

# Castor Oil Market Report

## April 2019

Dear Valued Customer and Partner,

The harvest of castor beans still continues until middle / end of May 2019. So far the arrivals of new seeds did not pick up as previously expected. The daily deliveries of bags were in March in the range of 11.000 – 100.000 bags. Unfortunately is there no continuation on the increase of bags but the arrivals figures were going up and down. That was partly based on the Holi festival in the third week of March but also because of the financial year end in the last week. Especially last week we have hardly seen any arrivals as the trading markets where most times closed.

April seems to be the last chance to get the daily arrivals up. The farmers should have harvested in the last two weeks which are now laying at the farms ready for sale. Most market participants still expect arrival to cross 100.000 bags at least for some days ( 1 – 2 weeks). This should be the right time to go forward. If arrivals do not cross 100.000 bags in the next 2 weeks the market remains firm.

In April also the elections will start in India for their first chamber (Lok Sabha). The elections will start on 11<sup>th</sup> of April and will continue until 19<sup>th</sup> of May 2019. The elections are on different dates in the different states of India. This should also mean less political influence on market prices after the elections.

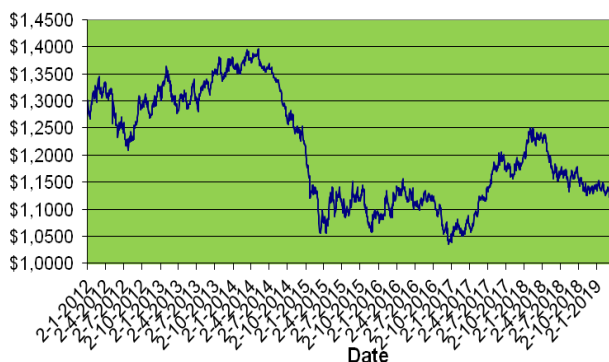
Currently heat waves already started in India and there is hardly any rain in Gujarat. Day temperatures over the day are above 40°C. This will influence the last pickings of the castor seed, so that the harvest period might stop somewhat earlier.

All parties are now waiting for the first long range monsoon forecast which should be published by the IMD in April. Skymet already announced that a normal monsoon is expected.

The Indian Rupee has strengthen against the USD – so that the USD prices for castor oil and its derivatives went up although the local prices remained relative stable in March. The exchange rate got stronger by 1,5% against the USD. We have seen nearly about the same change in the USD – EUR forex, so that prices moved up by about 3% in EUR currency just because of exchange rates.

### Exchange rate development

Exchange rate EUR 1 = USD...

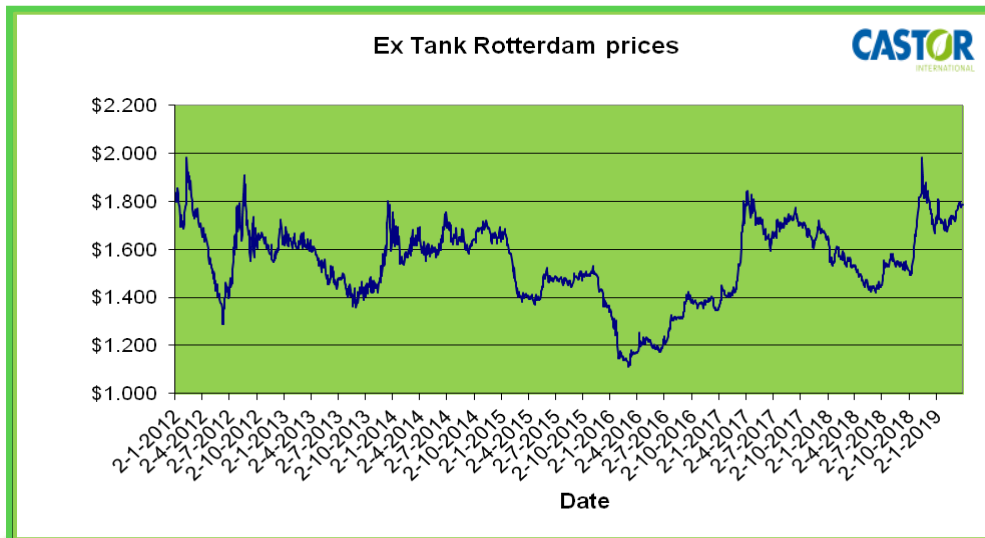


Exchange rate USD 1 = INR...





Price graph Castor oil prices ex tank Rotterdam in bulk



Export overview Castor Oil FSG

Export month	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
April	45.589	55.557	39.521	40.353	38.662	39.422
May	58.726	43.976	44.495	49.863	47.176	59.900
June	59.357	48.229	51.994	46.573	45.824	38.868
July	36.350	34.826	38.836	34.835	36.766	57.214
August	39.662	42.917	38.497	32.335	38.959	39.196
September	38.744	44.591	34.208	44.075	34.285	43.139
October	36.669	42.457	47.113	33.599	17.600	31.228
November	47.264	49.574	35.608	33.464	20.189	21.308
December	40.317	49.076	32.371	44.382	47.104	38.744
January	39.433	35.720	21.090	30.607	36.502	28.490
February	39.216	51.176	44.527	44.378	37.018	38.974
March	50.956	48.840	41.682	61.543	59.294	35.773
<b>Total</b>	<b>532.283</b>	<b>546.939</b>	<b>469.942</b>	<b>496.007</b>	<b>459.379</b>	<b>472.256</b>

Carry over castor seeds	300.000	mt
Last harvest volume in seed:	1.430.000	mt
Total volumes available for 2018-19 as seed	1.730.000	mt
<b>Current exports volumes in seed:</b>	<b>1.157.137</b>	<b>mt</b>
Usage for derivatives and local demand in seed:	300.000	mt

Currently a kind of poker is ongoing. Everybody who has to buy is waiting for prices to come down. These are mainly the factories in India but also the users of castor oil worldwide and speculators to take positions. But all parties do depend on the farmers. If farmers do not deliver seeds to the market there will be no material for production and speculation.

If you should need material just start buying a bid at least. Keep in mind that the local stocks are low and that the delivery time from India is about 6 weeks. If the arrivals are picking up, cover your demand until end of Q3/2019. If the arrivals will not really pick up in the next two weeks, than cover what you need as we will most likely not see a price drop at all.

If you should have any questions please do not hesitate to contact the sales team of Castor International. We will be pleased to receive your calls or e-mails.

In the case you should not require the information provided above, please let us know. We will take your name from the distribution list.

The information and recommendation given above are prepared according to our best knowledge and information. They are based on the market information we received by our business partners and information available in public press and internet. Any liability for the above mentioned prices and market trends is excluded. We reserve the right to change our predictions without any prior information.

In the event of any major market changes we will do our best to inform you timely. All information above is subject to currency and market information.