



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- Castor seed is witnessing heavy lifting. After 7 consecutive lower circuits, castor seed futures have an upper circuit of 4 per cent on Monday.
- **Castor seed markets are closed from last few weeks due to sluggish trading activity, traders are waiting to firming in prices.**
- **Government orders to investigate heavy lifting in castor seed in NCDX; In view of the difficulties in NCDX, BSC has made** 03 new contracts available for trading in castors, whose delivery center will be Patan {Gujarat}. Castor seed prices fell again in last couple of day's trading session. For the last few days or so, in only 7 trading sessions, castor seed has dropped 30 percent from its upper level. On the other hand, on the day when the castor seed futures were launched on the BSE, the purchase of castors on NCDEX was seen, but yesterday once again on the third trading day of the week, the castor has started the reverse. In such a situation, traders say that the exchange changed the rules repeatedly, imposed margins and then removed, which created a panic situation in the market, which broke the price and also had an impact on the spot business. It has caused a huge loss to businessmen and farmers. They say that if they estimate, there is a loss of about 500-600 crores. The traders have accused the officials of the exchange of collusion.
- **On the other hand "this year the area of castor seed is higher than last year and good rain is expected to be a bumper crop in the** country's largest castor seed producing state Gujarat in the last round of monsoon season. There is also a reason that selling pressure has increased. "According to the recent report of the Union Ministry of Agriculture, the acreage of castor seed nationwide is 9.36 lakh hectares this year, which is seven per cent higher than last year's acreage of 8.77 lakh hectares.
- **Despite the imposition of special 20 per cent margin on short position, prices are moving downwards** due to technical selling. Some brokers had failed to pay additional mark-to-market margins after downward movement in October-December contracts over three trading sessions, compelling the exchange's clearing house to use these traders' collaterals to settle their pay-out obligations.
- **However, according to the market participants, at present all India castor stock is lower than the average** stocks which might give support to the falling prices.
- **As per the Ministry of Agriculture, current Kharif castor acreage as on 27th September 2019 up by 6.96 per cent** at 9.38 lakh hectares as compared to 8.77 lakh hectares last year same period. Andhra Pradesh, Telangana, Haryana and Rajasthan castor area is down from last year on the other hand major producing state Gujarat area under castor seed up by 34.48% to 7.02 lakh hectares till date.
- **Cash Castor oil and seed markets dropped on Friday due to speculation in future markets.** All India castor seed arrival today is 348 quintals which is down by 276 quintals from last day arrival of 624 quintals.
- **Banaskantha, Patan, Mehsana, Sabarkantha, Gandhinagar and Aravalli in north Gujarat region account for 3.51 lh** of castor acreage this season. That is more than half of the entire crop area in the state. Kutch region, which is a single district but have geographical features distinct from other

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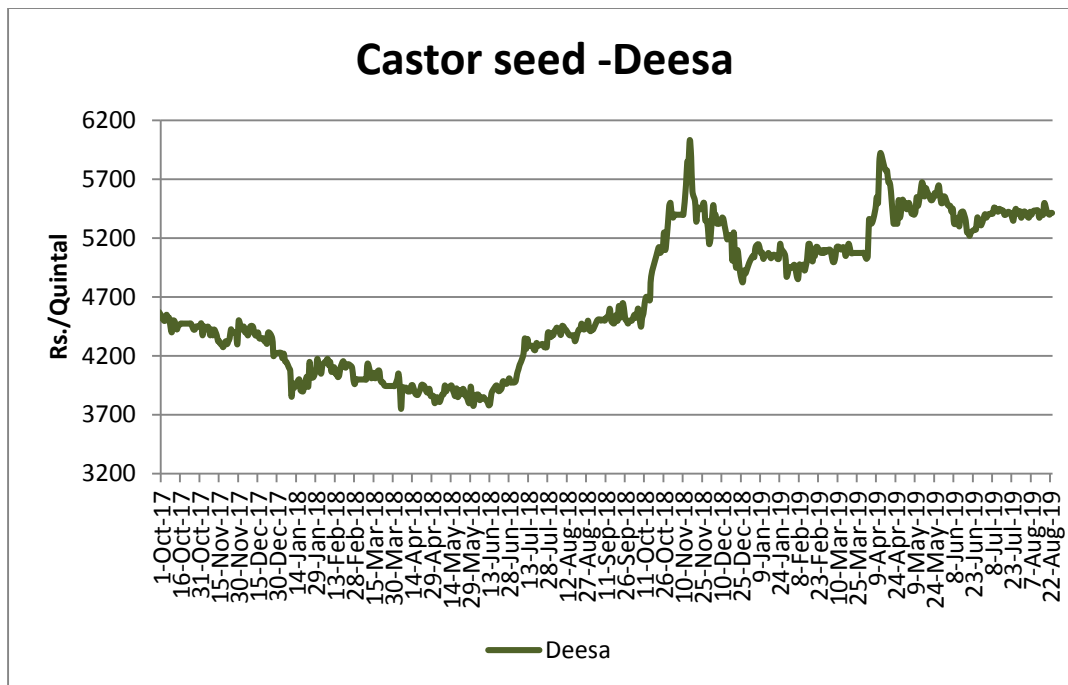
regions of the state, is second with 1.33 lh under castor cultivation this year. With 1.03 lh, Saurashtra, the region formed by 11 districts, is third. Patan has emerged as the single largest castor district with farmers having sown this long-duration crop in 94,800 hectare. It is followed by Banaskantha with 93,300 ha and Mehsana (87,100 ha). Surendranagar in Saurashtra has reported castor sowing in 69,700 ha, the fourth highest in the state. Morbi (22,900 ha) is the other Saurashtra district which has seen significant sowing of the oilseed.

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	

Sowing Updates of Castor Seed:

State Wise castor Seed Sowing as on 04.10.2019				
State	2019	2018	% Change	Normal Area
Gujarat	7.18	5.33	34.48	6.42
Rajasthan	1.54	2.64	-41.67	1.8
Telangana	0.23	0.26	-11.54	0.58
Andhra Pradesh	0.34	0.33	3.03	0.47
Karnataka	0.06	0.07	-14.29	0.1
Maharashtra	0.11	0.12	-8.33	0.13
Total	9.55	8.89	6.96	9.69

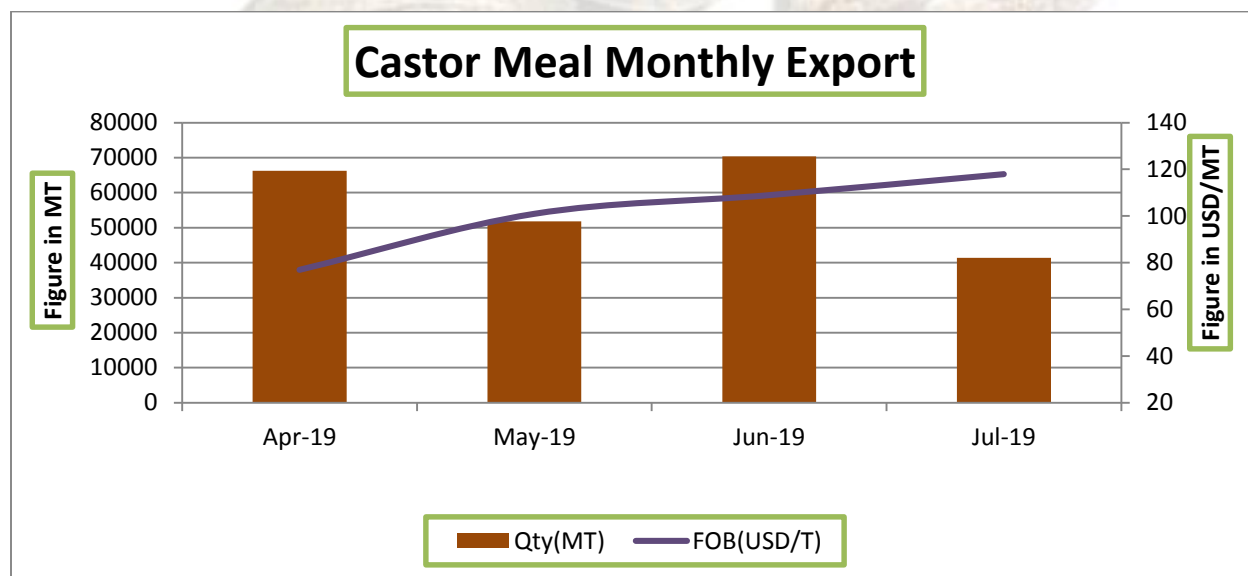
Castor Price Trend Deesa Mandi:



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:

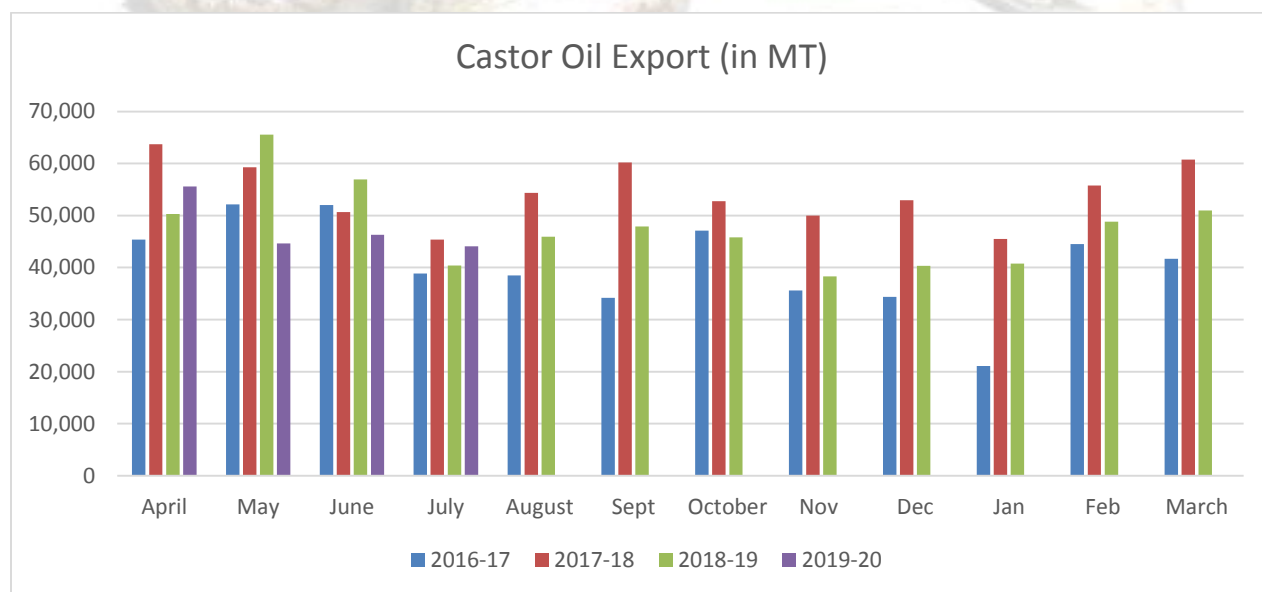


Source: Sea of India

Castor Meal Export Summary:

The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of July 2019. The export of oilmeals during July 2019 is provisionally reported at 166,301 tons compared to 215,716 tons in July, 2018 i.e. down by 23%. The overall export of oilmeals during April-July 2019 is reported at 851,070 tons compared to 966,874 tons in April-July 2018 i.e. down by 12%. The export of castorseed meal has increased to 229,820(75,597) tons, being mainly exported to South Korea. During April-July 2019 Vietnam imported 120,889 tons of oilmeals (compared to 228,627 tons); consisting of 1,892 tons of soybean meal, 71,683 tons of rapeseed meal and 47,314 tons of De-oiled Rice Bran Extraction. South Korea imported 365,652 tons of oilmeals (compared to 198,304 tons) ; consisting 13,282 tons of soybean meal, 162,487 tons of rapeseed meal and 189,883 tons of castorseed meal. Thailand imported 107,607 tons of oilmeals (compared to 129,661 tons) consisting 88,595 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 1,431 tons of soybean meal.

Castor oil exports drop 30% in October on poor off take from China:



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State wise Wholesale Prices Weekly Analysis for Castor Seed 01st Week Oct, 2019

State	Prices 01-08 Oct 2019	Prices 24-30 Sep 2019	Prices 01-08 Oct 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3717.01	4366.2	3997.98	-14.87	-7.03
Gujarat	4359.22	5258.54	4434.65	-17.1	-1.7
Karnataka	3800	5000		-24	---
Rajasthan	4305.17	4976.32	4172.27	-13.49	3.19
Telangana	3869.84	4302.11	4053.18	-10.05	-4.52
Average	4010.25	4483.86	3990.51		

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)	4100-4300	4200-4350
Medium Term (30 days)	4150-4600	4200-4700

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Technical Analysis:

Castor – Technical Outlook

Technical Commentary:

- Prices are likely to move steady in coming week.
- Increase in prices with lower volume and OI indicates long build up.
- RSI is moving is near over bought region which indicates caution to bulls.



Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Oct	5550	5600	4280	5950	6100
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	Buy	4270	4300	4350	4250

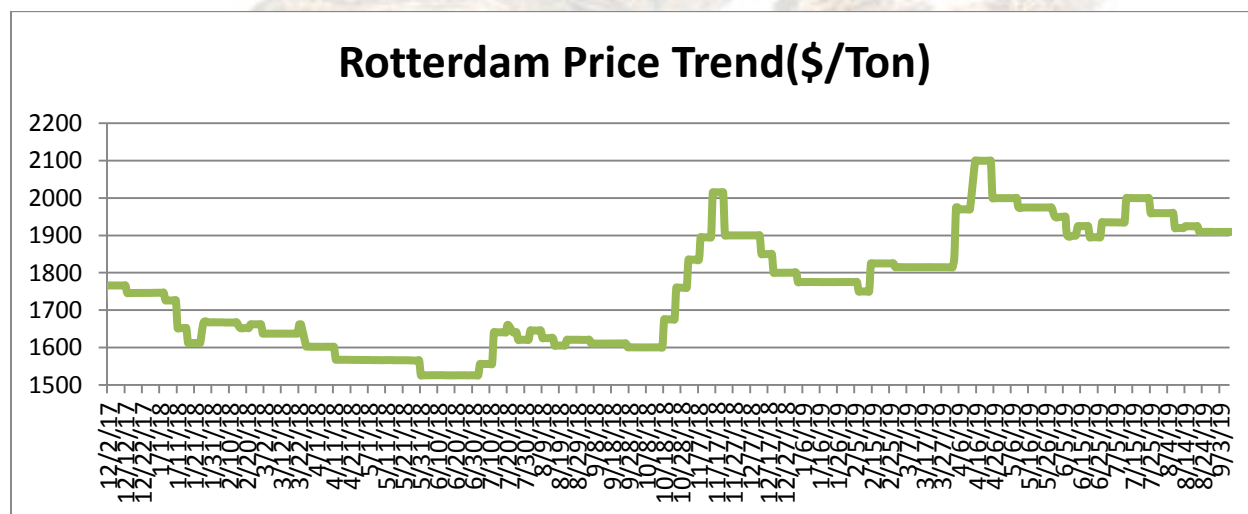
Castor Seed Supply & Demand for MY-2018-19:

Preliminary Forecast For 2019-20*					
All units in lakh tons	2015-16	2016-17	2017-18	2018-19	2019-20*
Carry in	5.54	6.79	4.39	5.49	4.19
Production	14.00	10.60	14.30	11.20	14.05
Imports	0.00	0.00	0.00	0.00	0
Total Availability	19.54	17.39	18.69	16.69	18.24
Consumption	12.75	13.00	13.20	13.00	13.2
Exports	0.00	0.00	0.00	0.00	0
Total Usage	12.75	13.00	13.20	12.50	13.20
Carry out	6.79	4.39	5.49	4.19	5.04
Av Monthly Consumption	1.06	1.08	1.10	1.08	1.10
Stock to Month Use	6.39	4.05	4.99	3.87	4.58
Stock to Consumption Ratio	1.06	1.08	1.10	1.08	1.10

Castor Seed- Balance Sheet for 2019-20*(AW preliminary estimates)

Agriwatch is estimating that castor seed production is likely to up in this crop year-2019-20, as area is increasing in Gujarat which is one of the major producing state, however area is down in other states like Andhra Pradesh, Telangana and Rajasthan. This year it is estimated around 14 lakh tons of castor seed production which is up by 25% from last year production of 11.20 lakh tons. Prices is likely to down once picking starts in producing states and likely to trade steady as carry over stock expected to up in next season.

Rotterdam Price:



Source: Agriwatch

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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:

Commodity	Market	Price (Rs/ Quintal)		Change
		30th Sept to 05th Oct 2019	30th Sept to 05th Oct 2019	
Gujarat	Patan	4500	4225	4500
	Harij	#DIV/o!	4250	#DIV/o!
	Rajkot	4060	4387	4060
	Gondal	4080	4213	4110
	Deesa	4350	4113	4325
	Bhabar	4410	4283	4405
	Mehsana	#DIV/o!	4333	#DIV/o!
	Kadi	4505	4440	4505
	Sabarkatha	#DIV/o!	#DIV/o!	#DIV/o!
	Gandhi Nagar	#DIV/o!	4390	#DIV/o!
	Ahmedabad (Sanand)	#DIV/o!	#DIV/o!	#DIV/o!
	Halvad	4550	4481	4555

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	Junagadh	#DIV/o!	#DIV/o!	#DIV/o!
	Dhrol	#DIV/o!	#DIV/o!	#DIV/o!
Rajasthan	Jodhpur	4340	5400	4275
	Sumerpur	4700	4290	4460

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	30th Sept to 05th Oct 2019	30th Sept to 05th Oct 2019	Change
Gujarat	Patan	0	525	-525
	Harij	0	38	-38
	Rajkot	12	42	-30
	Gondal	20	36	-16
	Deesa	0	280	-280
	Bhabar	0	2000	-2000
	Mehsana	0	83	-83
	Kadi	4	52	-48
	Sabarkatha	0	0	0
	Gandhi Nagar	0	360	-360
	Ahmedabad (Sanand)	0	0	0
	Halvad	413	315	98
	Junagadh	0	0	0
	Dhrol	0	0	0
Rajasthan	Jodhpur	0	38	-38
	Sumerpur	400	280	120
Total Arrivals/Above Markets		849	4048	-3199

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