



# Castor Weekly Research Report

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**Castor Domestic Market Fundamentals:**

- After suffering five long years of bearish market conditions and low prices, castor seed growers in the country started to smile from early last year with the rise in ready delivery castor seed rates. But tragically, the expected gains for castor seed growers during the upcoming harvest are likely to be wiped out because of rampant speculation and suspected cartelization in the market which has caused a collapse in prices.
- According to latest sowing report as on 05<sup>th</sup> October 2019, all India Castor sowing is reported 9.55 lakh hectares in 2019 which is 7.43 per cent higher than last year acreage of 8.89 lakh hectares in the same time period. Higher castor acreage is reported in Gujarat at 7.18lakh hectares this year as compare to 5.33 lakh hectares last year in the same time period. However, in Rajasthan castor acreage has decreased to 1.54 lakh hectares from 2.64 lakh hectares last year.
- Despite higher sowing acreage in Gujarat, there is fear of damage in the standing castor crop in some districts due to excess rains. As “Maha” cyclone hit in Gujarat, heavy rain recorded in castor seed area which may cause some damage to crops.
- As per market sources, castor oil exports in the month of September 2019 is 40.927 thousand MT which is 10.33 per cent lower than August exports of 45.645 thousand MT. On a cumulative basis, exports were 2.36 Lakh MT from April to Aug 2019 which is 12.27 per cent lower than last year exports of 2.69 Lakh MT during the same period.
- According to the AGMARK data, all India castor crop arrivals in the last week of September is reported at 3.61 Thousand MT which is 55 percent lower than last year arrivals of 8.04 thousand MT in the same time period. Lower arrivals are due to recent downward movement in prices in the domestic Mandis.
- 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.

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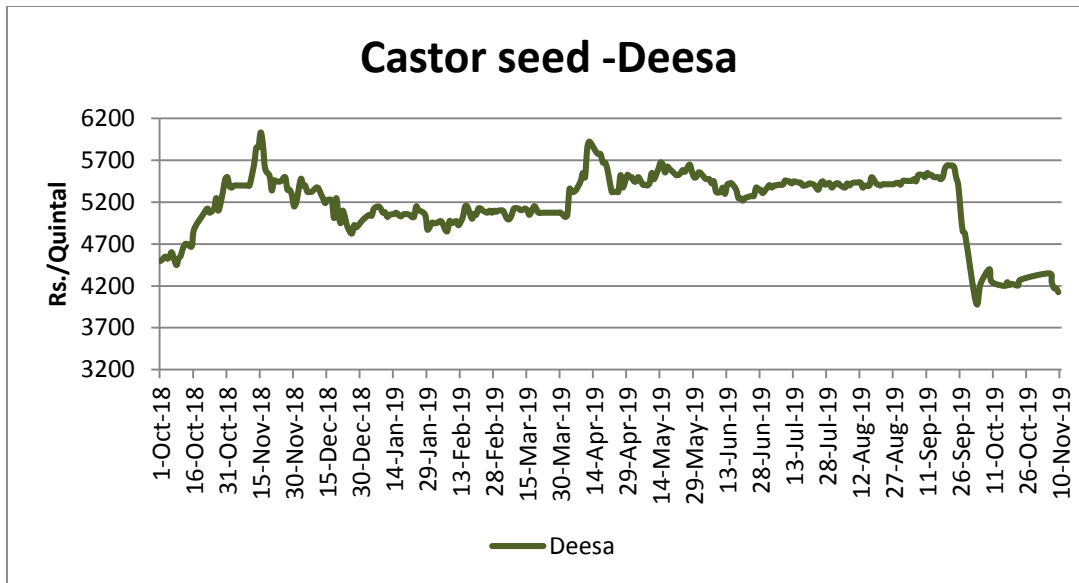
Date-11<sup>th</sup> Nov 2019

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Technical selling in the market	Bearish
20 per cent margin on short selling	Bullish
Lower stocks with stockiest	Bullish
Higher sowing acreage	Bearish
Lower exports of castor oils	Bearish
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
<b>Total</b>	<b>9.55</b>	<b>8.89</b>	<b>6.96</b>	<b>9.69</b>

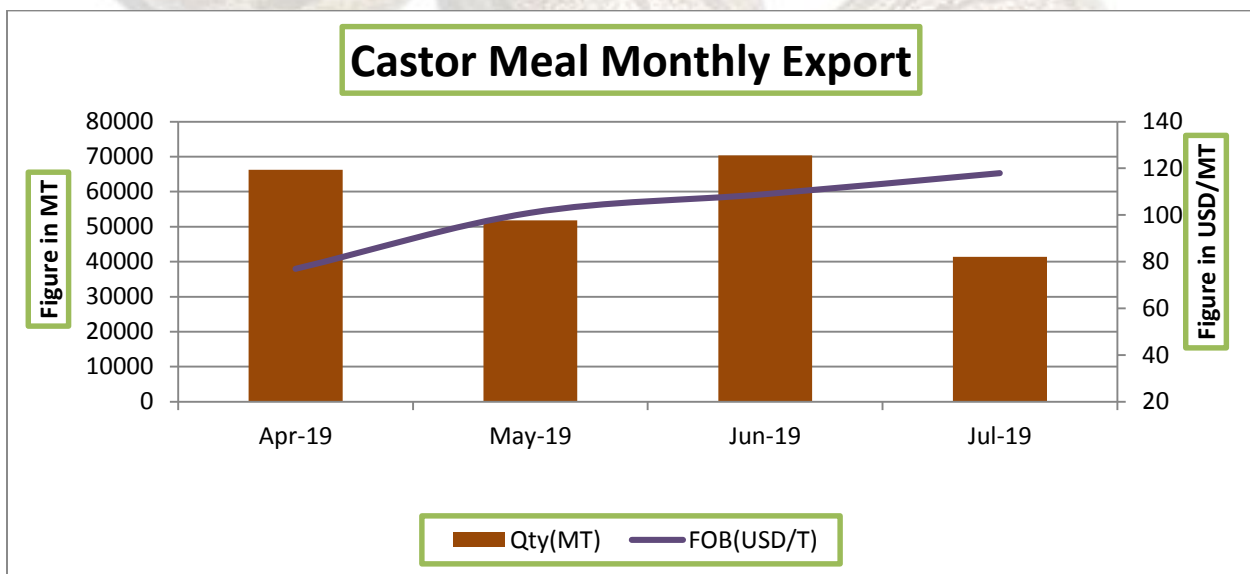
**Castor Price Trend Deesa Mandi:**



Source: Agriwatch

Above price chart is of Deesa Mandi in Gujarat, which is a major mandi for castor seed. Price trend is showing weak movement, however price is likely to trade steady with lower demand.

**Castor Meal Monthly Export:**



Source: Sea of India

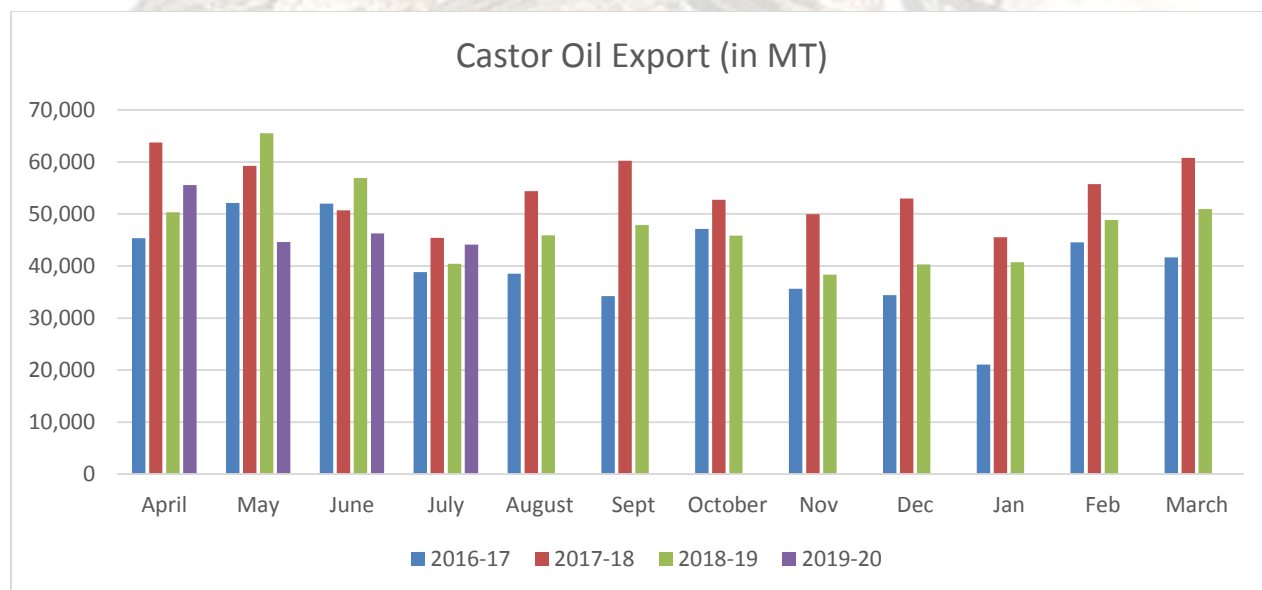
**Castor Meal Export Summary:**

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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 castor seed 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 castor seed 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 01<sup>st</sup> Week Nov, 2019

State	Prices 01-08 Nov 2019	Prices 24-31 Oct 2019	Prices 01-08 Nov 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3519.85	3888.89	5089.94	-9.49	-30.85
Gujarat	4315.85	4307.13	5389.8	0.2	-19.93
Karnataka	3437.6	5000		-31.25	---
Rajasthan	4023.44	4075.48	5376.86	-1.28	-25.17
Tamil Nadu			4100	---	---
Telangana	3925.05	4102.35		-4.32	---
Average	3844.36	4274.77	4989.15		

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	Nov	4000	4100	4376	4550	4600
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Nov	Buy	4120	4150	4180	4110



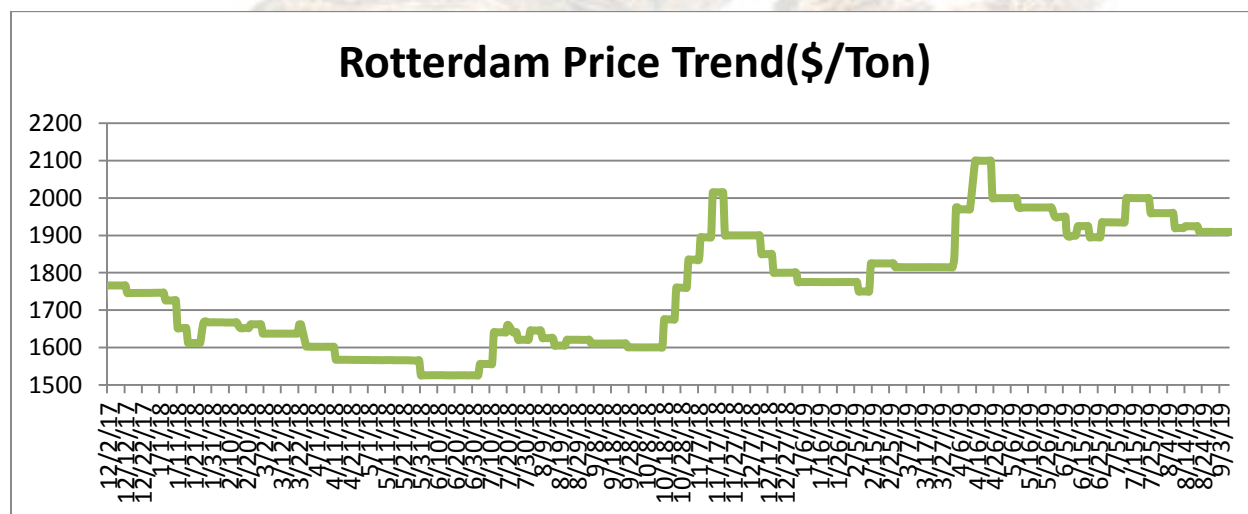
### Castor Seed Supply & Demand for MY-2018-19:

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
<b>Production</b>	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
<b>Carry out</b>	<b>6.79</b>	<b>4.39</b>	<b>5.49</b>	<b>4.19</b>	<b>5.04</b>
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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<b>Comparative Prices Of Castor Products Including Seed</b>					
	<b>26th July'19</b>	<b>19th July'19</b>	<b>26<sup>th</sup> June'19</b>	<b>26th July'18</b>	<b>CHANGE %</b>
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	55150	55650	55250	43717	<b>20.73</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	118.00	118.00	110.00	79.00	<b>33.05</b>
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	7950	7950	7450	5440	<b>31.57</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1640	1660	1645	1323	<b>19.33</b>
Local rates for oil in domestic market(Rs./M.T.) for comm.	115000	115000	114000	91115	<b>20.77</b>

**Source: SEA.**

**Castor Seed Weekly Prices at Key Spot Markets:**

<b>Commodity</b>	<b>Market</b>	<b>Price (Rs/ Quintal)</b>		<b>Change</b>
		<b>03rd Nov to 08th Nov 2019</b>	<b>28th Oct to 03rd Nov 2019</b>	
<b>Gujarat</b>	Patan	4250	4395	<b>-145</b>
	Harij	#DIV/o!	4375	<b>#DIV/o!</b>
	Rajkot	4233	#DIV/o!	<b>#DIV/o!</b>
	Gondal	4101	4543	<b>-442</b>
	Deesa	4238	#DIV/o!	<b>#DIV/o!</b>
	Bhabar	4405	4425	<b>-20</b>
	Mehsana	4235	4438	<b>-203</b>
	Kadi	4358	4405	<b>-47</b>
	Sabarkatha	#DIV/o!	#DIV/o!	<b>#DIV/o!</b>
	Gandhi Nagar	4275	4300	<b>-25</b>
	Ahmedabad (Sanand)	#DIV/o!	#DIV/o!	<b>#DIV/o!</b>
	Halvad	4892	4600	<b>292</b>

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	Junagadh	#DIV/o!	#DIV/o!	#DIV/o!
	Dhrol	#DIV/o!	#DIV/o!	#DIV/o!
<b>Rajasthan</b>	Jodhpur	4060	4100	<b>-40</b>
	Sumerpur	4220	4300	<b>-80</b>

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	03rd Nov to 08th Nov 2019	28th Oct to 03rd Nov 2019	Change
<b>Gujarat</b>	Patan	998	116	<b>881</b>
	Harij	0	375	<b>-375</b>
	Rajkot	60	0	<b>60</b>
	Gondal	60	60	<b>0</b>
	Deesa	3004	0	<b>3004</b>
	Bhabar	2328	840	<b>1488</b>
	Mehsana	125	131	<b>-6</b>
	Kadi	240	160	<b>80</b>
	Sabarkatha	0	0	<b>0</b>
	Gandhi Nagar	225	150	<b>75</b>
	Ahmedabad (Sanand)	0	0	<b>0</b>
	Halvad	225	75	<b>150</b>
	Junagadh	0	0	<b>0</b>
	Dhrol	0	0	<b>0</b>
<b>Rajasthan</b>	Jodhpur	0	0	<b>0</b>
	Sumerpur	280	80	<b>200</b>
<b>Total Arrivals/Above Markets</b>		<b>7545</b>	<b>1988</b>	<b>5557</b>

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