AGRIWATCH

Castor Seed &Oil Monthly Research Report

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Outlook and Review -Domestic Front:

Monthly average castor seed price traded Firm in March with higher arrival as participants unsettled positions in modify with a firm trend at the physical market. Firm 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 - 2016-17comes 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

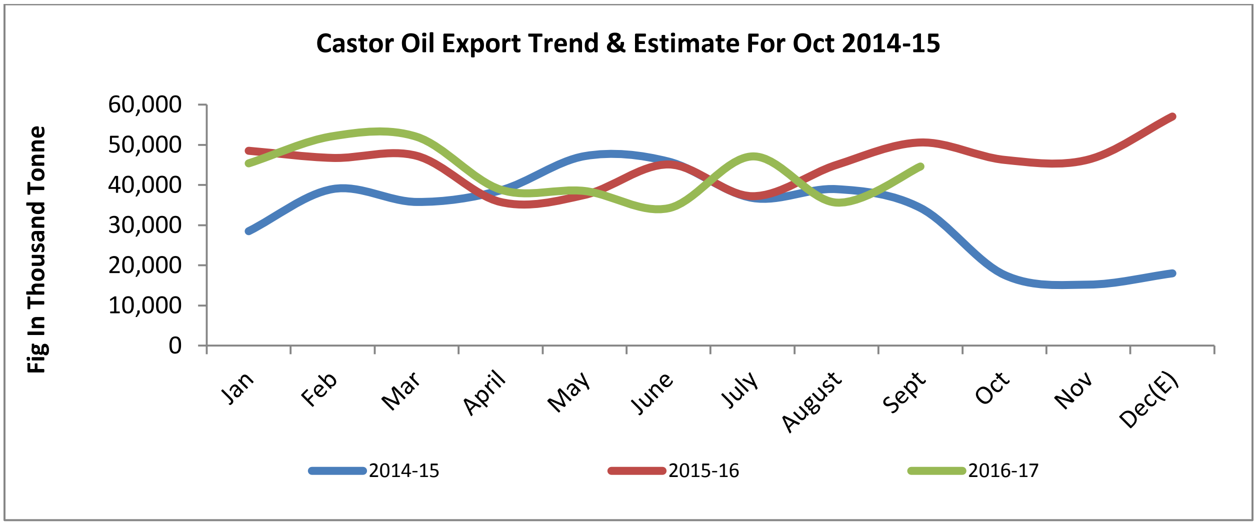
Castor Oil Demand & Supply:

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.

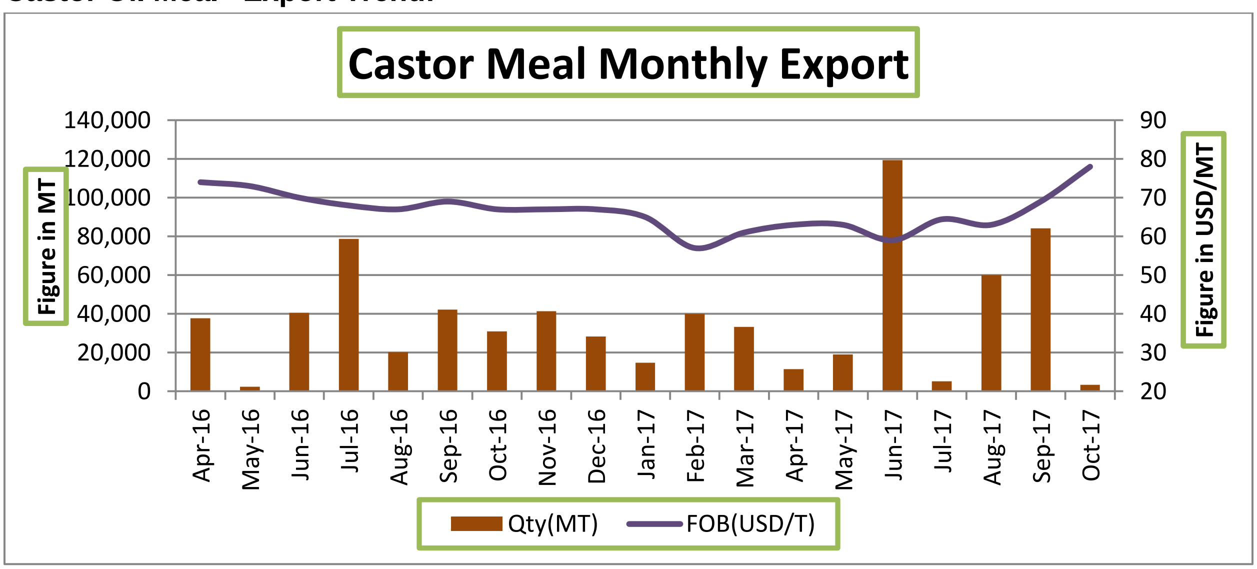
Castor Oil Supply & Demand Projection For 2016-17			
Unit in lakh tonne	**2014-15**	**2015-16**	**2016-17**
Carry in	0.15	0.25	0.5
Production	6	6.5	7
Imports	0	0	0
Total Availability	6.15	6.75	7.5
Consumption (domestic)	0.9	1	1
Exports	5	5.25	5.5
Total Usage	5.9	6.25	6.5
Carry out	**0.25**	**0.5**	**1**

Castor Oil Monthly Export Trend:

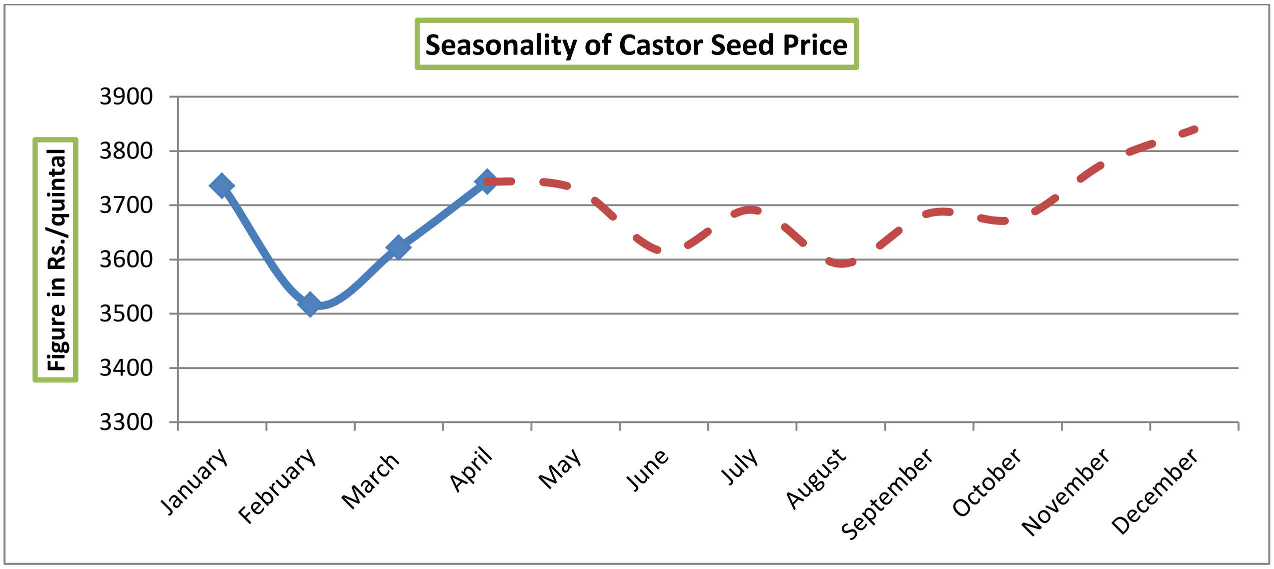
As per latest data released by SEA of India, Castor oil export in the month of September was 44591 thousand tons which is up by 25% from last month export of 35608 thousand tons and 12% down from corresponding period last year export of 50578 thousand tons. Weakened demand from the international market 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 firm in coming week.
- Increase in prices with lower volume and OI indicates short build up.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Apr	3850	3900	4096	4349	4439
Pre Weekly Trade Call			**Call**	**Entry**	**T1**	**T2**	**SL**
Castor	NCDEX	Apr	Buy	4180	4225	4250	4170

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	34380	272.74	50,578	422.90	47,104	420.64	38,744	293.45
January	21090	169.44	46,250	385.74	36,501	337.60	28,490	244.70
February	44527	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					
	2nd Feb '18	**25th Jan '18**	**2nd Jan '18**	**2nd Feb'17**	**CHANGE %**
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42900	41850	43700	38455	**10.36**
Castor Meal Export (FAS) (US$ / MT),Ex Kandla	77.00	77.00	78	63.00	**18.18**
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4800	4800	4900	4126	**14.04**
Castor Oil (First Grade) FOB Kandla (Export)$/Tonne	1425	1395	1445	1213	**14.88**
Local rates for oil in domestic market(Rs./M.T.) for comm.	89500	87500	92000	82750	**7.54**

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

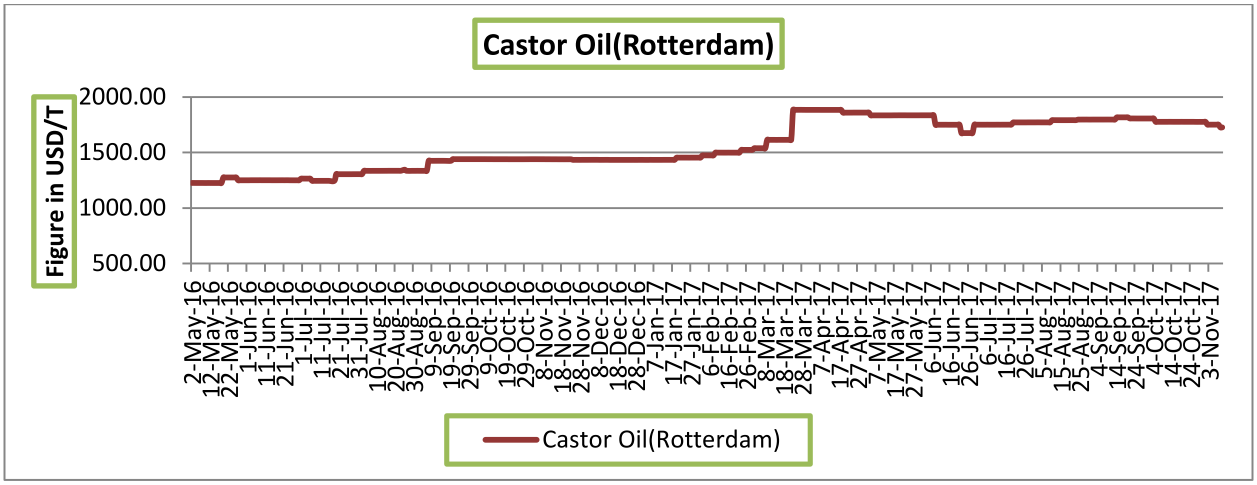
Outlook for April-2018:

Castor seed cash market is likely to trade steady to firm 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 4100-4350 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	February. 2018	January. 2018	
Gujarat	Patan	4108	4067	41
	Harij	4086	4063	23
	Rajkot	3960	3912	49
	Gondal	4093	3922	171
	Deesa	4094	4038	56
	Bhabar	4084	4050	34
	Mehsana	4074	4046	29
	Kadi	4114	4057	57
	Sabarkatha	4071	4025	46
	Gandhi Nagar	4095	4062	33
	Ahmedabad (Sanand)	3991	3950	41
	Halvad	4030	4005	25
	Junagadh	4010	3851	160
	Dhrol	3659	3592	68
Rajasthan	Jodhpur	4112	4077	34
	Sumerpur	4019	3966	53

Castor Seed Cumulative Monthly Sum Arrivals in Key Centers:

Center	Market	Monthly Arrivals (Quintal)		Change
		February. 2018	January. 2018	
Gujarat	Patan	53044	36225	16819
	Harij	12600	3112.5	9488
	Rajkot	9028	6950	2078
	Gondal	1354	3738	-2384
	Deesa	19613	8006	11606
	Bhabar	34080	16509	17571
	Mehsana	12668	5093	7575
	Kadi	82732	39104	43628
	Sabarkatha	4360	1852	2509
	Gandhi Nagar	12075	3788	8288
	Ahmedabad (Sanand)	368.8	55.4	313
	Halvad	5880	4459	1421
	Junagadh	470	335	135
	Dhrol	60	24	36
Rajasthan	Jodhpur	2115	2306	-191
	Sumerpur	23080	7768	15312
Total Arrivals/Above Markets		273527	139324	134203

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