



Castor Weekly Research Report

Contents

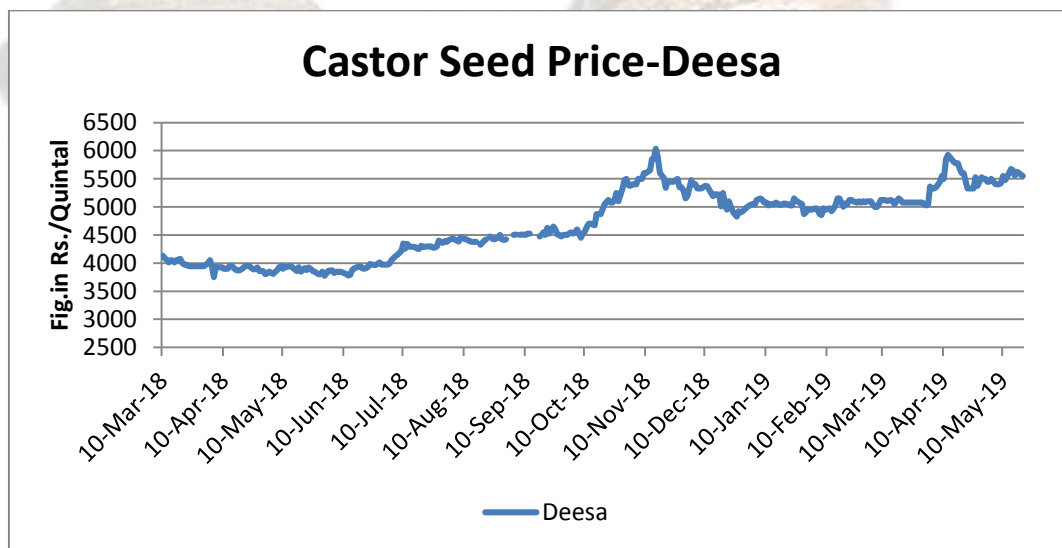
- ❖ Outlook and Review
- ❖ Castor Seed price Chart
- ❖ Export
- ❖ NCDEX Spot Price
- ❖ Outlook
- ❖ Future Chart
- ❖ Progressive Sowing
- ❖ Weekly Spot Price change
- ❖ International Market Update



Castor Domestic Market Fundamentals:

- According to latest sowing report as on 02nd August 2019, all India Castor sowing is reported 1.105 lakh hectares in 2019 which is 26.43 per cent lower than last year acreage of 1.502 lakh hectares in the same time period. However, in Gujarat, castor sowing acreage is 0.495 Lakh hectares which is much higher than last year acreage of 0.369 Lakh hectares in the same time period. According to the trade sources, castor sowing acreage in Gujarat might increase this year as compare to last year due to good prices of castor in domestic Mandis throughout last year. Expectation of higher sowing acreage in the coming season might put downward pressure on the castor prices.
- According to the trade sources, castor acreage may decrease in other producing region due to lower rainfall received and farmers are opting for other crops like cumin seed , pulses, cotton, groundnut etc in which prices were higher last year and government may also procure these crops directly from farmers at MSP.
- According to the trade sources, castor oil exports in the month of July 2019 are 44.101 thousand MT which is 13 per cent lower than June exports of 50.577 thousand MT. On a cumulative basis, exports were 1.83 Lakh MT during the first four months of the financial year beginning from April which is 13.96 per cent lower than last year exports of 2.13 Lakh MT during the same period. Lower export is due to lower demand from traditional buyers like China.
- According to the market participants, at present castor seed stocks with stockiest are around 4.5 lakh tonnes which is lower than average stock of 5-6 lakh tonnes every year. Lower stocks are due to lower production estimate of castor crop in 2018-19. New crop is expected to come from A.P.-Telangana in October-November. Till then, millers are dependent on the present lower stocks which might push the prices 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.
- According to the AGMARK data, all India castor crop arrivals in the last week of July is reported at 6.02 Thousand MT which is 47.92 percent lower than last year arrivals of 11.56 thousand MT in the same time period. Lower arrivals in the domestic Mandis may push the prices northward.

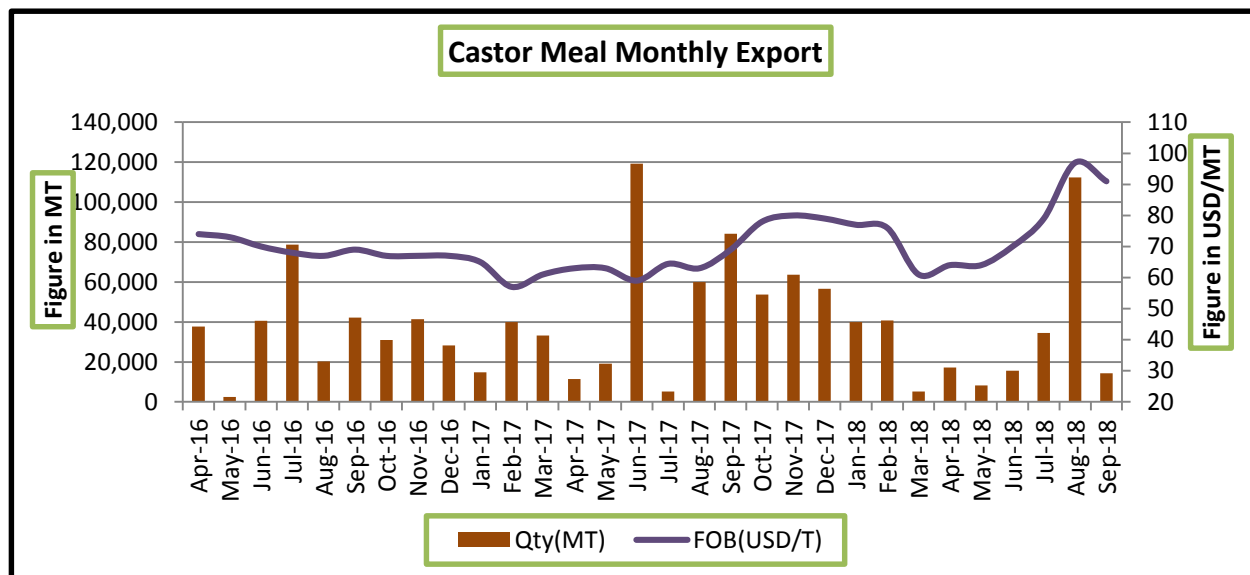
FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Higher export demand of castor oil	Bullish
Lower export demand of castor meal	Bearish
Expectation of lower arrivals in the coming days	Bullish
Higher demand from millers	Bullish
Lower production estimate in 2018-19	Bullish
Forecast of lower production in 2019-20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

Castor Seed & Oil Weekly Report

Date-12 Aug 2019

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 01st Week Aug, 2019

State	Prices 01-08 Aug 2019	Prices 24-31 Jul 2019	Prices 01-08 Aug 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	5132.49	5168	4151.39	-0.69	23.63
Chhattisgarh			3300	—	—
Gujarat	5373.86	5340.14	4376.18	0.63	22.8
Karnataka			3930	—	—
Madhya Pradesh	4755.22	3935		20.84	—
Maharashtra		4712	3850	—	—
Odisha		3500		—	—
Rajasthan	5270.2	5240.63	4263	0.56	23.63
Tamil Nadu		3731		—	—
Telangana		4801	4214.52	—	—
Average	5132.94	4553.47	4012.16		

Source: Agmarket.net (Prices in Rs./Qtl)

Cash Market Price Outlook for Spot Price

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	5200-5300	5300-5400
Medium Term (30 days)	5300-5500	5500-5720

Castor Seed & Oil Weekly Report

Date-12 Aug 2019

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 near over sold region which indicates caution to bears.



Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Sept	5400	5480	5626	5800	5900
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Sept	Buy	5600	5630	5660	5590

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

Castor Seed & Oil Weekly Report

Date-12 Aug 2019

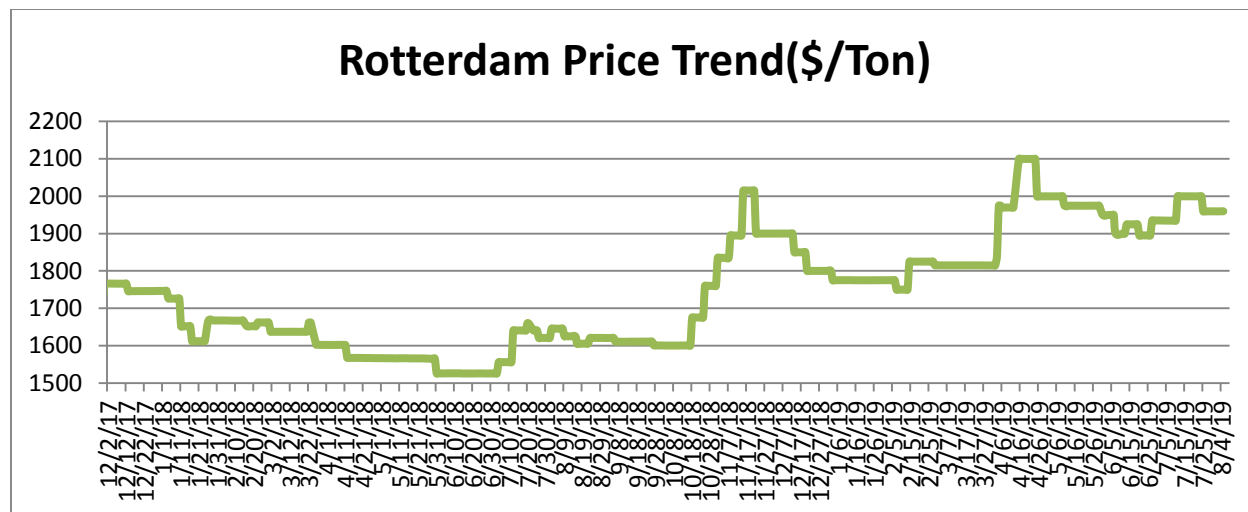
Exports	0.00	0.00	0.00	0.00	0.00
Total Usage	12.60	12.75	13.00	13.20	13.00
Carry out	9.96	6.79	4.39	5.64	2.84
Av Monthly Consumption	1.05	1.06	1.08	1.10	1.08
Stock to Month Use	9.49	6.39	4.05	5.13	2.62
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08

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

Comparative Prices Of Castor Products Including Seed					
	26th July'19	19th July'19	26th June'19	26th July'18	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	55150	55650	55250	43717	20.73
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	118.00	118.00	110.00	79.00	33.05
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	7950	7950	7450	5440	31.57
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1640	1660	1645	1323	19.33
Local rates for oil in domestic market(Rs./M.T.) for comm.	115000	115000	114000	91115	20.77

Source: SEA.

Castor Seed Weekly Prices at Key Spot Markets:

Commodi ty	Market	Price (Rs/ Quintal)	Chan ge
---------------	--------	---------------------	------------

Castor Seed & Oil Weekly Report

Date-12 Aug 2019

Center		5th Aug to 10th Aug 2019	29th July to 03rd Aug 2019	
Gujarat	Patan	5423	5406	17
	Harij	5415	5400	15
	Rajkot	5292	5300	-8
	Gondal	5355	5355	Unch
	Deesa	5412	5411	1
	Bhabar	5400	5390	10
	Mehsana	5420	5416	4
	Kadi	5438	5430	8
	Sabarkatha	5460	5450	10
	Gandhi Nagar	5437	5445	-8
	Ahmedabad (Sanand)	#DIV/o!	1074	-
	Halvad	5415	1080	4335
	Junagadh	#DIV/o!	0	-
	Dhrol	#DIV/o!	1000	-
Rajasthan	Jodhpur	5328	5424	-96
	Sumerpur	5345	5360	-15

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	5th Aug to 10th Aug 2019	29th July to 03rd Aug 2019	Change
Gujarat	Patan	7112	7703	-591
	Harij	2100	1200	900
	Rajkot	584	625	-41
	Gondal	753	780	-27
	Deesa	2532	2760	-228
	Bhabar	8736	6192	2544
	Mehsana	2250	1350	900
	Kadi	5840	5120	720
	Sabarkatha	1160	696	464
	Gandhi Nagar	2175	1200	975
	Ahmedabad (Sanand)	0	6	-6
	Halvad	660	75	585
	Junagadh	0	0	Unch
	Dhrol	0	1	-1
Rajasthan	Jodhpur	435	765	-330
	Sumerpur	680	440	240

Castor Seed & Oil Weekly Report

Date-12 Aug 2019

Total Arrivals/Above Markets	35017	28912	6104
------------------------------	-------	-------	------

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		10-Aug-19	3-Aug-19	11-Jul-19	10-Aug-18
Gujarat	Patan	5425	4546.667	5550	4400
	Harij	Closed	4535	5500	4425
	Rajkot	Closed	4396	5365	4275
	Gondal	Closed	4425	5330	4330
	Deesa	Closed	4529.167	5450	4430
	Bhabar	5325	4511.667	5450	#VALUE!
	Mehsana	5460	4501.667	5485	4415
	Kadi	Closed	4508.333	5515	4445
	Sabarkatha	5475	4505.833	5555	4425
	Gandhi Nagar	5475	4512.5	5475	4425
	Ahmedabad (Sanand)	NA	#DIV/o!	5445	4345
	Halvad	Closed	4454.167	5400	4250
	Junagadh	NA	4367.5	5250	4250
	Dhrol	NA	4200	4895	4070
Rajasthan	Jodhpur	5200	4485	5400	4450
	Sumerpur	5450	4421.667	5375	4425

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2019 Indian Agribusiness Systems Pvt. Ltd.