



Castor Weekly Research Report

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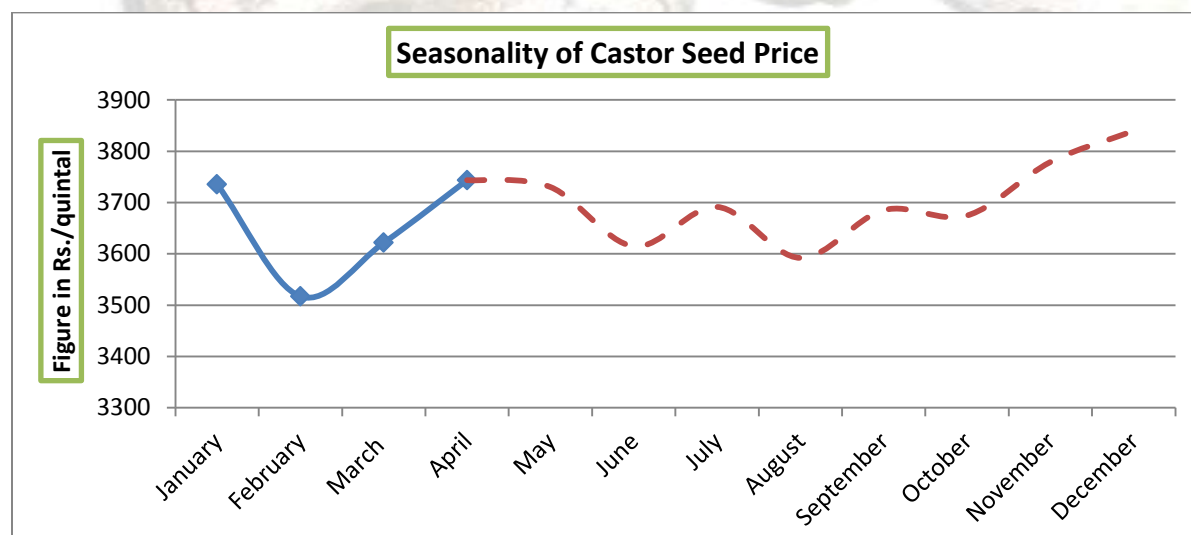
Castor Domestic Market Fundamentals:

- 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 fell 1.30 per cent to Rs 4,020 per quintal in futures trade recently 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.
- 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 02nd Week of January-2018 with higher arrival, all India castor seed arrival is 30684 quintals which is 4269 quintals higher than last week arrival of 26415 quintals.

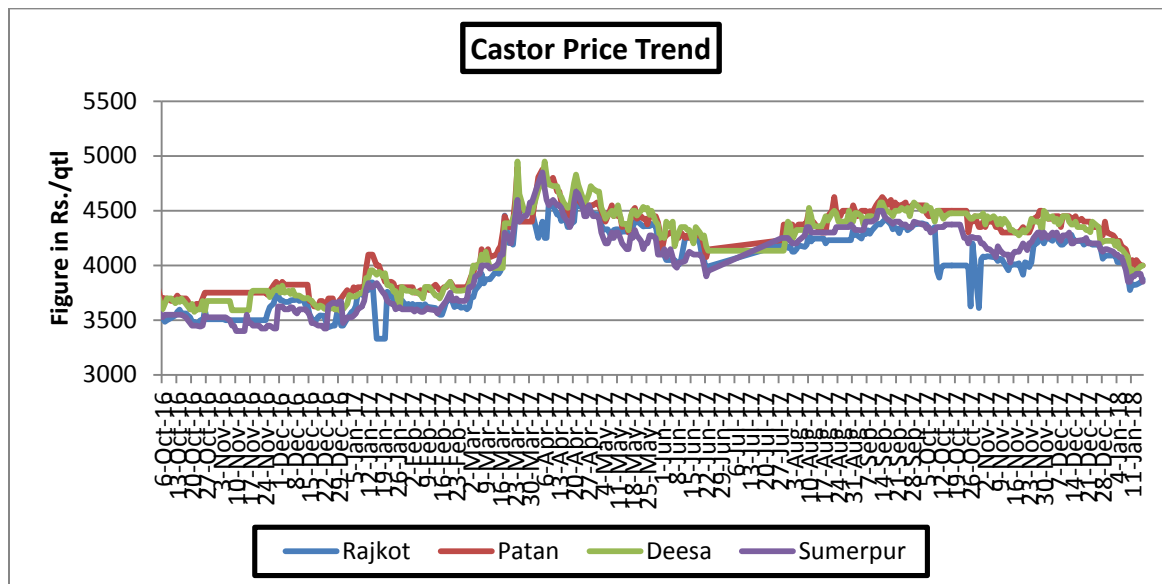
Castor Seed Sowing Updates as on 13th October September-2017 (in Lakh Hectare):

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. 3900-3950 for profit purpose.

Seasonality of Castor Seed Price


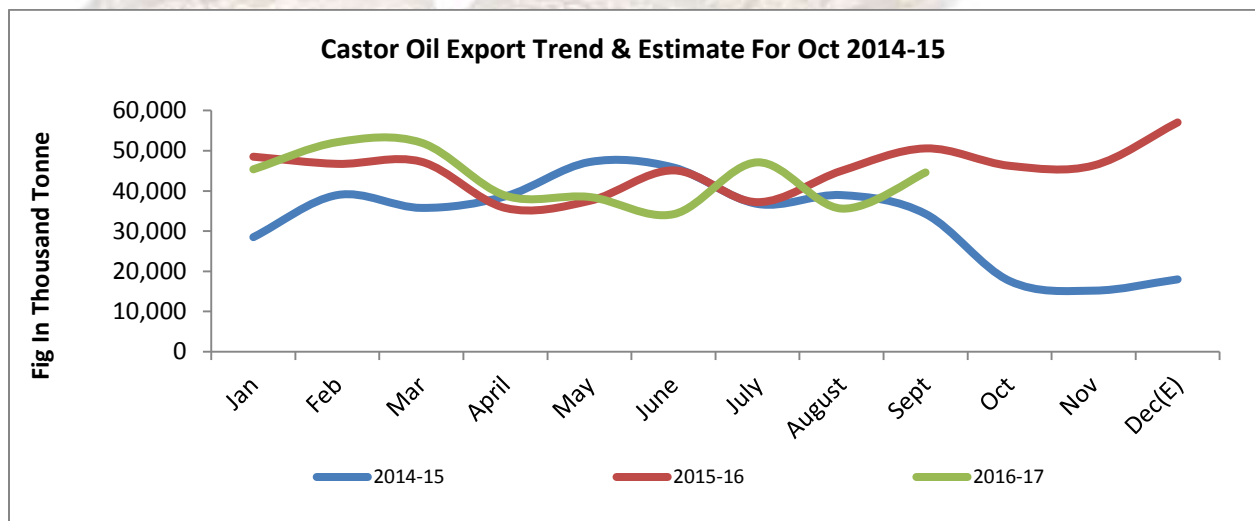
Castor Price Trend:



Source: Agriwatch

Indian castor seed market was in steady to weak trend during the period from Oct 2017 to Jan 2018, now prices are expected to trade steady in the arrival season.

Castor Oil Export Trend:

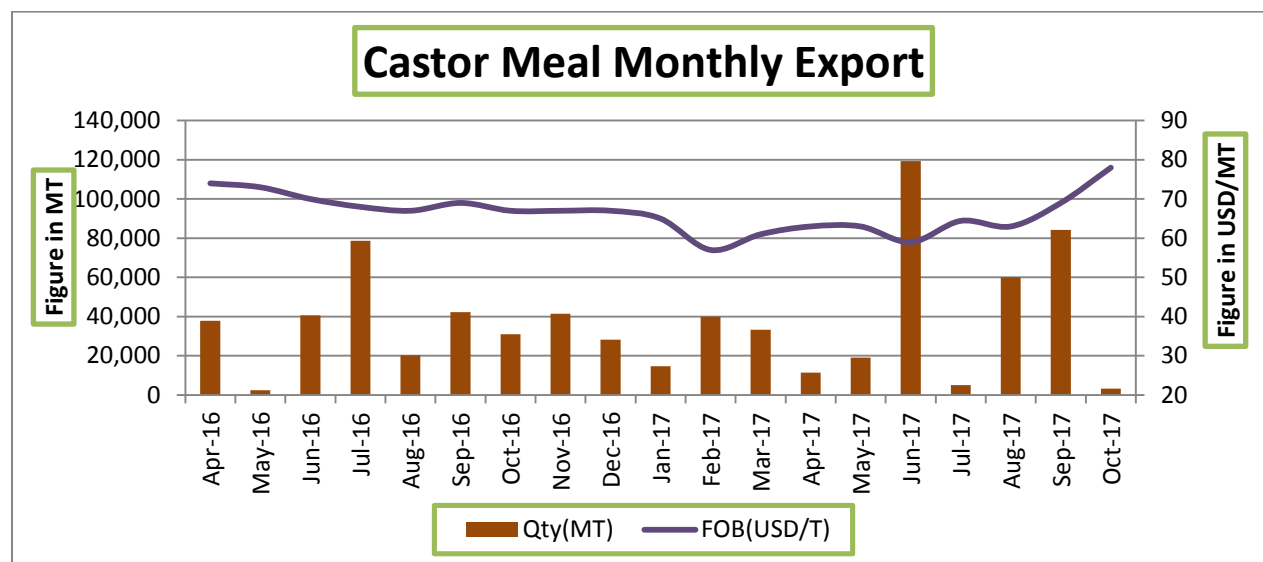


Source: Sea Of India

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 02nd week January, 2018

State	Prices 09-15 Jan 2018	Prices 01-08 Jan 2018	Prices 09-15 Jan 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3683.27	3851.99	3935.19	-4.38	-6.4
Gujarat	3918.72	4127.56	4204.32	-5.06	-6.79
Karnataka		4373.8	4373.8	—	—
Madhya Pradesh			4100	—	—
Maharashtra	3600	3600	3600	0	0
Rajasthan			4028.77	—	—
Telangana	3753.08	3914.21	3994.9	-4.12	-6.05
Average	3738.77	3973.51	4033.85		

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)	3950-4200	400-4350
Medium Term (30 days)	3900-4300	4000-4450

Comparative Prices Of Castor Products Including Seed					
	05th January'1 8	29th December' 17	05th December' 17	05th January'1 7	CHAN GE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42800	43900	46000	39178	8.46
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	77.00	78.00	80	65.00	15.58
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4800	4900	5100	4292	10.58
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1420	1455	1495	1205	15.14
Local rates for oil in domestic market (Rs./M.T.) for comm.	91500	93000	95000	82408	9.94

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	Jan	3900	3950	4075	4686	4700
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jan	Sell	4165	4080	4050	4175

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.

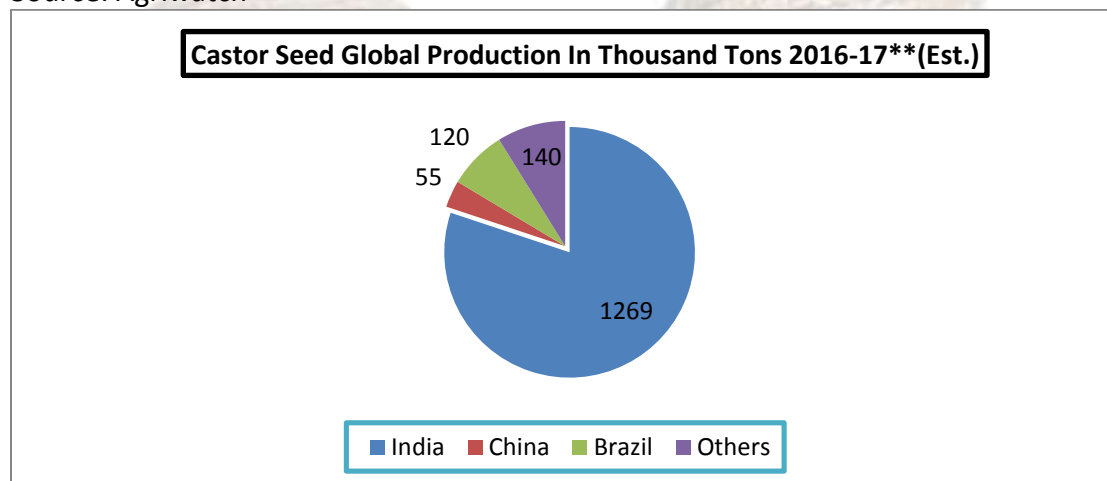
Castor Seed Supply & Demand for MY-2017-18:

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

Castor Seed Global Production share:

Source: Agriwatch

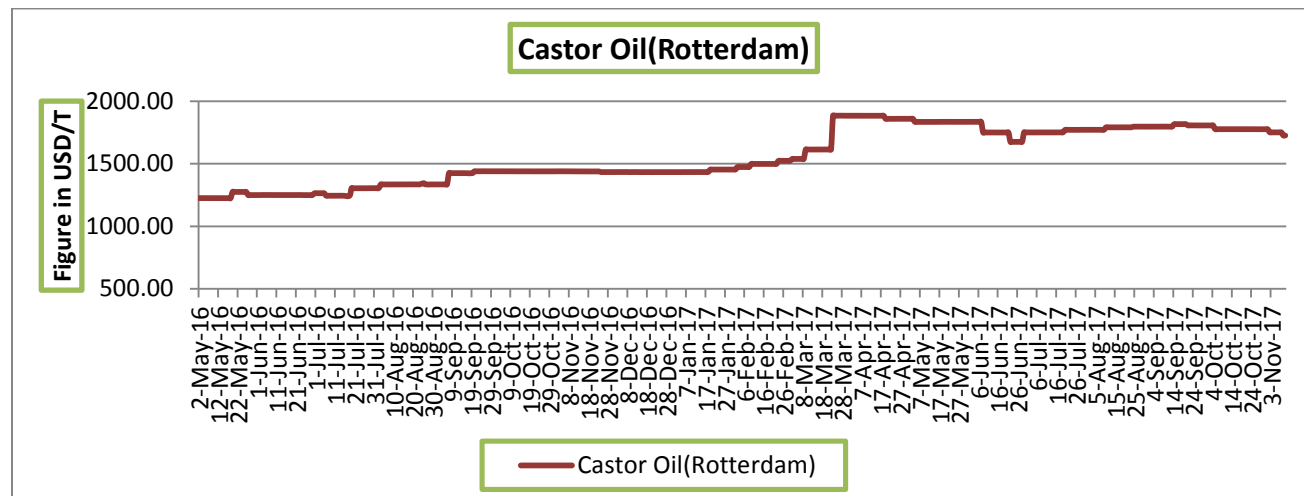


International market update:

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		06th to 12th January 2018	30th December 2017 to 05th January 2018	
Gujarat	Patan	4058	4245	-187
	Harij	4000	4210	-210
	Rajkot	3897	4067	-170
	Gondal	3890	4140	-250
	Deesa	3985	4201	-216
	Bhabar	4004	4192	-188
	Mehsana	4107	4184	-77
	Kadi	4038	4220	-182
	Sabarkatha	4013	4215	-203
	Gandhi Nagar	4063	4215	-153
	Ahmedabad (Sanand)	NA	NA	-



Rajasthan	Halvad	4064	4263	-199
	Junagadh	3825	4060	-235
	Dhrol	NA	NA	-
	Jodhpur	4117	4274	-157
	Sumerpur	3923	4110	-188

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		12-Jan-18	5-Jan-18	12-Dec-17	12-Jan-17
Gujarat	Patan	4000	4225	4450	4100
	Harij	NR	4175	4350	4050
	Rajkot	3820	4030	4245	3775
	Gondal	3730	4105	4205	3805
	Deesa	3930	4155	4400	3885
	Bhabar	4010	4135	4380	3695
	Mehsana	3975	4150	4375	4025
	Kadi	4015	4190	4435	4040
	Sabarkatha	3950	4200	4375	3925
	Gandhi Nagar	4000	4200	4400	4025
	Ahmedabad (Sanand)	NA	NA	NA	3805
	Halvad	3950	4225	4300	3850
	Junagadh	NA	NA	NA	3850
	Dhrol	NA	NA	NA	3415
Rajasthan	Jodhpur	4000	4290	4410	3860
	Sumerpur	3900	4075	4300	3840

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	06th to 12th January 2018	30th December 2017 to 05th January 2018	Change
Gujarat	Patan	8625	6975	1650
	Harij	563	1200	-638
	Rajkot	1320	1440	-120
	Gondal	498	845	-347
	Deesa	1085	1638	-553
	Bhabar	3652	3160	492
	Mehsana	1485	1088	397
	Kadi	8432	6640	1792



	Sabarkatha	415	210	205
	Gandhi Nagar	938	938	-1
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	983	848	135
	Junagadh	85	85	Unch
	Dhrol	NA	NA	-
Rajasthan	Jodhpur	525	349	176
	Sumerpur	2080	1000	1080
Total Arrivals/Above Markets		30684	26415	4269

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