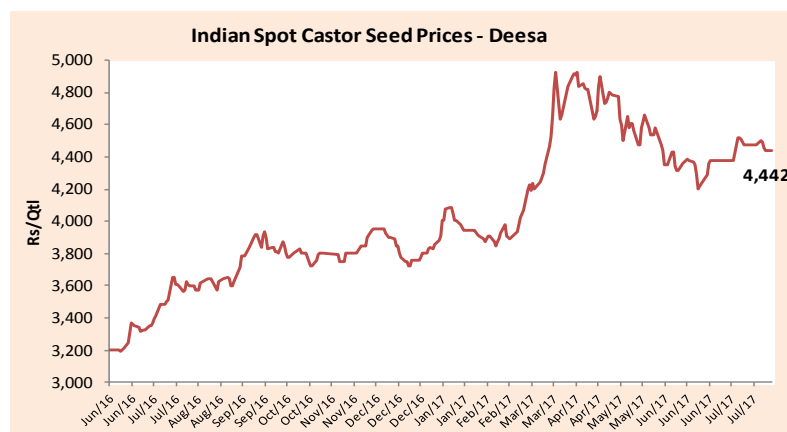


Castor Seed



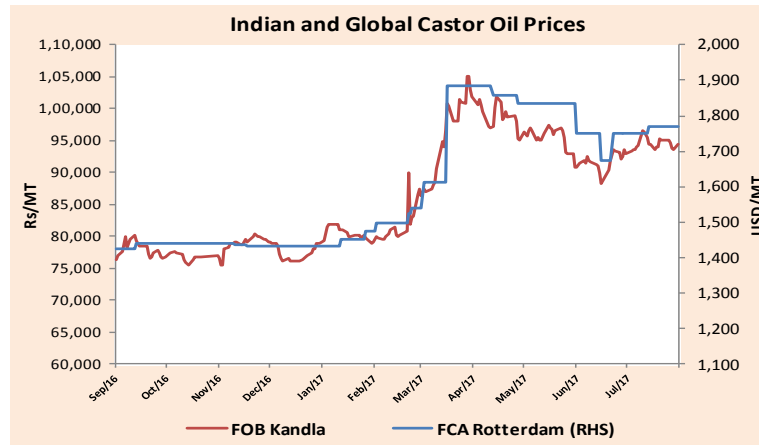
Castor seed prices remained range bound throughout the month as clarity is not emerging on the next season planting intentions. Recent floods have led to confusion among the stake holders as Castor may gain the acreage from the damaged crops.

- Acreage in Gujarat are likely to increase by around 10% while in Rajasthan is expected to increase by 25-30%. Recent flood will help to increase the acreage in Rajasthan.
- Floods in Gujarat and festive holiday have led to closure markets for around 8-10 days.
- Seed prices of Castor are trading higher by 23.4% y/y versus up 30.7% y/y of last month.
- Farmers have liquidated around 77% of the season crop; big farmers are holding the crop anticipating price rise in SH of the year.
- Arrivals likely to remain at same level in the coming months.
- Dry weather is forecast over Castor growing belts of Gujarat which will help to carry out the sowing activity.
- EAR recently revised the acreage forecast for 2017-18 season basis telephone survey amidst ongoing weather developments over major growing regions.
- Ending stocks are expected to remain at seven year low on the back of drastic fall in production during last season amid good crushing demand.

Castor Seed	Jan to July		% Varn	Jan - Dec		2017e Vs 2016
	2016	2017		2016	2017e	
PRODUCTION				15.59	9.95	-36.2%
Total C/I	6.23	6.11	-2.0%	6.23	6.11	-2.0%
Arrivals	11.12	7.29	-34.5%	14.38	10.00	-30.5%
Total Supply	17.36	13.40	-22.8%	20.62	16.10	-21.9%
For Crushing	10.56	10.33	-2.2%	15.73	15.44	-1.8%
Total Demand	10.56	10.33	-2.2%	15.73	15.44	-1.8%
Total C/O	6.80	3.07	-54.8%	6.11	0.66	-89.1%
Stock to use ratio	64.4%	29.8%		38.8%	4.3%	



Castor Oil

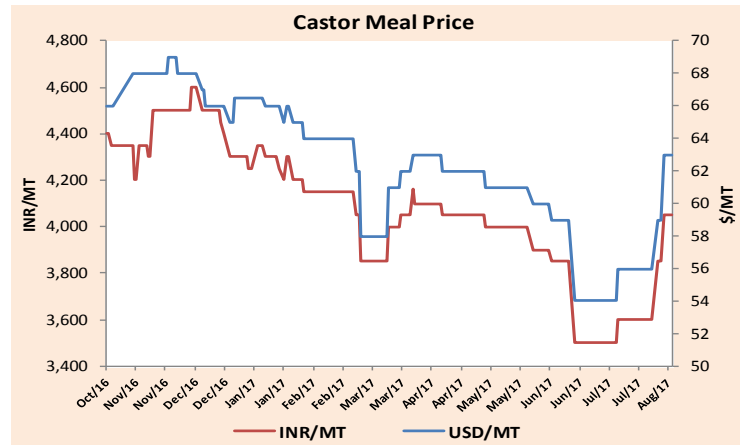


Tracking seed prices, range bound movement is also witnessed in Castor oil despite the good exports numbers during May/June.

- July, 2017 exports are reported lower by 27.8% m/m and 15.24% y/y respectively. EAR believe that exports during July could be revised higher.
- As per DGCIS, export numbers for May are at 59,041 MT versus trade report of 43,500 MT.
- Exports to China were reported around 9,716 MT lower than normal level of 20,000 MT per month.
- Lower prices during June have helped to increase the export higher during June.
- As per DGCIS Jan – May exports data for 2017 are reported higher by 6.3% y/y. However, the export data as per market sources were running lower by 4.5% for the same period.
- Exports for the period of Jan - July are reported higher by 1.1%, is likely to fall on lesser import during Nov-Dec months.
- Domestic use of Castor Oil is likely to remain muted y/y but, the demand from derivative exports are reported higher by 7.7% y/y.
- Crushing is reported lower by 2.2% for Jan – July period. Crushing is in parity from past two and half month which is helping to narrow the overall crush numbers.
- Over helming exports than market anticipated is likely to keep crushing on par with last year.

Castor Oil	Jan to July		% Varn	Jan - Dec		2017e Vs 2016
	2016	2017		2016	2017e	
Total C/I	0.90	0.59	-34.6%	0.90	0.59	-34.6%
Oil Production	4.96	4.85	-2.2%	7.39	7.26	-1.8%
Total Supply	5.86	5.44	-7.2%	8.29	7.84	-5.4%
Domestic Use	0.44	0.44	0.0%	0.75	0.75	0.0%
Direct Export	3.51	3.54	1.1%	5.65	5.46	-3.5%
Derivative Export	0.76	0.82	7.7%	1.30	1.40	7.7%
Total Demand	4.70	4.80	2.0%	7.70	7.61	-1.2%
Total C/O	1.16	0.64	-44.5%	0.59	0.24	-59.7%
Stock to use ratio	24.6%	13.4%		7.6%	3.1%	

Castor Meal



Castor meal prices rose sharply during the month on good enquiry from South Korea. Prices have increased by 15.7% m/m mostly during first week of August. Prices are quoting at Rs 4,050 per MT, lower by 10% y/y.

- Meal prices are currently quoting at Rs 4,050 after making seven year low during last month on subdued demand from South Korea.
- Meal exports during July'17 are reported lower by 52.4% m/m and 26.4% y/y.
- Meal exports till July are running lower by 18.9% y/y. For the year exports likely to remain lower by 16%.
- Meal exports are likely to pick up from this month onwards on the back of prevailing lower prices.
- Sufficient stocks at destination were keeping overall export lower from last two seasons.
- Exports to Taiwan and Japan are expected to improve significantly this season.
- Domestic demand is kept higher by 14.1%, after increase of 9.2% during last season on the back of lower prices.

Castor Meal	Jan to July		% Varn	Jan - Dec		2017e Vs 2016
	2016	2017		2016	2017e	
Total C/I	0.28	0.66	131.0%	0.28	0.66	131.0%
Meal Production	5.28	5.16	-2.2%	7.87	7.72	-1.8%
Total Supply	5.56	5.82	4.6%	8.15	8.38	2.8%
Domestic Use	1.34	1.52	13.0%	2.30	2.60	13.0%
Exports	2.72	2.21	-18.9%	5.19	4.33	-16.6%
Total Demand	4.06	3.72	-8.3%	7.49	6.93	-7.5%
Total C/O	1.50	2.10	39.4%	0.66	1.45	120.3%
Stock to use ratio	37.0%	56.3%		8.8%	20.9%	





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