



Castor Weekly Research Report

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**Castor Domestic Market Fundamentals:**

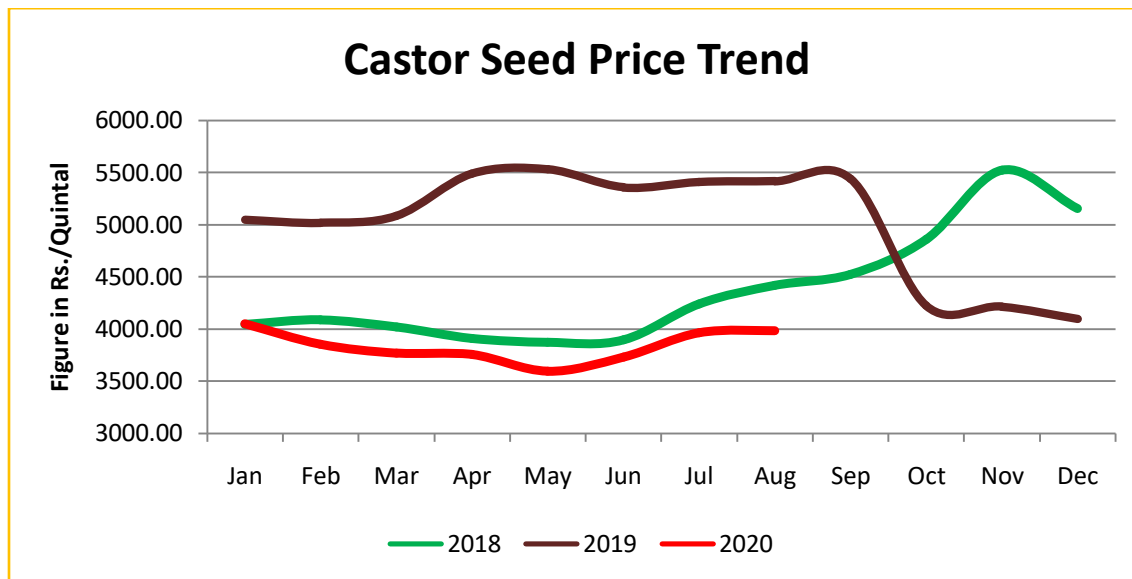
- The estimated production of Castor Seeds in this current year is 22 lakh tonnes. Out of this estimate 11 lakh tonnes of crop has already arrived in the market. The new season for Castor would arrive in next 5.5 months. So in next 5.5 months there would be availability of 11 lakh tonnes of extra Castor.
- Due to corona pandemic there is news in round that it is going to have very adverse impact over export of Castor, whereas the government data displays a different story. Last year between January to August the export was 3.89 lakh million tonnes, which during current year in the same period increased to 4.15 lakh million tonnes. So in total the export of castor has increased vis e vis last year.
- While speaking to several buyers of Castor oil, majority were of the view that due to slowdown in automobile, lubricant, paint and other related industries is increasing as a sequel of Corona Pandemic. In such a situation the demand of Castor oil has gone down has gone down. But due to increase in prices of oil by 30% Castor Oil is being used in place of Palm-Soya Oil in few industries, as a result it was expected that export of Castor Oil would decrease. But now in changed situation the demand for Castor Oil is expected to be at the same level as last year. Export in Sept-Dec and Jan-Feb is expected to be 40000 & 30000 tonnes respectively.
- As per government data, the sowing area of castor till date is 7.82 lakh hectares, which was 9.37 lakh hectares last year. So till date the sowing area has gone down by 20%. The clear report on Castor Sowing area would come in next 2-4 weeks.
- On observing the current export situation and the current available stock in the market there is no chance of any recovery in exports. Till the new arrivals the prices per 20 kgs would hover in the range of around 780-840.

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.

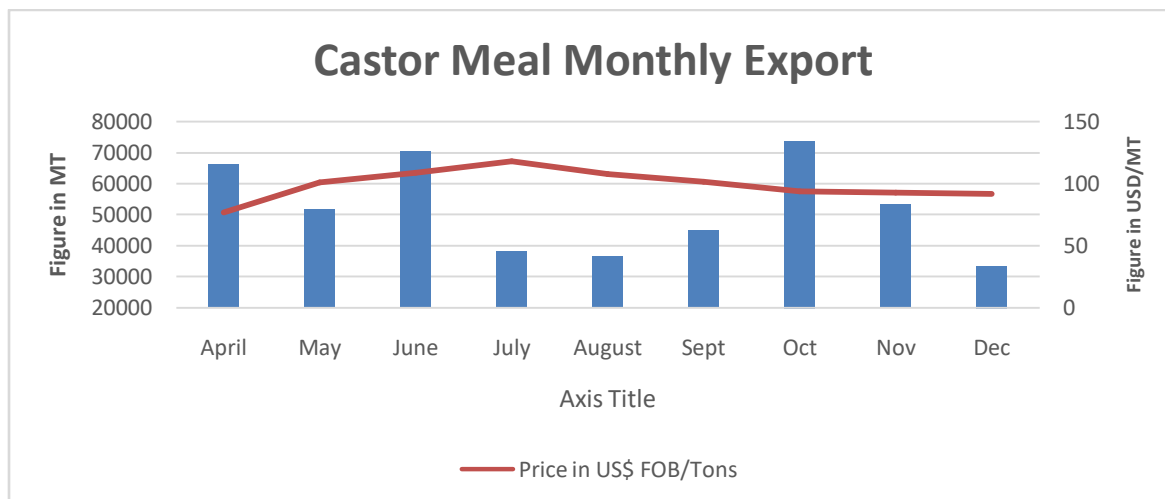
Castor Price Trend Deesa Mandi:



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 last year and impact of corona virus also push the prices downwards.

Castor Meal Monthly Export:

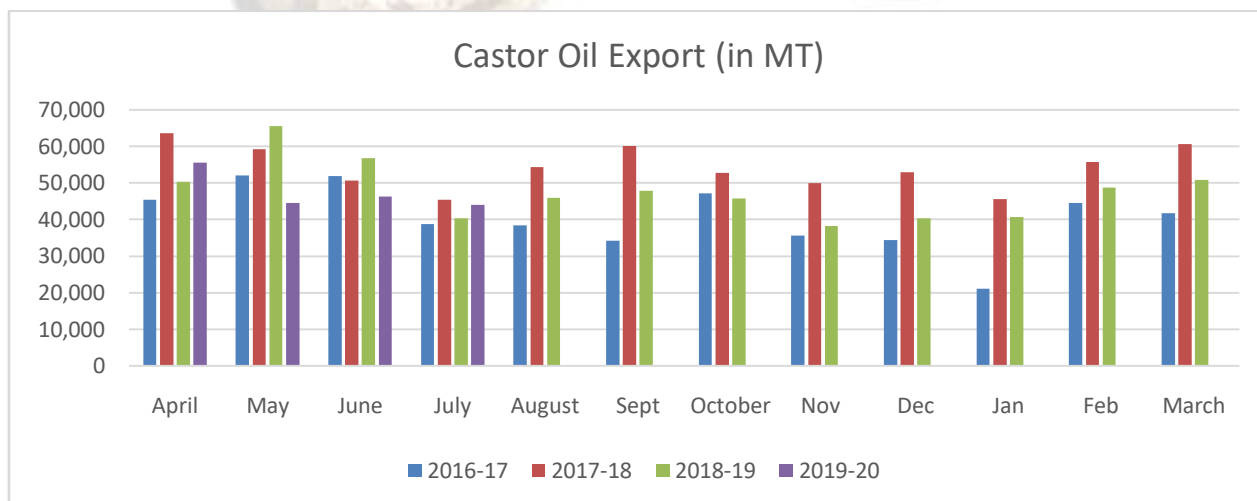


Source: Sea of India

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 up in the overbought region.

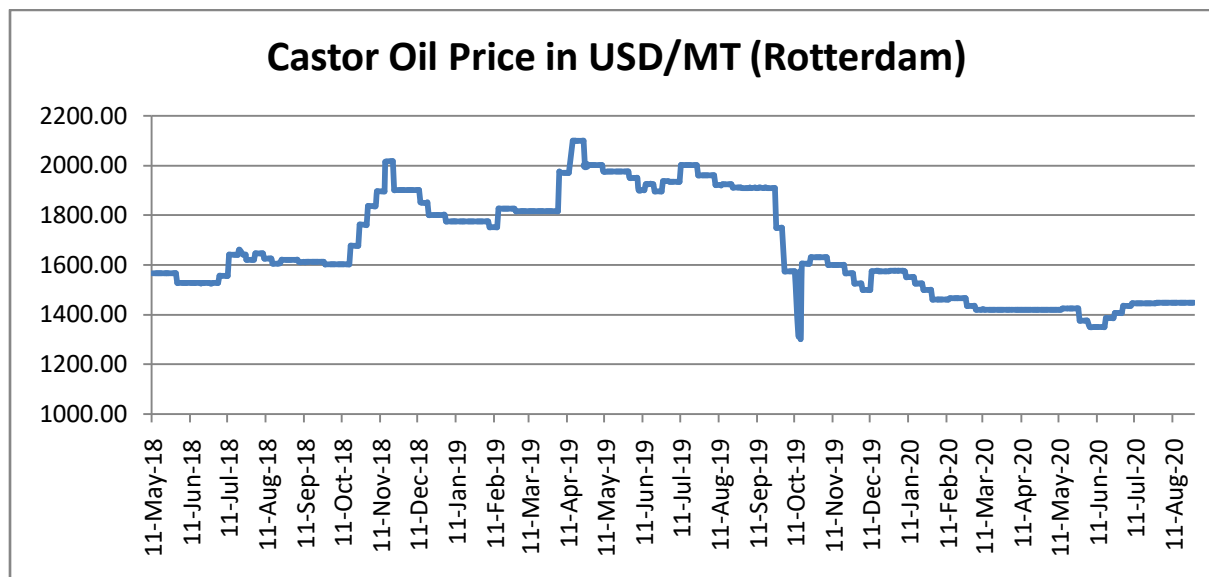

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Aug	3900	3950	4218	4350	4400
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Aug	Buy	4200	4235	4265	4190

Castor Seed Supply & Demand

All units in lakh tonnes	2017-18	2018-19	2019-20	2020-21*
Carry in	4.29	5.04	2.3	7.4
Production	14	11.25	19.6	18
Imports	0	0	0	0
Total Availability	18.29	16.29	21.9	25.4
Consumption (crushing)	13.25	14	14.5	15
Exports	0	0	0	0
Total Usage	13.25	14	14.5	15
Carry out	5.04	2.29	7.4	10.4
Av Monthly Consumption	1.10	1.17	1.21	1.25

Rotterdam Price:



Source: Agriwatch

Comparative Prices Of Castor Products Including Seed

	21st Aug'20	14th Aug'20	21st Jul'20	21st Aug'19	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	40150	40350	40500	55712	-38.76
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	71.00	71.00	52.00	108.00	-52.11
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4850	5150	3650	7459	-53.79
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1150	1150	1165	1621	-40.96
Local rates for oil in domestic market(Rs./M.T.) for comm.	85500	85500	86000	115570	-35.17

Source: SEA.

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
		20 Sept to 26 sept 2020	12 Sept to 19 sept 2020	
Gujarat	Patan	4144	4003	142
	Harij	4088	4004	83
	Rajkot	3921	3849	72
	Gondal	3963	3884	79
	Deesa	4084	4010	74
	Bhabar	4067	4000	67
	Mehsana	4074	3967	107

	Kadi	4131	4018	113
	Sabarkatha	4129	4008	121
	Gandhi Nagar	4096	3971	125
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	3996	3910	86
	Junagadh	3753	2524	1229
	Dhrol	2480	772	1708
Rajasthan	Jodhpur	3985	3973	12
	Sumerpur	3960	3913	47

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	20 Sept to 26 sept 2020	12 Sept to 19 sept 2020	Change
Gujarat	Patan	13650	9638	4013
	Harij	5700	8850	-3150
	Rajkot	3520	3570	-50
	Gondal	3860	3700	160
	Deesa	1511	2175	-664
	Bhabar	1760	1840	-80
	Mehsana	3488	3825	-338
	Kadi	26312	22960	3352
	Sabarkatha	2560	3120	-560
	Gandhi Nagar	4500	5325	-825
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	10425	9150	1275
	Junagadh	192	136	56
	Dhrol	12	1	11
Rajasthan	Jodhpur	0	0	Unch
	Sumerpur	1840	3360	-1520
Total Arrivals/Above Markets		79330	77650	1680



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