



Castor Seed & Oil Monthly Research Report

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Outlook and Review -Domestic Front:

Monthly average castor seed price traded firm in December with lower arrival as participants liquidated positions in tune with a weak trend at the physical market. Fall in castor seed prices was mostly attributed to offloading of positions by speculators due to a weak trend at the spot markets due to withdrawal of support from consuming industries.

Overall 10% of the area under castor seed cultivation is up in Rajasthan in 2017 compared to 2016. Sirohi and Jalore have marked a jump of 20% and 11% in area under castor seed cultivation in 2017 compared to the previous season. The planting in these districts extended upto September 2017. This is primarily due to the crop damage sown before castor, due heavy rains this season, in the catchment area in both the districts near Mount Abu. However, it has declined by 13% in Barmer on crop rotation, less availability of water for irrigation.

According to the Solvent Extractors' Association of India (SEA), Castor seed production in 2016/17 is expected to stand down by around 25% to 10.55 lakh tons compared to 14 lakh tonss in previous year. While, castor seed production for 2016/17 is placed down at 15.54 lakh tonss against previous year record i.e. 17.52 lakh tons as per the second advance estimates by the ministry of agriculture department.

Acreage over Gujarat is expected to increase by 2% due to shift in acreage from Potato in Deesa belts. In Rajasthan and South India acreage is likely to drop by 2% & 12.2% respectively as farmers are opting for Groundnut. Production for the next season is expected at 10.86 lakh tons basis last five year average yields.

This year preliminary Agriwatch estimate for 2017/18 shows 10. 67 lakh tonne production based on farmers feedback and initial field survey in Gujarat, Rajasthan and AP. Area in Gujarat is likely to decline by over 20 % from 6.20 to 4.96 lakh ha. Overall decline in Rajasthan may be 5% and area would decline from 2.30 to 1.84 lakh ha. In AP / Telangana it may decline by 20 percent to 1.06 lakh ha. As weather remains favorable Agriwatch expects normal yield this year. Based on normal yield seed production may decline to 10.67 lakh tonne given the normal weather condition. Agriwatch would revise preliminary estimate in November-2017.

Seed Supply & Demand:

Agriwatch Preliminary estimates regarding area and production shows around 16 percent lower acreage this year due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.21(normal) to 9.43 lakh ha this year. The estimate is based on initial ground level survey and feedback received from farmers. Agriwatch expects above normal rainfall this year and hopes normal yield too. Based on normal yield realization seed production would decline from 15.12 to 12.94 lakh tons this year.

This season started with 5.35 lakh tons as carryout and thus total availability for current MY - 2016-17 comes to 15.85 lakh tons it estimated production of 10.5 lakh tons for MY-2017-18 is included. Lower production would drag carryout down from 5.35 to 0.35 lakh tons. It would push seed price up in second and third quarter.

| All units in lakh tons | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Carry in | 5.8 | 6.84 | 6.04 | 5.54 | 5.91 | 5.35 |
| Production | 13.04 | 11.7 | 13 | 15.12 | 12.94 | 10.5 |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Availability | 18.84 | 18.54 | 19.04 | 20.66 | 18.85 | 15.85 |
| Consumption | 12 | 12.5 | 13.5 | 14.75 | 13.5 | 15.5 |
| Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Usage | 12 | 12.5 | 13.5 | 14.75 | 13.5 | 15.5 |
| Carry out | 6.84 | 6.04 | 5.54 | 5.91 | 5.35 | 0.35 |
| Av Monthly Consumption | 1 | 1.04 | 1.13 | 1.23 | 1.13 | 1.29 |
| Stock to Month Use | 6.84 | 5.8 | 4.92 | 4.81 | 4.76 | 0.27 |
| Stock to Consumption Ratio | 0.57 | 0.483 | 0.41 | 0.4 | 0.4 | 0.02 |

Castor Oil Demand & Supply:

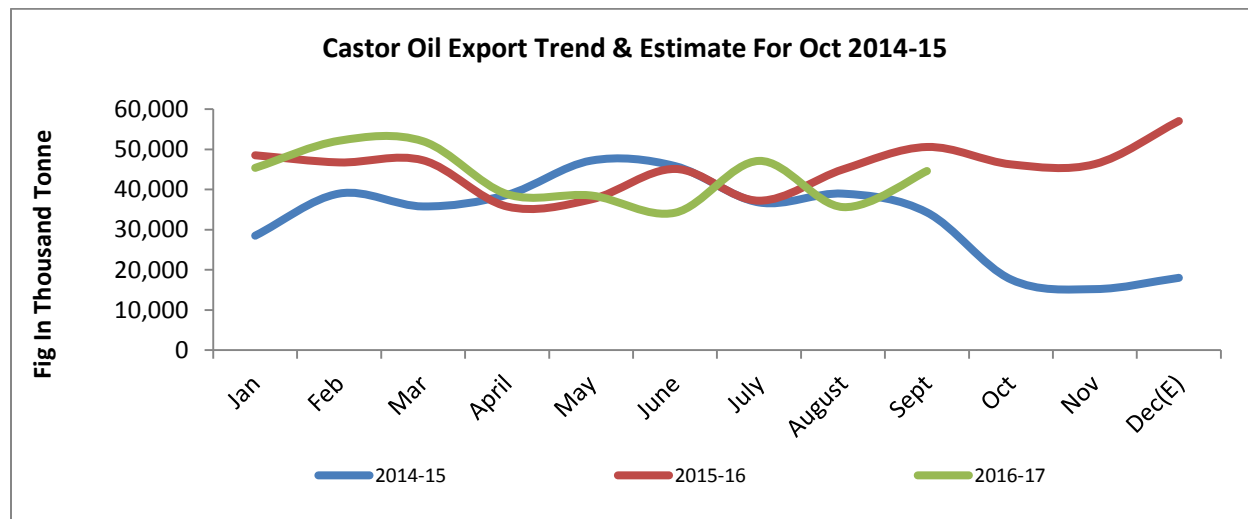
Season 2016-17 would start with 0.5 lakh tons oil as carrying stock. Agriwatch has estimated 7 lakh tons oil production from 2015-16 crops to be marketed in 2016-17 including derivatives use this brings total availability to 7.5 lakh tons .Export has been pegged at 5.5 lakh tons slightly higher than 2015-16 as supply is higher and price is lower. Carryout for next year would be at higher side (around 1lakh tons) despite higher export volume.

| Castor Oil Supply & Demand Projection For 2016-17 | | | |
|---|-------------|------------|----------|
| Unit in lakh tonne | 2014-15 | 2015-16 | 2016-17 |
| Carry in | 0.15 | 0.25 | 0.5 |
| Production | 6 | 6.5 | 7 |
| Imports | 0 | 0 | 0 |
| Total Availability | 6.15 | 6.75 | 7.5 |
| Consumption (domestic) | 0.9 | 1 | 1 |
| Exports | 5 | 5.25 | 5.5 |
| Total Usage | 5.9 | 6.25 | 6.5 |
| Carry out | 0.25 | 0.5 | 1 |

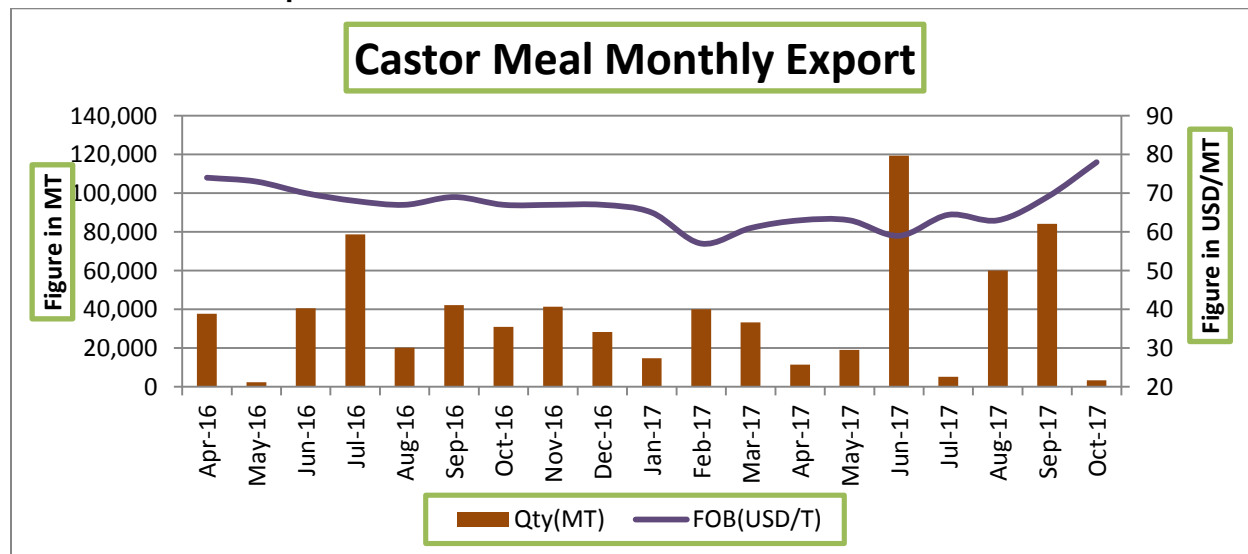
Castor Oil Monthly Export Trend:

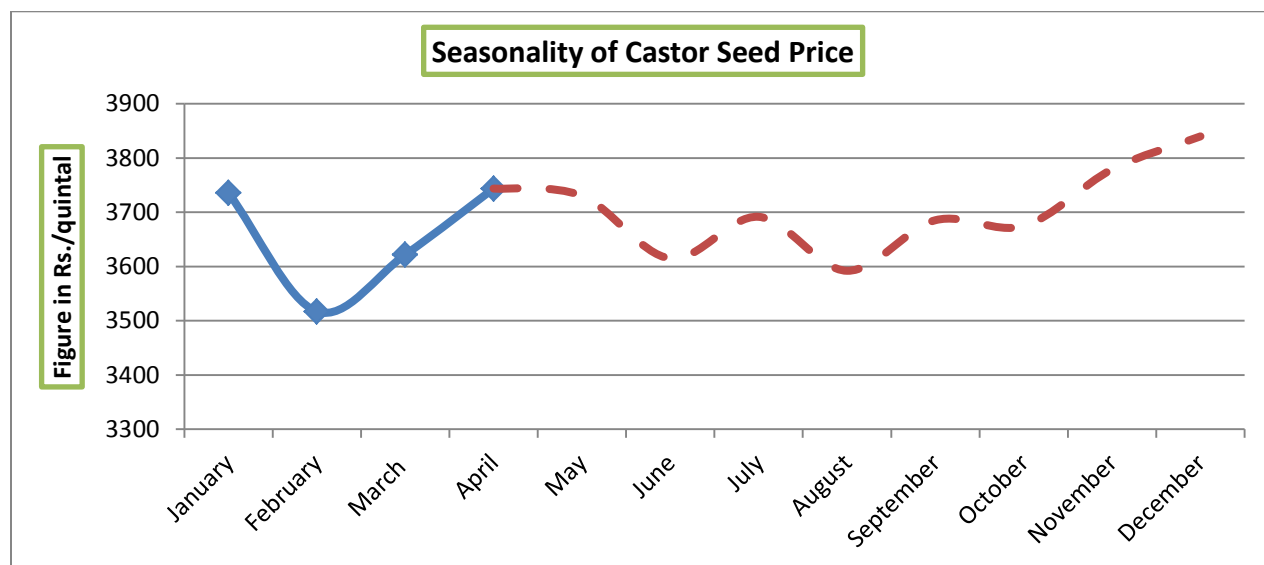
As per latest data released by SEA of India, Castor oil export in the month of September was 44591 thousand tons which is up by 25% from last month export of 35608 thousand tons and 12% down from corresponding period last year export of 50578 thousand tons. Weakened

demand from the international market due to higher prices of castor seed in domestic market led to lower exports. However, in the first two month of FY2017-18, total castor oil exported was around 1 lakh tons, which is up by 2% Y/Y on higher consumption demand from US, Netherland, Russia and Japan



Castor Oil Meal Export Trend:



Price Seasonality Trend:


Above chart is for Rajkot market which forecast the price trend for coming months. Chart indicates that castor seed market is likely to move volatile under normal situation (weather, rainfall etc.). Price is expected to move up from March onwards as stock is getting low and demand from China and other major importers is normal.

Variation in Production Estimates & Forecast for 2016-17 & 2017-18:

| Comparable Production Estimates (Fig. In Lakh Tonne) | | | | | | |
|--|-----------|-----------|----------------|----------------|------------------|-------|
| Crop Year | Govt. Fig | Oil world | Private Trades | Agriwatch | Nelson/Area Govt | COOIT |
| 2011-12 | 22.95 | 15.8 | 18.8 | Not available | 15.73 | 14.8 |
| 2012-13 | 19.64 | 11 | 13.2 | Not available | 13.8 | 11.43 |
| 2013-14 | 16.89 | 10.5 | 11.8 | 11.7 | 11.6 | 11.3 |
| 2014-15 | 18.70 | 15.06 | 11 to 13 | 12 | 12.78 | 12.95 |
| 2015-16* | 16.60* | 16.2 | 14.5 | 15.12 | 13.97 | 14 |
| 2016-17 | - | - | - | 12.69** | - | - |

*4th Adv Estimate (Target-20.34 lakh tonne) released on 2nd Aug-2016 ** Agriwatch preliminary estimate for 2016-17

Agriwatch Preliminary Area & Production Forecast For Crop Year 2016-17

| Gujarat | Area In '000'ha | | | Yield In kg/ha | | | Production In "000" Tonne | |
|-------------|-----------------|-------------|---------|----------------|-------------|---------|---------------------------|------------------|
| | 2015-16 | 5 years Ave | 2016-17 | 2015-16 | 5 years ave | 2016-17 | 2015-16 | 2016-17** Fore.. |
| Banaskantha | 142.40 | 140.28 | 113.92 | 1681 | 1695.4 | 1695.4 | 239.37 | 193.14 |
| Sabarkantha | 66.45 | 67.49 | 53.16 | 2010 | 2026 | 2026 | 133.57 | 107.71 |
| Mehasana | 82.27 | 73.65 | 65.82 | 1370.75 | 1375.55 | 1375.55 | 112.78 | 90.54 |

| | | | | | | | | |
|---------------------------|---------------|----------------|---------------|----------------|-----------------|-----------------|----------------|---------------|
| Patan | 123.41 | 98.28 | 98.73 | 1572.75 | 1569.55 | 1569.55 | 194.10 | 154.96 |
| Gandhi Nagar | 27.42 | 28.14 | 21.94 | 2010.25 | 2011.05 | 2011.05 | 55.13 | 44.12 |
| Kachchh | 98.10 | 101.42 | 78.48 | 575.5 | 581.1 | 581.1 | 56.45 | 45.60 |
| Surender Ngr | 71.73 | 64.35 | 57.38 | 925.75 | 928.95 | 928.95 | 66.40 | 53.30 |
| Jamnagar | 8.44 | 13.49 | 6.75 | 1050.75 | 1098.75 | 1098.75 | 8.87 | 7.42 |
| Rajkot | 10.55 | 15.11 | 8.44 | 1334.75 | 1330.75 | 1330.75 | 14.08 | 11.23 |
| Vadodara | 28.48 | 41.90 | 22.78 | 1655 | 1665.4 | 1665.4 | 47.13 | 37.94 |
| Kheda | 13.71 | 24.94 | 10.97 | 1965 | 1957 | 1957 | 26.94 | 21.47 |
| Ahmedabad | 50.63 | 47.93 | 40.50 | 1925 | 1980.2 | 1980.2 | 97.46 | 80.21 |
| Panchmahal | 2.11 | 10.22 | 1.69 | 1760.75 | 1784.75 | 1784.75 | 3.71 | 3.01 |
| Others | 49.58 | 48.12 | 39.66 | 1485.5 | 1477.5 | 1477.5 | 73.64 | 58.60 |
| Gujarat Total | 775.28 | 775.32 | 620.22 | 1523.05 | 1534.425 | 1534.425 | 1180.79 | 951.68 |
| | | | | | | | | |
| Rajasthan | 2015-16 | 5 years ave | 2016-17 | 2015-16 | 5 years ave | 2016-17 | 2015-16 | 2016-17** |
| Barmer | 26 | 26 | 22.1 | 1150 | 1094.8 | 1094.8 | 29.9 | 24.20 |
| Jalore | 55.1 | 71.6 | 60.9 | 1275 | 1223.8 | 1223.8 | 70.25 | 74.50 |
| Jodhpur | 60.13 | 56.6 | 48.1 | 487.75 | 487.75 | 487.75 | 29.33 | 23.48 |
| Pali | 3 | 5 | 4.25 | 750.25 | 739.85 | 739.85 | 2.25 | 3.14 |
| Sirohi | 48.1 | 52.46 | 44.59 | 1100.5 | 1100.5 | 1100.5 | 52.93 | 49.07 |
| Others | 6 | 9.8 | 8.33 | 1031 | 1031 | 1031 | 6.19 | 8.59 |
| Rajasthan Total | 198.33 | 221.51 | 188.28 | 965.75 | 946.28 | 946.28 | 191.54 | 178.17 |
| | | | | | | | | |
| AP/Telangana | 2015-16 | 5years average | 2016-17 | 2015-16 | 5 yrs Ave | 2016-17 | 2015-16 | 2016-17 |
| Anantpur | 12.13 | 7.40 | 6.66 | 725.00 | 731.40 | 731.40 | 8.79 | 4.87 |
| Kurnool | 39.19 | 39.20 | 35.28 | 562.50 | 573.70 | 573.70 | 22.04 | 20.24 |
| Mehboob Ngr | 77.25 | 78.41 | 70.57 | 675.25 | 669.65 | 669.65 | 52.16 | 47.26 |
| Nalgonda | 0.62 | 2.18 | 1.97 | 690.00 | 704.40 | 704.40 | 0.43 | 1.38 |
| Rangareddy | 1.62 | 2.66 | 2.40 | 510.00 | 498.80 | 498.80 | 0.82 | 1.20 |
| Others | 7.22 | 8.18 | 7.36 | 645.25 | 658.05 | 658.05 | 4.66 | 4.85 |
| AP/Telangana Total | 138.02 | 138.03 | 124.23 | 634.67 | 639.33 | 639.33 | 90.08 | 79.42 |

Agriwatch preliminary estimates on area and production are based on farmer's sowing intention and initial ground level survey in some pockets of Rajasthan and Gujarat.

Technical Analysis:
Castor – Technical Outlook
Technical Commentary:

- Prices are likely to move steady to weak in coming week.
- Decrease in prices with lower volume and OI indicates short build up.


Strategy: Sell

| Intraday Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|---------------------------------|-------|-----|-------------|-------|------|------|------|
| Castor | NCDEX | Feb | 3850 | 3900 | 4029 | 4349 | 4439 |
| Pre Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Castor | NCDEX | Feb | Sell | 4259 | 4148 | 4100 | 4288 |

Castor Oil Export Volume:

| EXPORT OF CASTOR OIL | | | | | | | | |
|----------------------------|---------------|---------|---------------|---------|---------------|---------|---------------|---------|
| DURING APRIL TO March 2017 | | | | | | | | |
| | 2016-17 | | 2015-16 | | 2014-15 | | 2013-14 | |
| Month / Year | Qty MT. Bulk+ | Value | Qty MT. Bulk+ | Value | Qty MT. Bulk+ | Value | Qty MT. Bulk+ | Value |
| | Container | Rs. Cr. | Container | Rs. Cr. | Container | Rs. Cr. | Container | Rs. Cr. |
| April | 45,378 | 281.90 | 48,511 | 353.43 | 38,661 | 319.10 | 39,422 | 299.15 |
| May | 52,133 | 347.95 | 46,731 | 349.60 | 47,176 | 381.96 | 59,900 | 438.50 |
| June | 51,994 | 346.10 | 47,257 | 371.39 | 45,824 | 375.22 | 38,868 | 298.15 |
| July | 38,836 | 252.31 | 35,756 | 288.22 | 36,766 | 307.53 | 57,214 | 431.94 |
| August | 38,497 | 255.41 | 37,517 | 309.07 | 38,960 | 333.88 | 39,196 | 313.10 |
| September | 34,208 | 250.22 | 45,105 | 369.88 | 34,285 | 297.57 | 43,139 | 337.20 |
| October | 47,112 | 361.31 | 37,205 | 301.15 | 17,600 | 150.92 | 31,228 | 232.15 |
| November | 35,608 | 284.76 | 45,002 | 377.39 | 20,189 | 174.98 | 21,307 | 158.10 |
| December | 34,380 | 272.74 | 50,578 | 422.90 | 47,104 | 420.64 | 38,744 | 293.45 |
| January | 21,090 | 169.44 | 46,250 | 385.74 | 36,501 | 337.60 | 28,490 | 244.70 |
| February | 44,527 | 353.95 | 46,327 | 319.90 | 37,018 | 311.23 | 38,974 | 319.30 |

| | | | | | | | | |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| March | 41682 | 338.63 | 57,035 | 349.52 | 59,294 | 458.71 | 35,773 | 292.50 |
| Total | 485,445 | 3514.72 | 543,274 | 4198.19 | 459,378 | 3869.34 | 472,255 | 3658.24 |

Source: SEA

| Comparative Prices Of Castor Products Including Seed | | | | | |
|---|-------------------------|-----------------------------|-------------------------|------------------------|---------------------|
| | 22nd Dec '17 | 15th Dec '17 | 22nd Nov '17 | 22nd Dec'16 | CHANGE % |
| Castorseed (Gujarat)((Rs./M.T) Ex-Mandi | 44500 | 45050 | 44100 | 37644 | 15.41 |
| Castor Meal Export (FAS) (US\$ / MT),Ex Kandla | 79.00 | 79.00 | 80 | 67.00 | 15.19 |
| EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla | 5000 | 5000 | 5100 | 4365 | 12.70 |
| Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne | 1470 | 1485 | 1445 | 1170 | 20.41 |
| Local rates for oil in domestic market(Rs./M.T.) for comm. | 94000 | 95000 | 93000 | 79885 | 15.02 |

Cash Market (Deesa) Expected Price Range for January-2018:-

| Expected Range | Rs/Qtl.(Low) | Rs /Qtl.(High) |
|------------------------------|---------------------|-----------------------|
| Short term (15 days) | 4300-4350 | 4350-4550 |
| Medium Term (30 days) | 4500-4700 | 4750-4900 |

Outlook for January-2018:

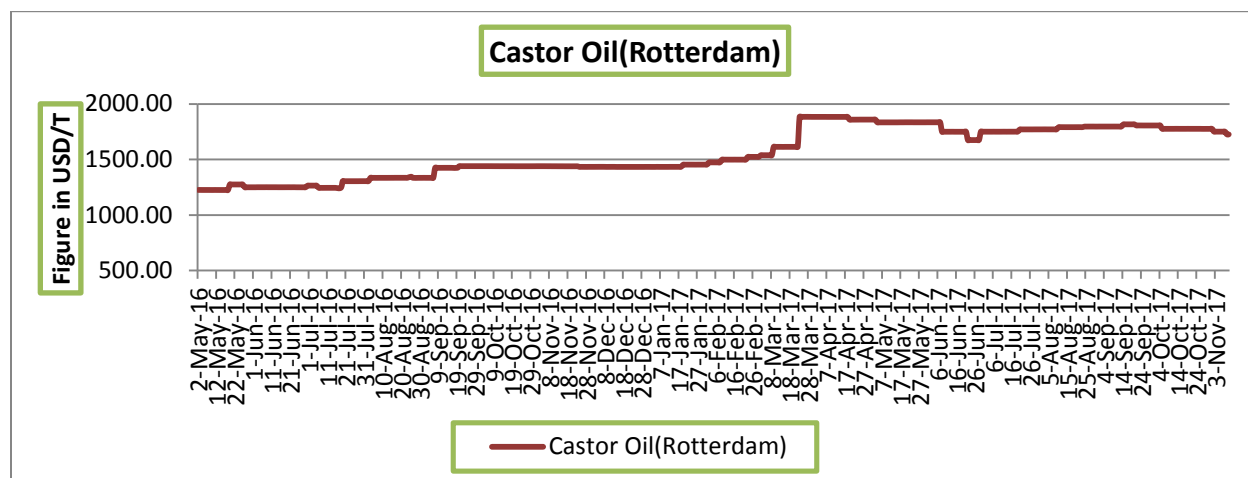
Castor seed cash market is likely to trade steady to weak tone as seed supply in domestic market is expected to be declined as stock is limited. Improved demand will push prices up in upcoming weeks. In December, market may trade in the range of Rs 3970-4050 per qtl.

International Market Updates:

Castor Oil prices ended higher by 3.0% on good demand from global markets, higher demand from China, EU and other Asian nation supported the prices in global market. Exports in June are reported higher by 13.2% versus last month but lower by 15% y/y. Oil prices over Rotterdam recovered by 4.5% during the week on thin pipeline amidst good buying activity. Stockiest are

taking advantage of lower prices which has ruling due to new tax policy. Prices at Rotterdam are quoting at \$ 1,750 per MT versus \$ 1,675 per MT of last week.

Rotterdam Price:-



Castor Seed - Products Monthly Average Prices:

| Commodity | Monthly Average Prices (Rs/ Quintal) | | | Change |
|-----------|--------------------------------------|----------------|----------------|--------|
| Center | Market | December. 2017 | November. 2017 | |
| Gujarat | Patan | 4401 | 4352 | 49 |
| | Harij | 4328 | 4255 | 72 |
| | Rajkot | 4206 | 4170 | 37 |
| | Gondal | 4218 | 4150 | 68 |
| | Deesa | 4361 | 4368 | -7 |
| | Bhabar | 4327 | 4312 | 15 |
| | Mehsana | 4336 | 4283 | 53 |
| | Kadi | 4373 | 4324 | 49 |
| | Sabarkatha | 4345 | 4308 | 38 |
| | Gandhi Nagar | 4355 | 4323 | 31 |
| | Ahmedabad (Sanand) | NA | 4267 | - |
| | Halvad | 4300 | 4284 | 16 |
| | Junagadh | 4223 | 4128 | 96 |
| | Dhrol | 3738 | 3515 | 223 |
| Rajasthan | Jodhpur | 4339 | 4278 | 61 |
| | Sumerpur | 4226 | 4167 | 60 |

Castor Seed Cumulative Monthly Sum Arrivals in Key Centers:

| Center | Market | Monthly Arrivals (Quintal) | | Change |
|------------------------------|--------------------|----------------------------|----------------|--------|
| | | December. 2017 | November. 2017 | |
| Gujarat | Patan | 35404 | 43500 | -8096 |
| | Harij | 2587.5 | 8325 | -5738 |
| | Rajkot | 4060 | 4855 | -795 |
| | Gondal | 3058 | 6398 | -3340 |
| | Deesa | 20212 | 37320 | -17108 |
| | Bhabar | 7127 | 15532 | -8405 |
| | Mehsana | 4669 | 8438 | -3769 |
| | Kadi | 27368 | 50064 | -22696 |
| | Sabarkatha | 1125 | 2055 | -930 |
| | Gandhi Nagar | 4425 | 4013 | 413 |
| | Ahmedabad (Sanand) | NA | 5 | - |
| | Halvad | 1740 | 2681 | -941 |
| | Junagadh | 175 | 170 | 5 |
| | Dhrol | 2 | 11 | -9 |
| Rajasthan | Jodhpur | 1598 | 2918 | -1320 |
| | Sumerpur | 2720 | 2625 | 95 |
| Total Arrivals/Above Markets | | 116270 | 188908 | -72638 |

Note: We have incorporated traded quantity of seed in particular mandis. It does not signify the total arrivals

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