



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

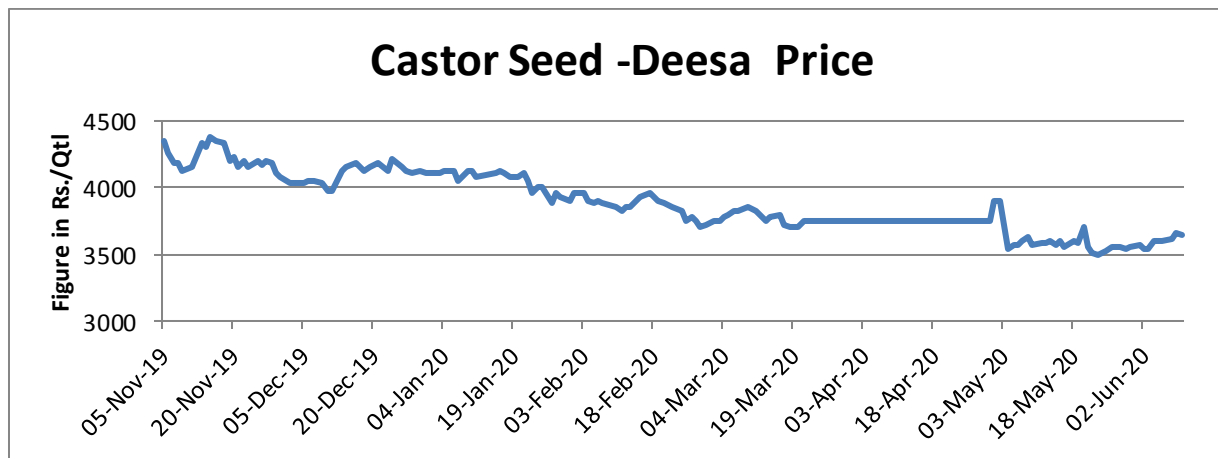
- As on August 04th Castor area in Gujarat is reported 18660 hectares which was 82200 hectares corresponding period last year.
- Castor seed Price would like to go up from Rs. 1000/- to Rs. 1100/- Uncertainty over kharif Crop the sowing of Castor would decline by 20-25 %. According to N.P. Patel, president Gujarat Seeds producers association, due to good amount of rainfall in Kutch & Saurashtra farmers would like to have two crops instead of Castor as its gestation period is 6 months. This is the main reason for decline in area under Castor.
- According to Mr. Shailesh of Adani Wilmar the spurt in prices of Castor in coming months would be mainly because of panic buying in Castor. According to Mr. Shailesh the price of Sibaic acid has come down to Rs. 3700 from Rs. 4000/-, this will further impact the export of Castor in coming 3 months.
- By Dec, the Castor prices is expected to be in the range of Rs.780/- to Rs. 850/-.20 kg due to declining demand of finished products the prices of Castor oil would be badly hit. Despite lesser sowing of Castor by 20-25 %, the production will be close to 14 lakh tonnes.
- Further as the corona pandemic is entering in hinterland India so there are supply side problems coming up due to logistics issues. And the decline in the demand of castor by 7-8%, there are very bleak chances of prices going up.
- As per by Mr.Nilesh Patel, MD NK industry, during the current season, farmers are getting low price for Castor seed in comparison to other crops like Soyabean, mustard, groundnut .so famers would like to hold their produce till an opportune time arrives once they get better price for Castor seed.

Castor Sowing Outlook in 2020-21

Castor sowing is at disadvantage due to all the Following reasons.

- IMD & other forecasted the monsoon during 2020 as timely & good.
- Monsoon already commenced in Gujarat on 14th June, 2020.
- Pre-Monsoon rains helped early sowing.
- Water levels are high.
- Lower realization of prices by Castor farmers at the time of sowing.
- Good prices of competing crops
- Higher MSP declared by Govt for food crops.

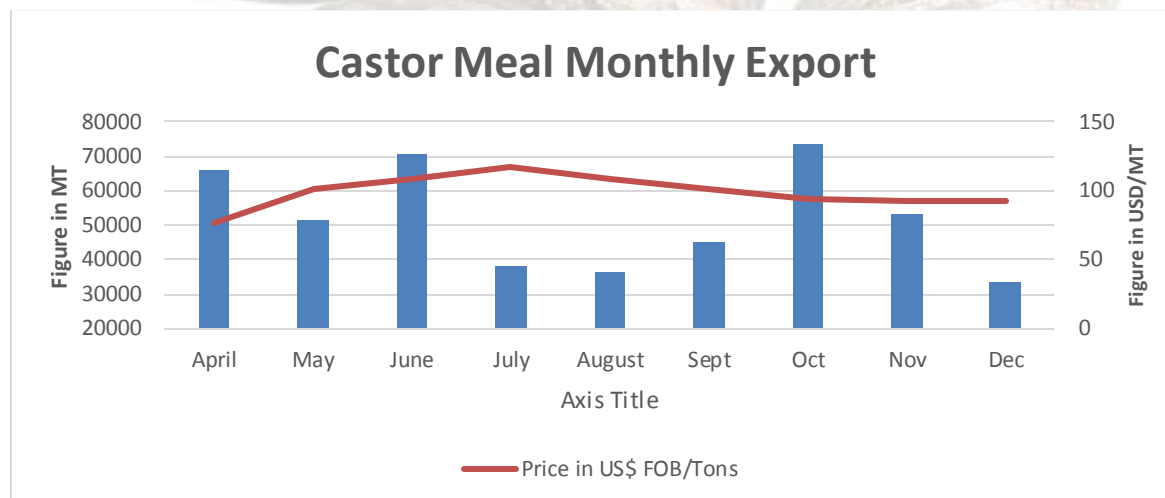
Castor Price Trend Deesa Mandi:



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 and impact of corona virus also push the prices downwards.

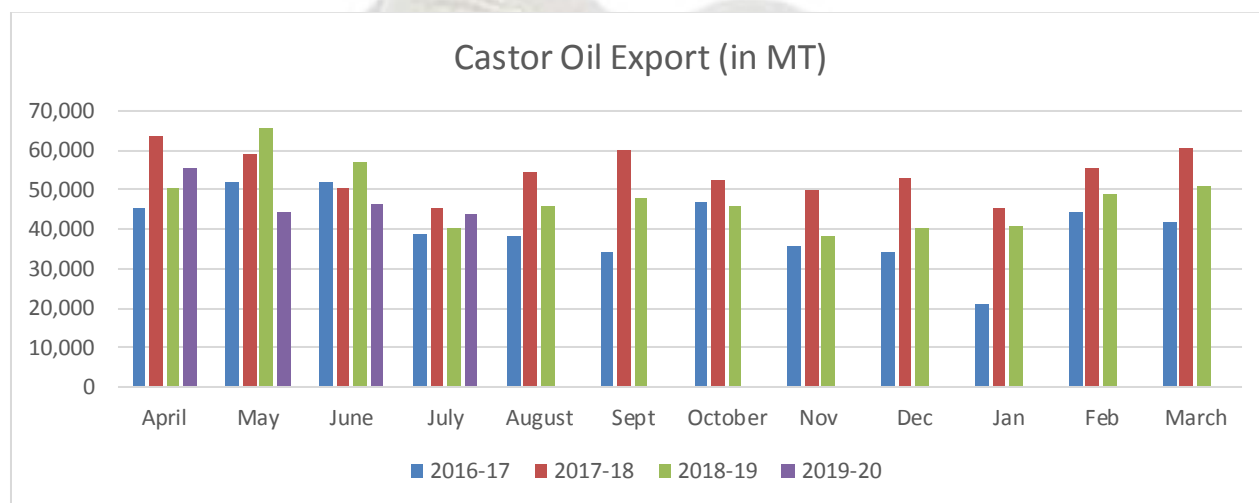
Castor Meal Monthly Export:



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 March on poor off take from China:

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

State	Prices 09-15 Jul 2020	Prices 01-08 Jul 2020	Prices 09-15 Jul 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh		3698.66	5025.84	---	---
Maharashtra				---	---
Gujarat	3902.81	3927.08	5437.46	-0.62	-28.22
Karnataka	3529	2937.81	5300	20.12	-33.42
Rajasthan	3842.75	3803.55	5057.92	1.03	-24.03

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Telangana			4827.79	--	--
Madhya Pradesh			4576.92	--	--
Average	3758.19	3591.77	5037.66		

*Report Generation: As per the data reported by APMCs

Prices in Rs/Quintal

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)	3500-3700	3500-3800
Medium Term (30 days)	4000-4300	3900-4600

Technical Analysis:

Castor – Technical Outlook

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Technical Commentary:

- Prices are likely to move steady to firm in coming week.
- Increase in prices with higher volume and OI indicates long build up.
- RSI is moving in neutral region.



Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Aug	3200	3300	3996	4250	4400
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Aug	Buy	3950	4000	4100	3925

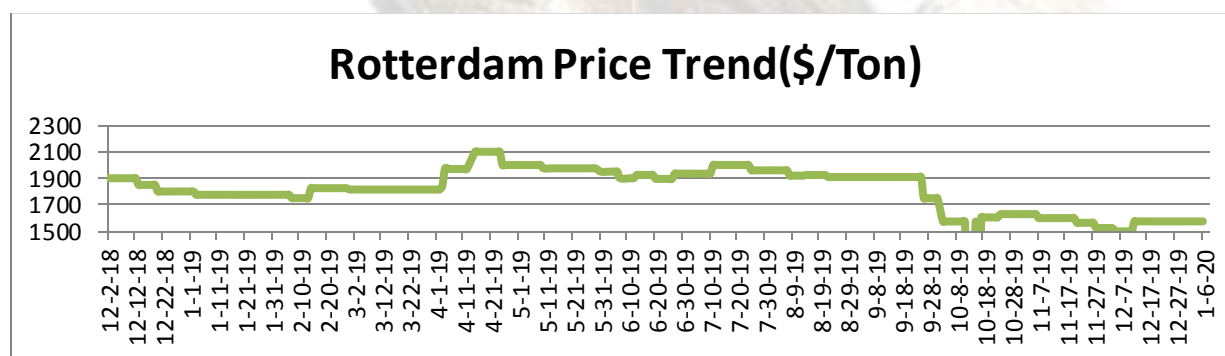
Castor Seed Supply & Demand for MY-2019-20:

All units in lakh tonnes	2017-18	2018-19	2019-20*
Carry in	4.29	5.04	2.30
Production	14.00	11.25	19.6
Imports	0.00	0.00	0
Total Availability	18.29	16.29	21.90
Consumption (crushing)	13.25	14.00	14.5
Exports	0.00	0.00	0
Total Usage	13.25	14.00	14.50
Carry out	5.04	2.30	7.40
Av Monthly Consumption	1.10	1.13	1.15

Supply and Demand: MY 2019-20 started with lower carryout of 2.30 lakh tons. As production was higher in on-going MY (Marketing Year), availability increased from 16.29 to 21.90 lakh tons. Higher availability in domestic market, lock-down situation started impacting prices. Lower realisation in current season and normal monsoon this year will influence farmer to opt for other crops like Cotton and Groundnut.

Export demand: Despite higher export in May-2020 at 54257 MT against 44615 MT in May 2019, export prospect seems bleak due to various issues from producing to importing countries. Major importing countries like China, EU and US are struggling with their own problems such as border tension, spread of COVID-19 and its impact and weakening buying power of retail customer would continue to impact demand for export in the near to medium term. But, low prices may attract stocking interest at consuming countries.

Domestic Demand: Right now domestic demand remains depressed due to disturbed course of trading activities due to COVID-19 impact. Brokers and sellers are avoiding visiting markets as threats are looming large. However, it should improve in coming month as paints and pharmaceutical industries may back on production track soon.

Rotterdam Price:


Source: Agriwatch

Comparative Prices Of Castor Products Including Seed					
	15th May'20	8th May'20	15th Apr'20	15th May'19	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	36000	36750	40000	56637	-57.33
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	55.00	55.00	NQ	101.00	-83.64
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4000	4000	NQ	6771	-69.28
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	NQ	NQ	NQ	1696	-
Local rates for oil in domestic market(Rs./M.T.) for comm.	82500	86000	94000	118415	-43.53

Source: SEA.

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Castor Seed Weekly Prices at Key Spot Markets:

Commodity Center	Market	Price (Rs/ Quintal)		Change
		02 Aug to 08 Aug 2020	27 Jul to 1Aug 2020	
Gujarat	Patan	3990	3993	-3
	Harij	3950	3958	-8
	Rajkot	3873	3859	14
	Gondal	3899	3914	-15
	Deesa	3965	3945	20
	Bhabar	3913	3888	25
	Mehsana	3943	3961	-18
	Kadi	4011	3942	69
	Sabarkatha	3995	#DIV/o!	-
	Gandhi Nagar	3962	#DIV/o!	-
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	3854	3921	-67
	Junagadh	2799	1928	871
	Dhrol	728	2194	-1466
Rajasthan	Jodhpur	3833	3813	21
	Sumerpur	3863	3850	13

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	02 Aug to 08 Aug 2020	27 Jul to 1Aug 2020	Change
Gujarat	Patan	12974	15761	-2787
	Harij	10650	12750	-2100
	Rajkot	2105	4070	-1965
	Gondal	2057	3278	-1221
	Deesa	1994	2486	-492
	Bhabar	19600	18800	800
	Mehsana	4013	5213	-1200
	Kadi	17400	18400	-1000
	Sabarkatha	1160	0	1160
	Gandhi Nagar	2363	0	2363
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	5250	6525	-1275
	Junagadh	203	55	148

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	Dhrol	24	46	-22
Rajasthan	Jodhpur	128	107	21
	Sumerpur	4400	4800	-400
Total Arrivals/Above Markets		84319	92290	-7971

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