200	136
	Bhabar	12176	14788	-2612
	Mehsana	2213	2700	-488
	Kadi	5752	10452	-4700
	Sabarkatha	1520	1360	160
	Gandhi Nagar	2250	3450	-1200
	Ahmedabad (Sanand)	8	48	-40
	Halvad	675	1350	-675
	Junagadh	170	52	118
	Dhrol	5	3	2
<b>Rajasthan</b>	Jodhpur	1095	1185	-90

	Sumerpur	720	1040	<b>-320</b>
<b>Total Arrivals/Above Markets</b>		<b>42576</b>	<b>57286</b>	<b>-14711</b>

**Week on Week Price: Scenario of Castor Seed :**

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		19-Jul-19	11-Jul-19	19-Jun-19	19-Jul-18
<b>Gujarat</b>	Patan	5400	5550	5250	4325
	Harij	5425	5500	5275	4360
	Rajkot	5325	5365	5175	4210
	Gondal	5430	5330	5305	4250
	Deesa	5410	5450	5250	4310
	Bhabar	5450	5450	5350	4275
	Mehsana	5450	5485	5300	4330
	Kadi	5460	5515	5280	4300
	Sabarkatha	5500	5555	5250	4310
	Gandhi Nagar	5450	5475	5275	4350
	Ahmedabad (Sanand)	NA	5445	5210	0
	Halvad	5350	5400	5250	4275
	Junagadh	5250	5250	5190	0
	Dhrol	NA	4895	0	0
<b>Rajasthan</b>	Jodhpur	5425	5400	5300	4410
	Sumerpur	5400	5375	5200	4250

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