



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

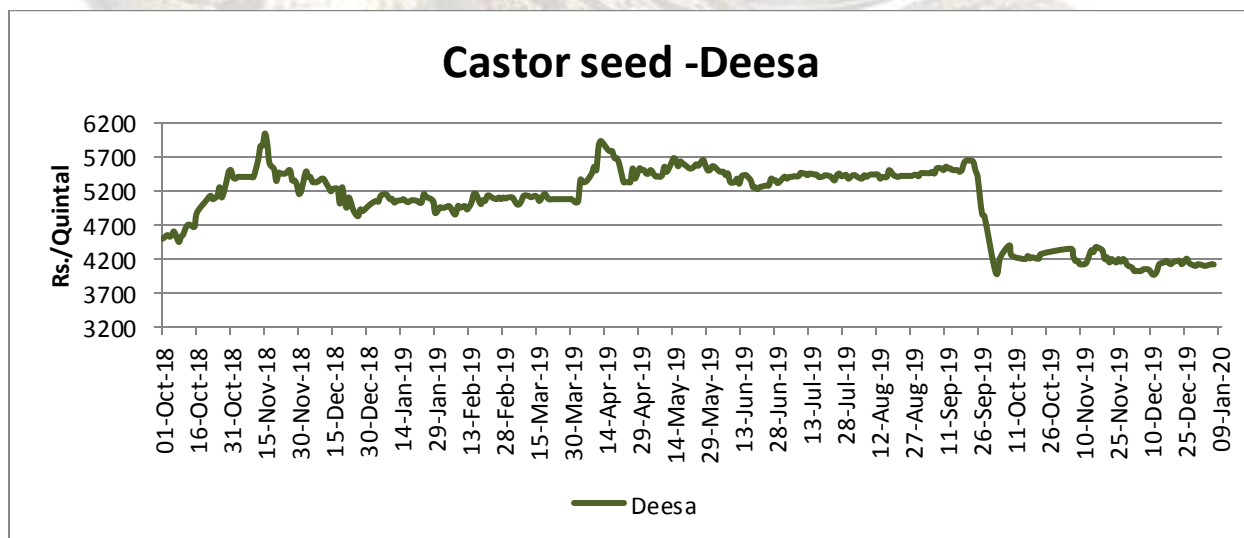
- Difficulty for Indian Domestic Castor Oil Industry after Domestic & International demand for Castor Oil gone down drastically. Due to slowdown in global economy as the aftereffects of Covid-19, the manufacturing & trading activities have gone down. This lead to drastic decline in the International exports of Castor Oil. In 2018-19 we exported 5.7 lakh tons of Castor Oil, whereas this export came down to 5 lakh tons.
- During this current year reports of exports is not very encouraging. It is very remarkable that India is the largest producer of Castor in the world. And India is also the largest exporter of Castor in the international market. So in one sense India has established its near monopoly in International Castor Market.
- According to industry analyst the exports in April compared to March declined by 2.5% to 30000 tons. On the similar line there is very strong probability that exports would decline in May as well.
- According to market source, the export of castor oil in the month of May is likely to decline by 50% as compared to last month. According to director of SEA, the major reason for decline in export is slow down in the automobile sector.
- During the period of lockdown, drastically fall in oil production and trade has been observed. Basically castor oil is used to produce sebacic acid which is thereby use in plastic, lubricant, cosmetic, candles, paint Industry as raw material.
- Due to undergoing lockdown in many countries, manufacturing sector has been hit hard. Since the demand of castor oil amongst the major importing countries like China, Japan, USA and many European countries has weakened so in the coming months the export shipment would be impacted very harshly.
- India export almost 50% of its castor oil to China. But good news for castor farmers is that, the demand by pharmaceutical industry pretty much normal.
- The production of castor oil in indigenous crushing and processing units has declined to 35-40% of its total capacity which earlier used to be 70-80% of total capacity.
- In the domestic market also, the demand for castor oil has come down by 40-45% during the lockdown.

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- On the other side, the arrival of Castor seed is increasing day by day in the mandis. In the largest producing state Gujarat, on 4 May, one lack bag arrived which increased to 1.10 lack bag on 5 May (75kg of each bag). In the Deesa Mandi, the price of Castor seed reduced to Rs.3600/qtl.
- According to Government 02nd advance estimate, castor production in 2019-20 is estimated at 21.6 lakh tonnes.**
- 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.

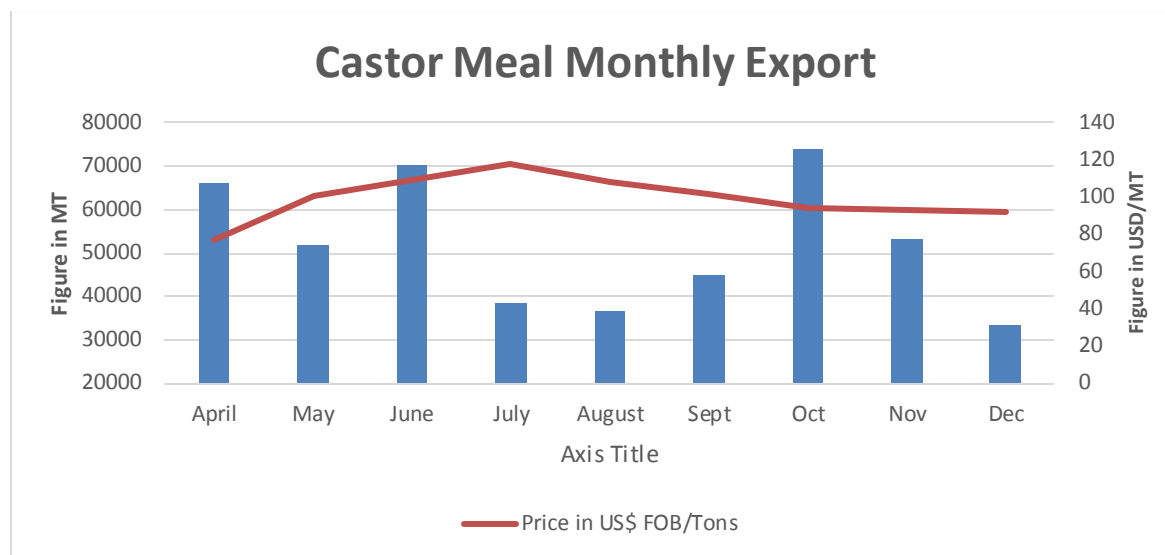
Castor Price Trend Deesa Mandi:



Source: Agriwatch

Above price chart is of Deesa Mandi in Gujarat, which is a major mandi for castor seed. Castor seed price traded weak from last few months due to higher area coverage under Castor this year.

Castor Meal Monthly Export:

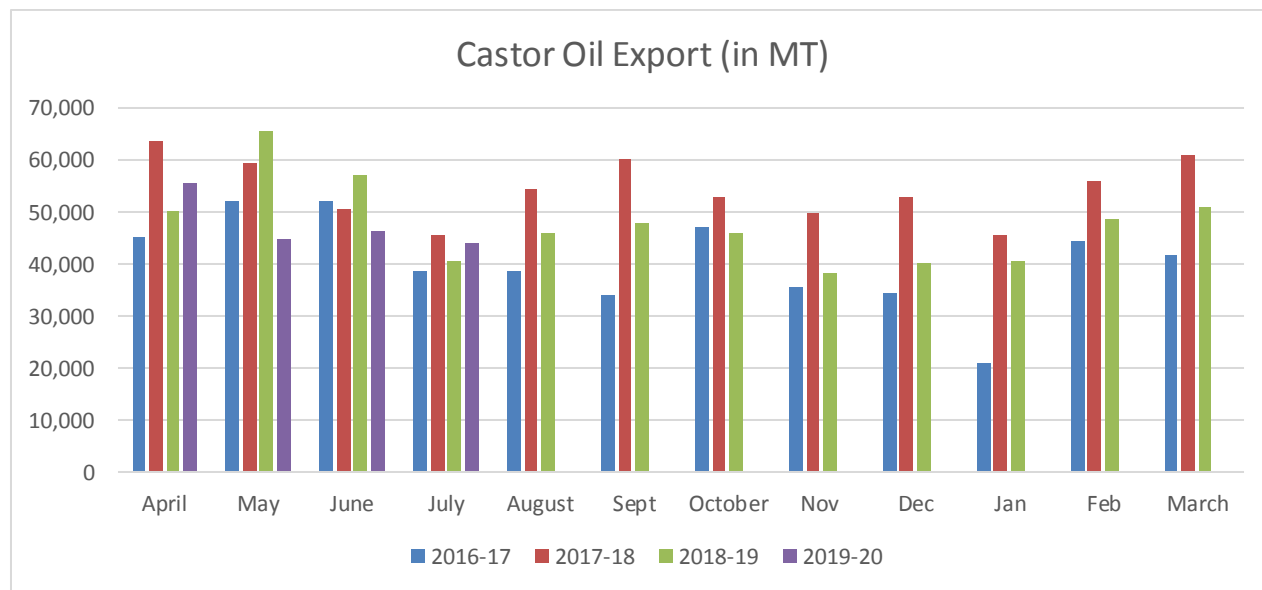


Source: Sea of India

Castor Meal Export Summary:

The Solvent Extractors' Association of India has compiled the export data for export of oil meals for the month of December 2019. The export of oil meals during December 2019 is provisionally reported at 67,562 tons compared to 324,927 tons in December, 2018 i.e. down by 79%. The overall export of oil meals during April-Dec., 2019 is reported at 1,802,434 tons compared to 2,411,248 tons in April-Dec., 2018 i.e. down by 25%. This is mainly due to disparity in export of oil meals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origins. The silver lining of the export is sharp increase in export of Castor meal, jumped by nearly 60% to 469,248 tons from 292,511 tons in the same period of last year.

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



State wise Wholesale Prices Weekly Analysis for Castor Seed 2nd week May, 2020

State wise Wholesale Prices Weekly Analysis for Castor Seed Second week May, 2020

State	Prices 09-15 May 2020	Prices 01-08 May 2020	Prices 09-15 May 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
AP			5058.37	---	---
Gujarat	3485.34	3441.99	5486.54	1.26	-36.47
Karnataka	3854.75	3763.6	35	2.42	10913.57
MP	2900		3923.86	---	-26.09
Maharashtra	3300	3000	4400	10	-25
Rajasthan		3509.73	5407.71	---	---
Tamil Nadu	3818.67		5054	---	-24.44

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Telangana			4929.13	--	--
Average	3471.75	3428.83	4286.83		

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)	3400-3600	3500-3800
Medium Term (30 days)	4000-4300	3900-4600

Technical Analysis:

Castor – Technical Outlook

Technical Commentary:

- Prices are likely to move steady to weak in coming week.
- Decreases in prices with lower volume and OI indicates short build up.
- RSI is moving is in over sold region.



Strategy: Sell on Rise

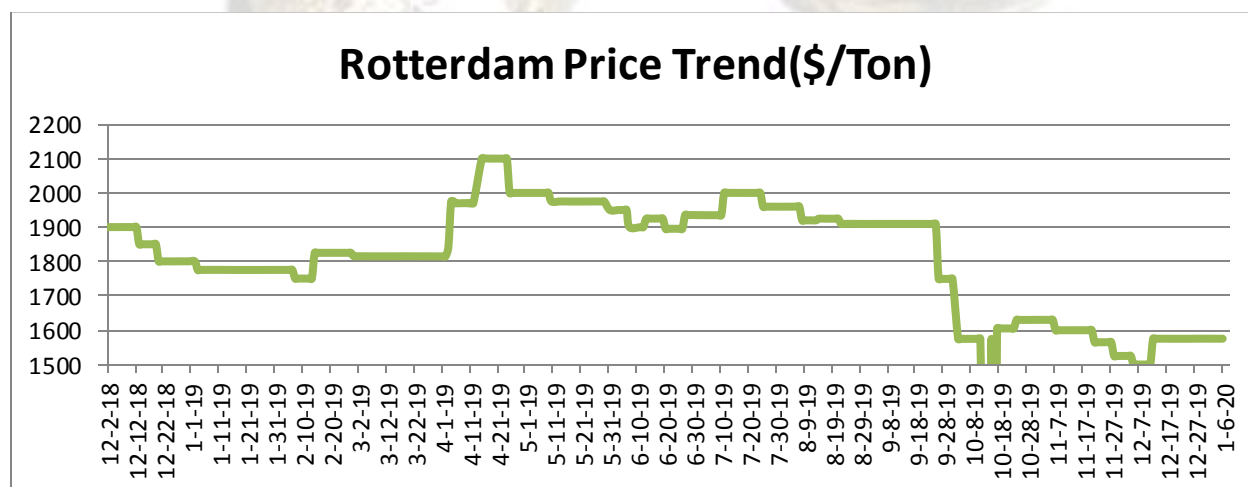
Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Jun	3400	3450	3624	4250	4400
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jun	Sell	3870	3830	3800	3890

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

Preliminary Forecast For 2019-20*								
All units in lakh tonnes	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20*
Carry in	5.80	8.04	9.04	5.54	6.79	4.39	5.49	4.19
Production	13.04	12.00	13.52	14.00	10.60	14.30	11.20	20.5
Imports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Total Availability	18.84	20.04	22.56	19.54	17.39	18.69	16.69	24.69
Consumption	10.80	11.00	12.60	12.75	13.00	13.20	13.00	13.2
Exports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Total Usage	10.80	11.00	12.60	12.75	13.00	13.20	12.50	13.20
Carry out	8.04	9.04	9.96	6.79	4.39	5.49	4.19	11.49
Av Monthly Consumption	0.90	0.92	1.05	1.06	1.08	1.10	1.08	1.10
Stock to Month Use	8.93	9.86	9.49	6.39	4.05	4.99	3.87	10.45
Stock to Consumption Ratio	0.90	0.92	1.05	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 20.5 lakh tons of castor seed production which is up by 88% 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 to weak 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					
	27th Dec'19	20th Dec'19	27th Nov'19	27th Dec'18	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43000	43700	42000	52886	-22.99
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	91.00	92.00	92.00	82.00	9.89
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6250	6250	6300	5688	8.99
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1260	1305	1235	1559	-23.73
Local rates for oil in domestic market(Rs./M.T.) for comm.	90000	92000	88000	109756	-21.95

Source: SEA.
Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
		18 May to 23 May 2020	11 May to 16 May 2020	
Gujarat	Patan	3545	3573	-28
	Harij	3530	3545	-15
	Rajkot	3560	3533	27
	Gondal	3566	3580	-14
	Deesa	3574	3584	-10
	Bhabar	3558	3583	-26
	Mehsana	3523	3554	-31
	Kadi	3545	3571	-26
	Sabarkatha	3563	3578	-15
	Gandhi Nagar	3575	3571	4
	Ahmedabad (Sanand)	#DIV/o!	#DIV/o!	-
	Halvad	3417	3450	-33
	Junagadh	3550	3497	53
	Dhrol	3287	#DIV/o!	-
Rajasthan	Jodhpur	#DIV/o!	#DIV/o!	-
	Sumerpur	#DIV/o!	#DIV/o!	-

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	18 May to 23 May 2020	11 May to 16 May 2020	Change
Gujarat	Patan	42000	38250	3750

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	Harij	21000	17250	3750
	Rajkot	5365	2415	2950
	Gondal	3900	2316	1584
	Deesa	8331	24998	-16667
	Bhabar	29456	28640	816
	Mehsana	5925	4200	1725
	Kadi	20480	15920	4560
	Sabarkatha	2520	2680	-160
	Gandhi Nagar	5213	4800	413
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	7800	6600	1200
	Junagadh	241	585	-344
	Dhrol	186	0	186
Rajasthan	Jodhpur	0	0	Unch
	Sumerpur	0	0	Unch
Total Arrivals/Above Markets		152417	148654	3762

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