



# Castor Weekly Research Report

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**Castor Domestic Market Fundamentals:**

- According to latest sowing report as on 27th September 2019, all India Castor sowing is reported 9.38 lakh hectares in 2019 which is 6.95 per cent higher than last year acreage of 8.77 lakh hectares in the same time period. Higher castor acreage is reported in Gujarat this year as compare to last year. However, in Rajasthan castor acreage has decreased to 1.54 lakh hectares from 2.64 lakh hectares last year.
- Gujarat castor acreage is reported at 7.40 lakh hectares which is 38.57 per cent higher than last year acreage of 5.34 lakh hectares. Farmers in Gujarat had re-sowed castor crop where damaged was observed due to rains. However, yield is expected to be lower than normal in those areas due to late sowing.
- As per market sources, castor oil exports in the month of October 2019 is 37.092 thousand MT which is 10.33 per cent lower than September exports of 40.927 thousand MT. On a cumulative basis, exports were 4.55 Lakh MT from Jan to Oct 2019 which is 11.67 per cent lower than last year exports of 5.15 Lakh MT during the same period. Exports were lower this year due to high domestic market prices.
- As per the Solvent Extractors' Association of India (SEA), castor meal exports in the month of Oct'19 is reported at 36.335 lakh MT which is 19.05 per cent lower than the exports of Sept'19 of 44.886 lakh MT. On a cumulative basis, exports were 3.45 Lakh MT from Apr to Oct 2019 which is 1111 per cent higher than last year exports of 2.29 Lakh MT during the same period. Average Castor meal FoB prices in the month of Oct'19 was \$92 per tonnes which is lower than the average prices of Sept'19 month of \$102 per tonnes.
- According to the AGMARK data, all India castor crop arrivals in the first week of November is reported at 3.42 Thousand MT which is 55 percent higher than last year arrivals of 2.05 thousand MT in the same time period. Higher arrivals may put downward pressure on the prices.
- 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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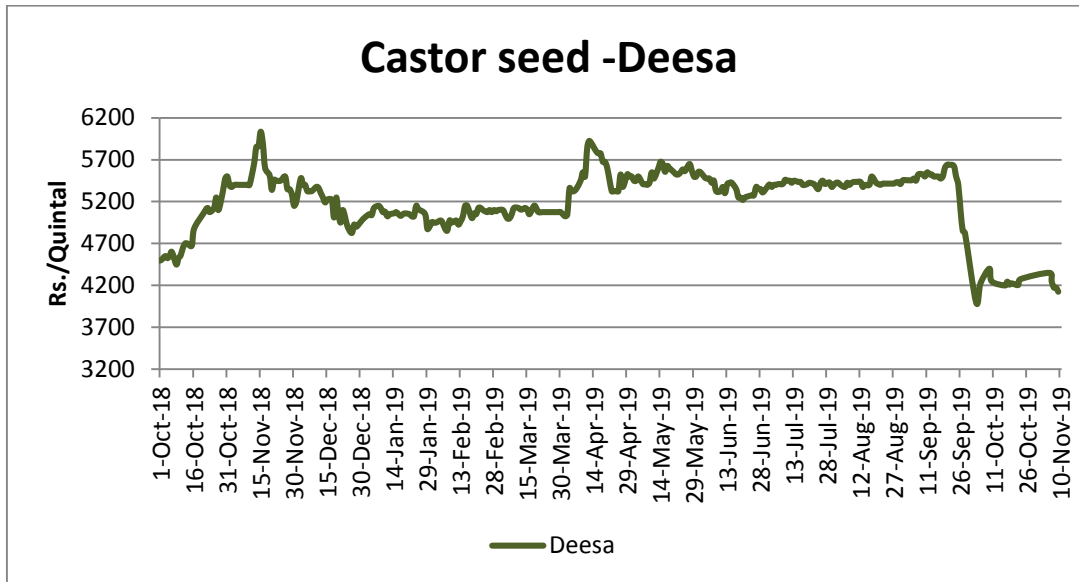
Date-18<sup>th</sup> Nov 2019

FUNDAMENTAL SUMMARY	
Price Drivers	Impact
Higher sowing acreage	Bearish
Lower yield expectation of late sown crop	Bullish
Lower export oil demand	Bearish
Higher meal export demand	Bullish
Lower production estimate in 2018-19	Bearish
Higher arrivals in the domestic mandis	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
<b>Total</b>	<b>9.55</b>	<b>8.89</b>	<b>6.96</b>	<b>9.69</b>

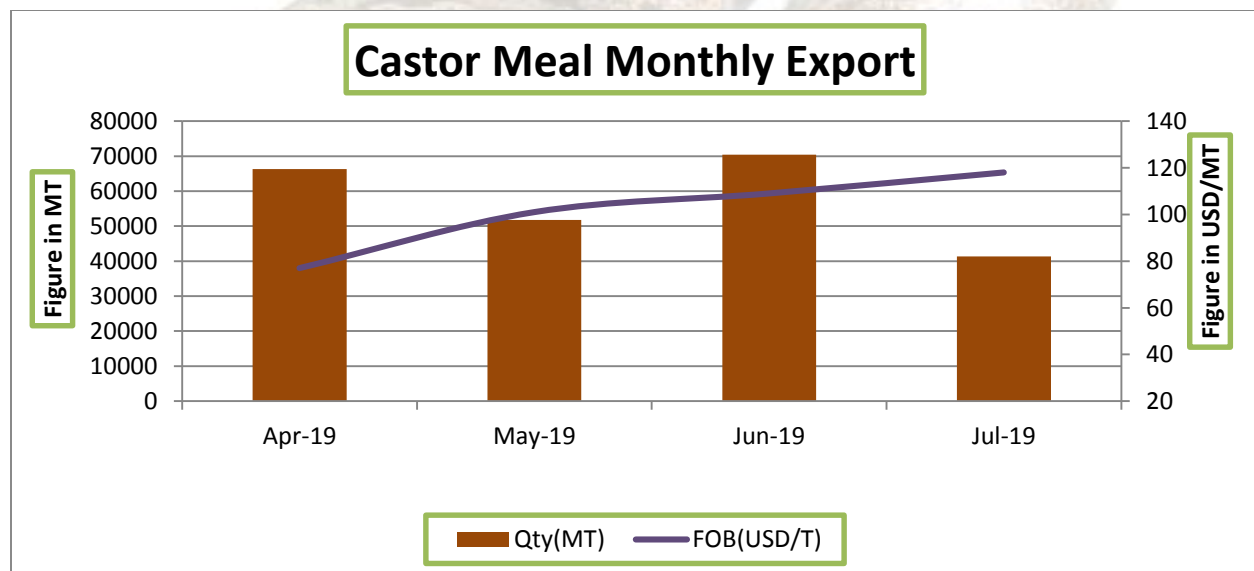
**Castor Price Trend Deesa Mandi:**



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:**

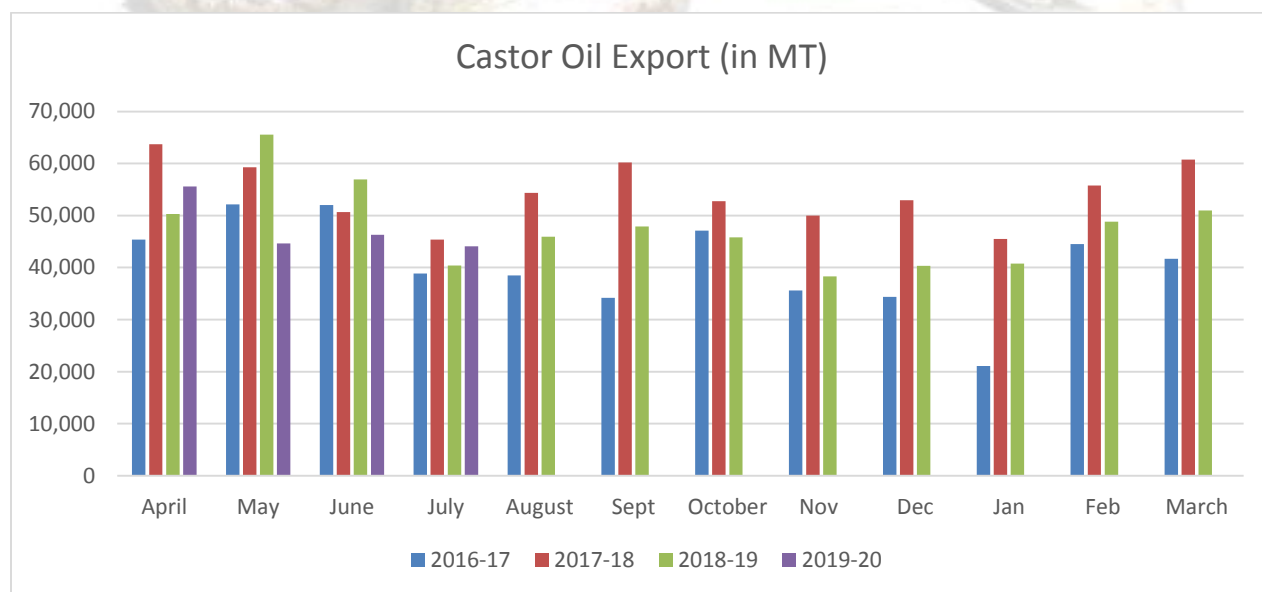


Source: Sea of India

### Castor Meal Export Summary:

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



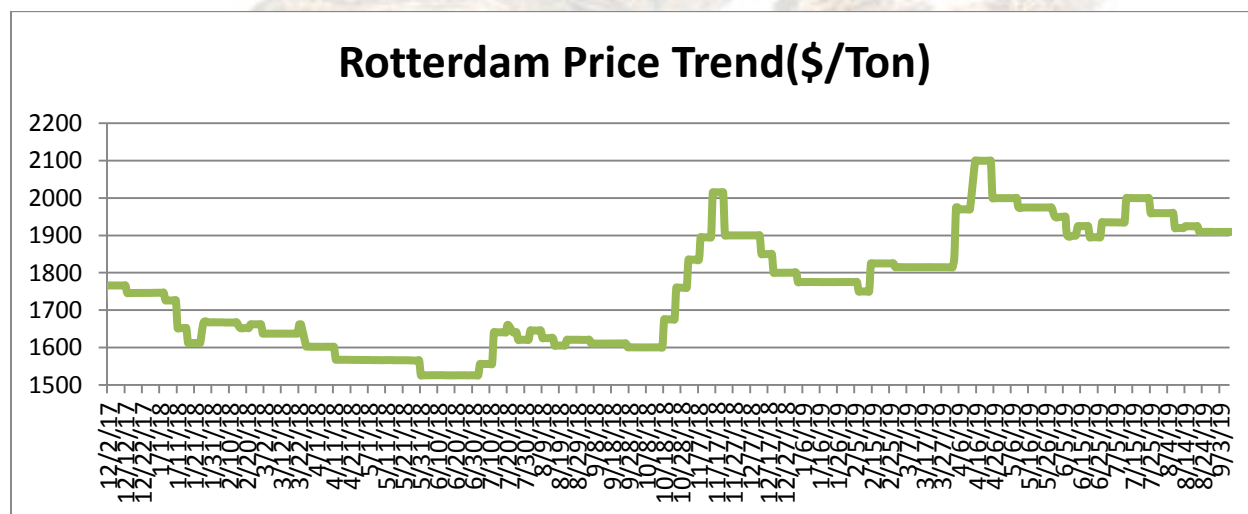
### Castor Seed Supply & Demand for MY-2018-19:

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>11th Nov to 16th Nov 2019</b>	<b>03rd Nov to 08th Nov 2019</b>	
<b>Gujarat</b>	Patan	4375	4250	<b>125</b>
	Harij	4331	#DIV/o!	<b>#DIV/o!</b>
	Rajkot	3925	4233	<b>-308</b>
	Gondal	4245	4101	<b>144</b>
	Deesa	4288	4238	<b>50</b>
	Bhabar	4356	4405	<b>-49</b>
	Mehsana	4334	4235	<b>99</b>
	Kadi	4344	4358	<b>-15</b>
	Sabarkatha	#DIV/o!	#DIV/o!	<b>#DIV/o!</b>
	Gandhi Nagar	4363	4275	<b>88</b>
	Ahmedabad (Sanand)	4375	#DIV/o!	<b>#DIV/o!</b>
	Halvad	4610	4892	<b>-282</b>
	Junagadh	830	#DIV/o!	<b>#DIV/o!</b>

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	Dhrol	0	#DIV/o!	#DIV/o!
<b>Rajasthan</b>	Jodhpur	4320	4060	<b>260</b>
	Sumerpur	4238	4220	<b>18</b>

<b>Castor Seed Cumulative Arrivals in Key Centers:</b>				
<b>Center</b>	<b>Market</b>	<b>11th Nov to 16th Nov 2019</b>	<b>03rd Nov to 08th Nov 2019</b>	<b>Change</b>
<b>Gujarat</b>	Patan	563	998	<b>-435</b>
	Harij	1088	0	<b>1088</b>
	Rajkot	25	60	<b>-35</b>
	Gondal	96	60	<b>36</b>
	Deesa	1750	3004	<b>-1254</b>
	Bhabar	1272	2328	<b>-1056</b>
	Mehsana	140	125	<b>15</b>
	Kadi	368	240	<b>128</b>
	Sabarkatha	0	0	<b>0</b>
	Gandhi Nagar	165	225	<b>-60</b>
	Ahmedabad (Sanand)	120	0	<b>120</b>
	Halvad	675	225	<b>450</b>
	Junagadh	9	0	<b>9</b>
	Dhrol	0	0	<b>0</b>
<b>Rajasthan</b>	Jodhpur	0	0	<b>0</b>
	Sumerpur	240	280	<b>-40</b>
<b>Total Arrivals/Above Markets</b>		<b>6510</b>	<b>7545</b>	<b>-1035</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>16-Nov-19</b>	<b>9-Nov-19</b>	<b>17-Oct-19</b>	<b>16-Nov-18</b>
<b>Gujarat</b>	Patan	4350	4546.667	4300	6050
	Harij	4300	4535	NA	6300
	Rajkot	3860	4396	NA	5815
	Gondal	4355	4425	4305	5830
	Deesa	4350	4529.167	4245	5890
	Bhabar	4300	4511.667	4400	#VALUE!
	Mehsana	4325	4501.667	4355	5950
	Kadi	4375	4508.333	4255	5925

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	Sabarkatha	NA	4505.833	NA	5900
	Gandhi Nagar	4350	4512.5	4300	5900
	Ahmedabad (Sanand)	4250	#DIV/o!	NA	0
	Halvad	4600	4454.167	4550	5800
	Junagadh	NA	4367.5	NA	5650
	Dhrol	NA	4200	NA	0
Rajasthan	Jodhpur	4500	4485	4000	5980
	Sumerpur	Closed	4421.667	4200	5650

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