



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

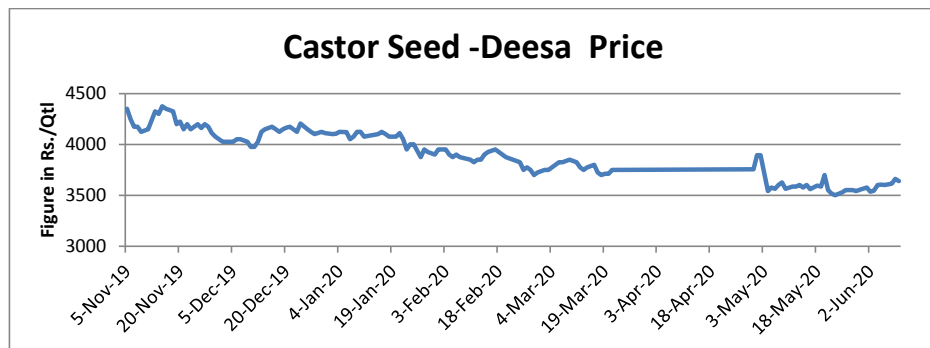
- With higher stock of castor seed with farmers in Gujarat, prices would like to trade in the range bound in near term.
- In the on-going season, around 12 lakh tons of castor seed is available against 8.5lakh tons of total requirement.
- Castor oil exports from January to July were increased and around 3.67 lakh tons were exported in this period, which was 3.3 lakh tons during corresponding period last year.
- Meanwhile, in the remaining months, export of castor oil is likely to fall down due to logistic problem and demand destruction.
- Current sowing of Castor seed in Gujarat was reported around 3.8 lakh hectares, which was 3.4 lakh hectares last year. In Rajasthan, sowing reported was around 1.9 lakh ha, same as last year.
- Last year sowing in A.P and Telangana was reported 1 lakh ha. But now it is reported tat area would like to decline by 15-20%.
- Overall sowing in Gujarat is also like to fall by 10%.

Castor Sowing Outlookin 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 realisation of prices by Castor farmers at the time of sowing.
- Good prices of competing crops
- Higher MSP declared by Govt for food crops.

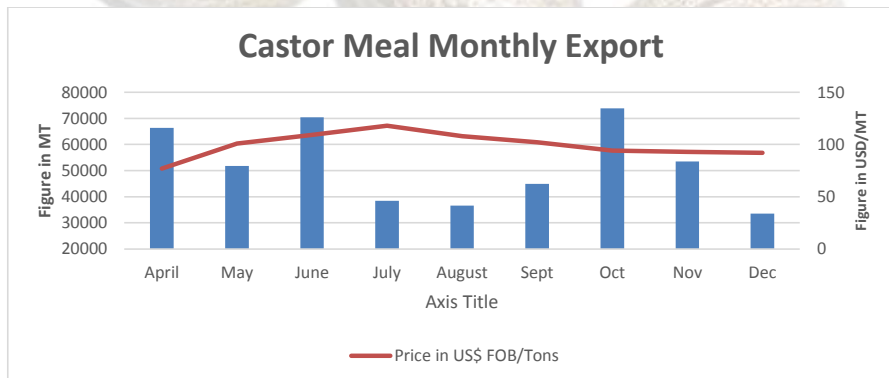
Castor Price Trend Deesa Mandi:



Source: Agriwatch

Above price chart is of DeesaMandi 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:

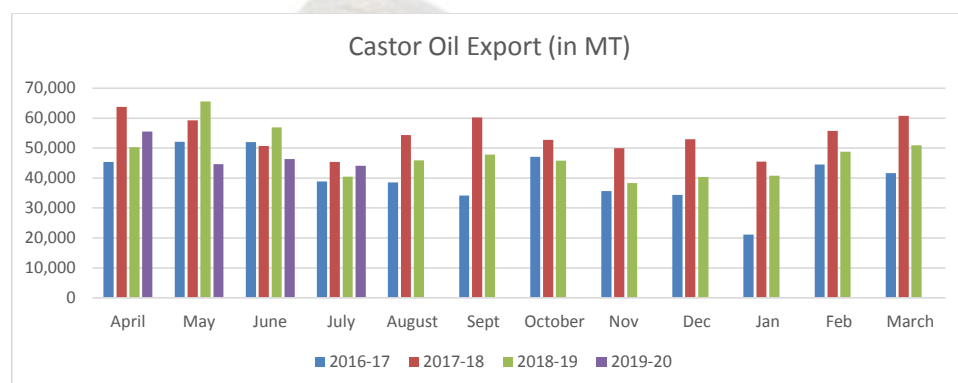


Source: Sea of India

Castor Meal Export Summary:

The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of December 2019. The export of oilmeals 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 oilmeals 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 oilmeals, 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 Aug, 2020

State	Prices 09-15 Aug 2020	Prices 01-08 Aug 2020	Prices 09-15 Aug 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
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

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	4015	4250	4400
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Aug	Buy	3980	4000	4100	3960

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

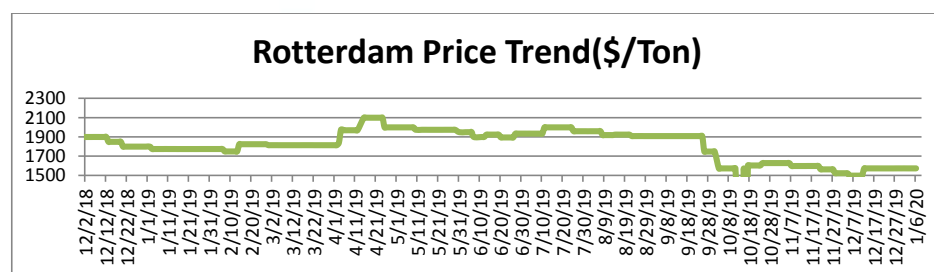
All units in lakh tonnes	2017-18	2018-19	2019-20*
Carry in	4.29	5.04	2.30
Production	14.00	11.25	19.6
Imports	0.00	0.00	0
Total Availability	18.29	16.29	21.90
Consumption (crushing)	13.25	14.00	14.5
Exports	0.00	0.00	0
Total Usage	13.25	14.00	14.50
Carry out	5.04	2.30	7.40
Av Monthly Consumption	1.10	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 54257MT 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					
	15thMay'20	8thMay'20	15thApr'20	15thMay'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.

Castor Seed Weekly Prices at Key Spot Markets:

Commodity Center	Market	Price (Rs/ Quintal)		Change
		16 Aug to 22 Aug 2020	10 Aug to 15 Aug 2020	
Gujarat	Patan	4003	3974	29
	Harij	4000	3960	40
	Rajkot	3863	3838	24
	Gondal	3912	3874	38
	Deesa	3958	3930	28
	Bhabar	3956	3929	27
	Mehsana	3966	3813	153
	Kadi	3950	3909	41
	Sabarkatha	3995	3967	28
	Gandhi Nagar	3970	19	3951
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	3825	3675	150
	Junagadh	3860	2544	1316
Rajasthan	Dhrol	3651	1808	1843
	Jodhpur	3806	3748	59
	Sumerpur	3833	3827	7

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	16 Aug to 22 Aug 2020	10 Aug to 15Aug 2020	Change
Gujarat	Patan	20030	22432	-2402
	Harij	10275	8625	1650
	Rajkot	3395	2890	505
	Gondal	3550	2117	1433
	Deesa	4124	3131	993
	Bhabar	23520	28080	-4560
	Mehsana	5175	2025	3150
	Kadi	22560	25680	-3120
	Sabarkatha	1880	2440	-560
	Gandhi Nagar	2925	3750	-825
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	8475	8925	-450
	Junagadh	75	250	-175
	Dhrol	112	20	92
Rajasthan	Jodhpur	152	239	-88
	Sumerpur	2400	5200	-2800
Total Arrivals/Above Markets		108647	115804	-7157

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