



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

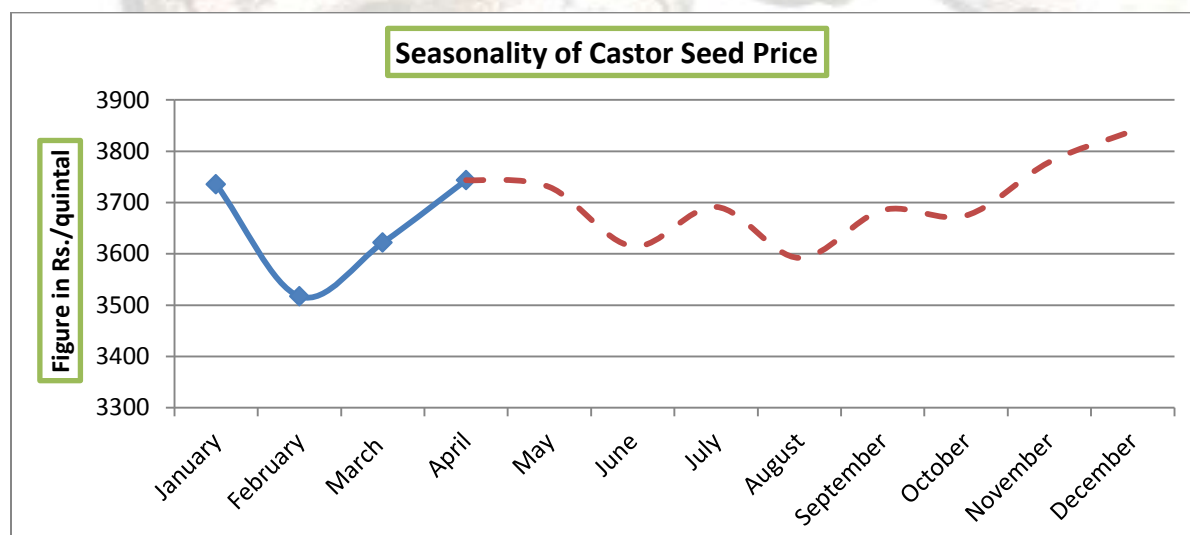
- All India average castor price is around Rs.3923/quintal which is down from last week price of Rs.4073/quintal and up by 15.10% from same period last year price of Rs.3408/quintal.
- Castor seed prices slumped Rs 120 to Rs 4,031 per quintal in futures trade recently after participants offloaded positions, triggered by a weak trend in the physical markets on ample stocks position.
- Monthly demand from local as well overseas buyers is 20-25% higher than last year and stock in pipeline is lower, which may also push the seed price towards northward direction till the pressure of new crop hits in the markets.
- 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 tons in previous year. While, castor seed production for 2016/17 is placed down at 15.54 lakh tons against previous year record i.e. 17.52 lakh tons as per the second advance estimates by the ministry of agriculture department.
- As per the data from Agriculture Ministry, castor acreage in Gujarat increase by 5.67% till Oct-13, 2017 to 5.96 lakh hectares as compared to 5.64 lakh hectares last year while Rajasthan recorded a down of 6.98% in area to 1.6 lakh hectares in the same time frame. Overall area is slightly down from last year which may not affect the production much but late sowing in major growing states (Gujarat and Rajasthan) could affect the final yield to some extent.
- Castor weekly cast market is traded weak in 01st Week of January-2018 even with lower arrival, all India castor seed arrival is 26415 quintals which is 827 quintals lower than last week arrival of 27241 quintals.

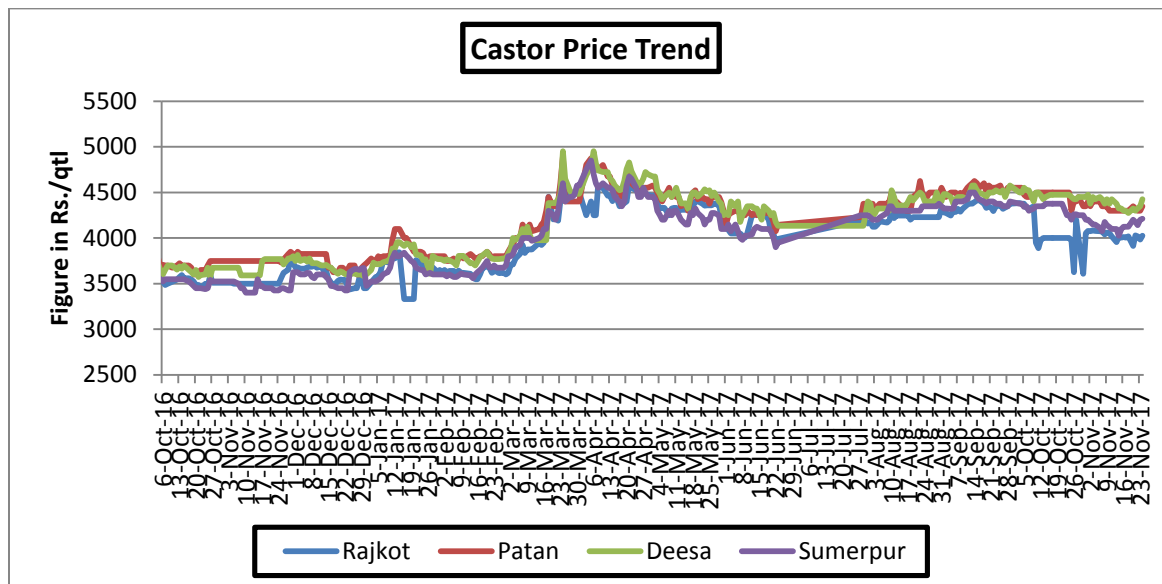
Castor Seed Sowing Updates as on 13th October September-2017 (in Lakh Hectare):

State	Area(2017)	Last Year(2016)	% Change	Normal Area
Gujarat	5.96	5.64	5.67	7.37
Rajasthan	1.6	1.72	-6.98	2.25
Telangana	0.31	0.43	-27.91	0.82
Andhra Pradesh	0.33	0.43	-23.26	0.89
Karnataka	0.07	0.11	-36.36	0.12
Maharashtra	0.07	0.12	-41.67	0.16
Others	0.38	0.33	15.15	0.23
Total	8.45	8.59	-1.63	11.84

Stake holders in cash market may opt for buying seed around Rs. 4500-4550 for profit purpose.

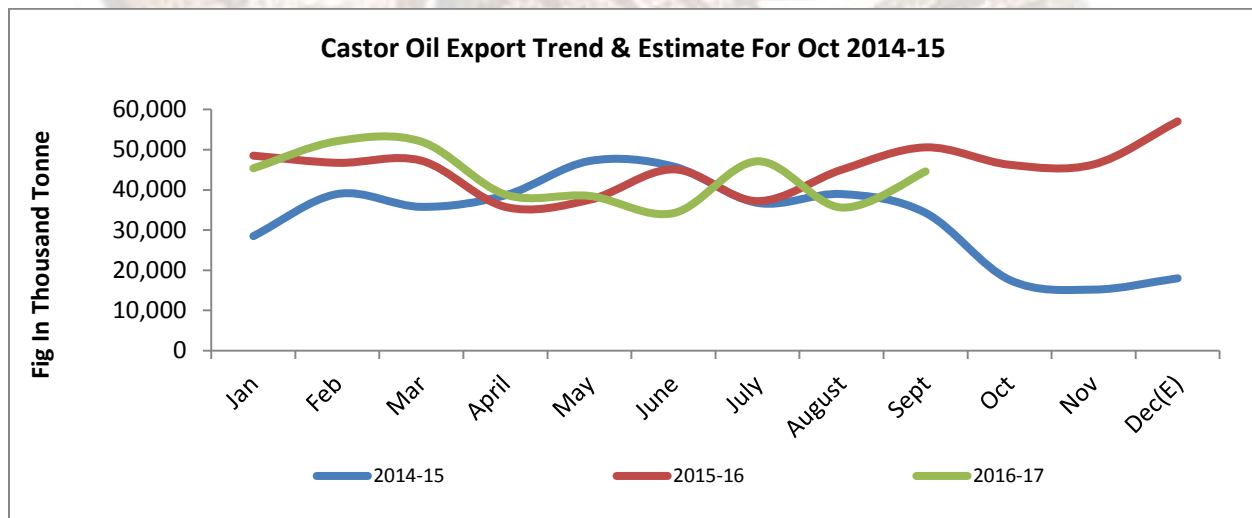
Seasonality of Castor Seed Price



Castor Price Trend:


Source: Agriwatch

Indian castor seed market was in steady trend during the period from Oct 2017 to Nov 2017, now prices are expected to trade firm in coming months due to lower supply, higher demand and late arrival.

Castor Oil Export Trend:


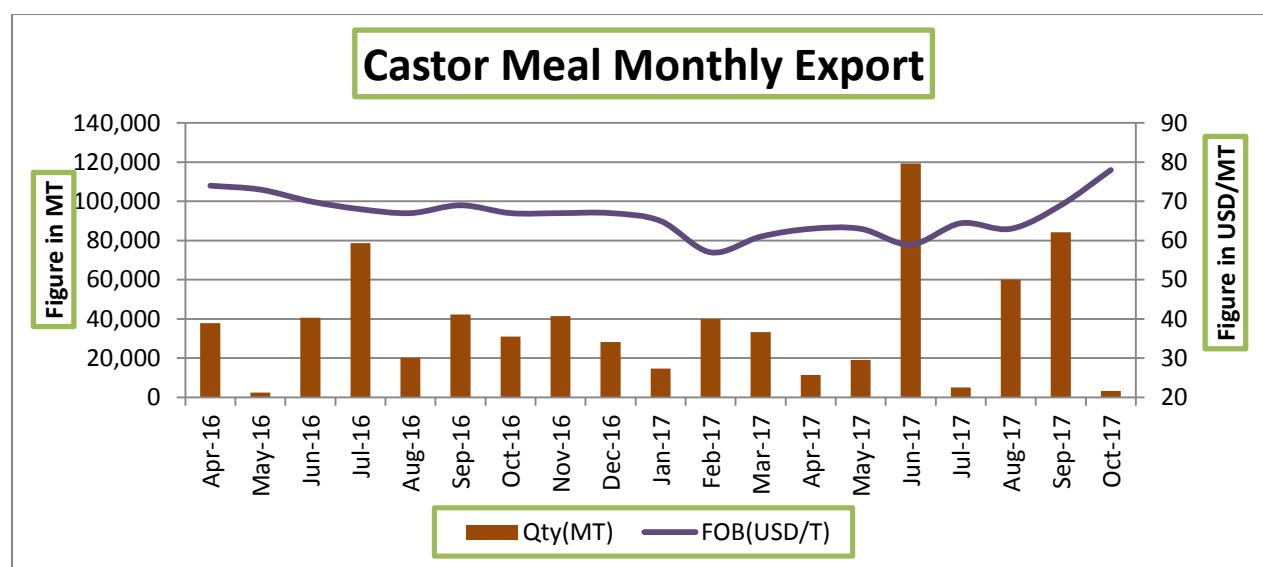
Source: Sea Of India

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 Meal Export:

Despite lower FOB prices, total castor meal export from India has shrunk by 14% Y/Y in FY-2016-17 due to sluggish demand from major importing countries during the first quarter of FY2017-18, India had exported 0.84 lakh tons of castor meal, increased by 4% Y/Y Japan, Taiwan and France were the top importers of Indian castor meal for the 2016-17.



Source: Sea of India

State wise Wholesale Prices Weekly Analysis for Castor Seed 01st week January, 2018

State	Prices 01-08 Jan 2018	Prices 24-31 Dec 2017	Prices 16-23 Dec 2017	Prices 01-08 Jan 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3851.99	3935.19	4020.67	3002.61	-2.11	-4.2	28.29
Gujarat	4127.59	4204.32	4287.76	3664.49	-1.83	-3.74	12.64
Karnataka	4373.8	4177.78	4200		4.69	4.14	—
Madhya Pradesh		4100	2900		—	—	—
Maharashtra	3350			3250	—	—	3.08
Rajasthan		4028.77	4119.8	3399.24	—	—	—
Tamil Nadu				3401	—	—	—

Telangana	3913.05	3994.9	3964.48	3732.51	-2.05	-1.3	4.84
Average	3923.29	4073.49	3915.45	3408.31			

Source: Agmarket.net (Prices in Rs./Qtl)

Cash Market Price Outlook for Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4300-4500	4400-4600
Medium Term (30 days)	4350-4500	4750-4800

Comparative Prices Of Castor Products Including Seed					
	29th December'1 7	22nd December'1 7	29th November'1 7	29th December'1 6	CHANG E %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43900	44500	45500	37644	14.25
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	78.00	79.00	80	67.00	14.10
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4900	5000	5100	4365	10.92
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1455	1470	1480	1170	19.59
Local rates for oil in domestic market (Rs./M.T.) for comm.	93000	94000	95000	79885	14.10

Source: SEA.

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	Oct	3900	3950	4075	4745	4800
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	Sell	4383	4218	4061	4459

Castor Seed- Balance Sheet for 2017-18:

Agriwatch estimates for 2016/17 is remain same. Production shows around 14.42 percent lower side this year against 2015/16 season due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.18(normal) to 9.90 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 12.69 lakh tons this year.

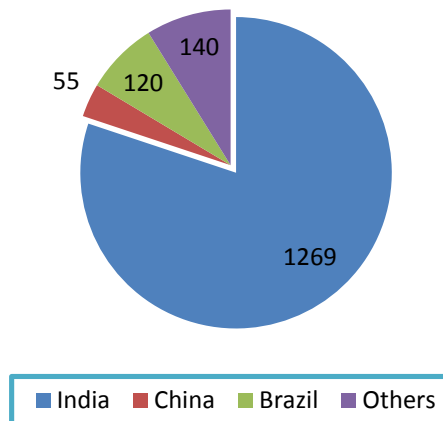
The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third quarter.

Castor Seed Supply & Demand for MY-2017-18:
Preliminary Forecast For 2017-18

All units in lakh tonss	2013-14	2014-15	2015-16	2016-17	2017-18	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	6.84	6.04	5.54	5.91	5.35	5.35	9.65	5	1.9
Production	11.7	13	15.12	12.94	10.5	10.5	0	0	0
Imports	0	0	0	0	0	0	0	0	0
Total Availability	18.54	19.04	20.66	18.85	15.85	15.85	9.65	5	1.9
Consumption	12.5	13.5	14.75	13.5	15.5	6.2	4.65	3.1	1.55
Exports	0	0	0	0	0	0	0	0	0
Total Usage	12.5	13.5	14.75	13.5	15.5	6.2	4.65	3.1	1.55
Carry out	6.04	5.54	5.91	5.35	0.35	9.65	5	1.9	0.35
Av Monthly Consumption	1.04	1.13	1.23	1.13	1.29	2.07	1.55	1.03	0.52
Stock to Month Use	5.8	4.92	4.81	4.76	0.27	4.67	3.23	1.84	0.68
Stock to Consumption Ratio	0.483	0.41	0.4	0.4	0.02	1.56	1.08	0.61	0.23

Source: Agriwatch

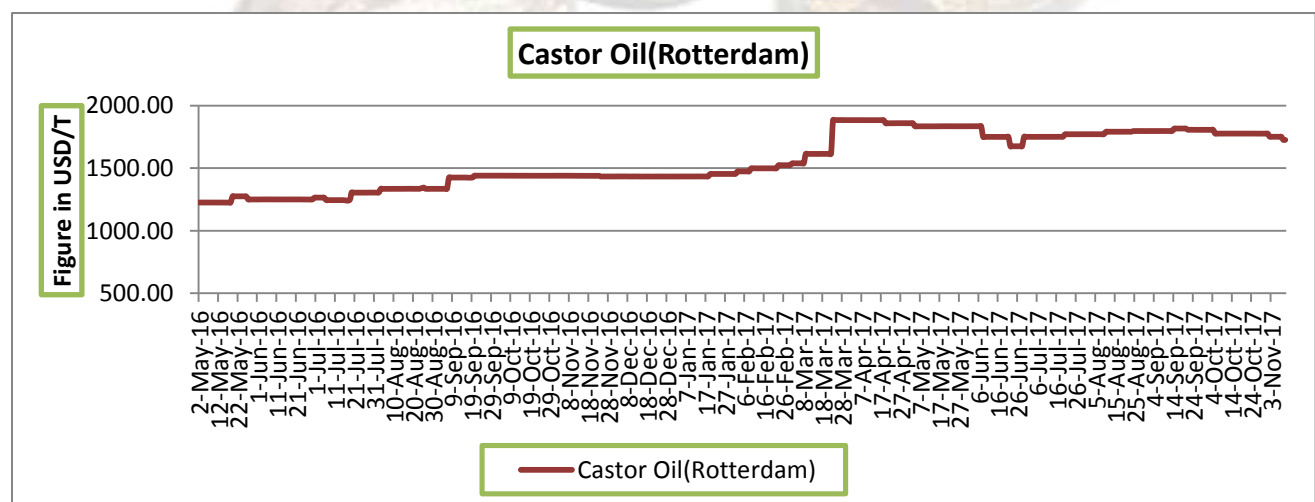
Castor Seed Global Production share:

Castor Seed Global Production In Thousand Tons 2016-17(Est.)**


International market update:

There is no change in Global Castor Seed supply –demand side. Production is expected to decrease from 18.37 lakh tons to 15.84 lakh tons in 2016-17 due to lower crop size expected in India this year. Total availability for seed would decrease to 20 lakh tons including Indian carryout stock of 5.91 lakh tons. Normal demand for oil and decreasing seed stock in India would continue to push seed price up in India. India dominates global market in seed production with 90 percent contribution. The given diagram shows production contribution of various countries. As production in India is likely to decrease, availability for seed would contract in the third quarter of the year.

Rotterdam Price:



Source: Agriwatch

Outlook:

Despite of lower production during FY2016-17, supply side is expected to be comfortable with decent beginning stocks on the back of lower export volumes in 2016-17; however, recent heavy rainfall in Northern Gujarat and South-East region of Rajasthan has resulted in flood situation which has raised the quality concerns of the stocks stored in the warehouses. On demand front, aggressive purchasing activities by the stockiest as well as crushing units for creating inventories of quality seed may also support the prices positively

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		30th December 2017 to 05th January 2018	23th to 29th December 2017	
Gujarat	Patan	4245	4335	-90
	Harij	4210	4288	-78
	Rajkot	4067	4125	-58
	Gondal	4140	4149	-9
	Deesa	4201	4278	-77
	Bhabar	4192	4269	-77
	Mehsana	4184	4273	-89
	Kadi	4220	4303	-83
	Sabarkatha	4215	4290	-75
	Gandhi Nagar	4215	4290	-75
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	4263	4325	-62
	Junagadh	4060	4209	-149
	Dhrol	NA	3700	-
Rajasthan	Jodhpur	4274	4240	34
	Sumerpur	4110	4165	-55

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		5-Jan-18	29-Dec-17	5-Dec-17	5-Jan-17
Gujarat	Patan	4225	4400	4450	3800
	Harij	4175	4250	4325	3750
	Rajkot	4030	4090	4275	3585
	Gondal	4105	NR	4330	3705
	Deesa	4155	4225	4400	3715
	Bhabar	4135	4240	4385	3650
	Mehsana	4150	4215	4425	3710



	Kadi	4190	4275	4465	3725
	Sabarkatha	4200	4250	4425	3675
	Gandhi Nagar	4200	4250	4425	3725
	Ahmedabad (Sanand)	NA	NA	NA	3625
	Halvad	4225	4300	4325	3535
	Junagadh	NA	NA	NA	3665
	Dhrol	NA	NA	NA	NA
Rajasthan	Jodhpur	4290	4000	4380	3620
	Sumerpur	4075	4150	4275	3540

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	30th December 2017 to 05th January 2018	23th to 29th December 2017	Change
Gujarat	Patan	6975	9900	-2925
	Harij	1200	338	863
	Rajkot	1440	605	835
	Gondal	845	299	546
	Deesa	1638	2942	-1304
	Bhabar	3160	1640	1520
	Mehsana	1088	1613	-525
	Kadi	6640	7160	-520
	Sabarkatha	210	353	-143
	Gandhi Nagar	938	1125	-188
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	848	386	461
	Junagadh	85	105	-20
	Dhrol	NA	1	-
Rajasthan	Jodhpur	349	135	214
	Sumerpur	1000	640	360
Total Arrivals/Above Markets		26415	27241	-827

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