

Castor Domestic Fundamentals:

- Major cash castor seed markets traded firm on Friday on fresh buying interest from planters and slower seed release by farmers in anticipation of firmness in the medium and long term. However, stockiests anticipate downward correction and waiting for stabilization in the market.
- This year area under castor seed decreased sharply from 11.77 lakh ha. to 9.84 lakh ha, almost 1.93 lakh ha. lower than 2012-13. Considerable decrease in area has been seen in Gujarat and Andhra Pradesh. Total area collectively in both states is lower by 1.58 lakh ha. It is going to impact the final size of the crop to near 11 lakh T against the last year production of around 14 lakh T.
- Rough weather during sowing and developmental stages in Andhra Pradesh and Gujarat impacted the yield adversely and it is feared to dip by 20 to 25 percent this year. However, castor seed production in Rajasthan and Karnataka would improve slightly on higher area coverage and better yield. Despite higher area coverage in these states, overall production would remain lower and supportive for cash market.
- New seed started trickling in Gujarat and Rajasthan's mandis and arrival pressure is expected in the beginning of February. It may pressurize market at the end of January. Lower arrivals in mandis and planters interest at current level may push market up in the short term.

International Market Update:

- China, France, European Union and Australia remain the major buyers for Indian castor oil. However, sudden spike in futures market has sidelined importers and castor oil demand has come down considerably. Chinese and E.U. buyers may active after mid March.
- Castor oil is being exported from India at \$1250 to \$1260 per T while Rotterdam quotes \$1550 per T. This means Indian exporters have opportunity to get more price in the international market. It would support cash market once again in the medium term. This year India is expected to export 4.3 lakh T oil, almost same as last year. However, realization would increase as prices of castor seed are ruling higher.

Domestic market Outlook:

Foggy weather and declining temperature restrict new arrivals. Lower supply and carryout may push market up in the short term.

NCDEX Castor Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-14	37	4444	4537	4440	4484	24,240	5,290	36,210	-2,370
Feb-14	36	4528	4597	4500	4544	129,160	1,930	170,100	1,840
Mar-14	23	4590	4672	4578	4619	15,970	-180	55,750	90

Spread	Jan-14	Feb-14	Mar-14	Apr-14
Spot/Deesa	-45			
Jan-14		60		
Feb-14			75	
Mar-14				

Stocks	Demat	In-Process	Total	FED
Bhabhar	567	616	1183	
Deesa	5717	1872	7589	
Kadi	4393	4151	8544	
Patan	11524	1308	12832	

Castor Seed Daily Prices on 02.01.2014

Commodity	Center	Price (Rs/Q)		Change
		06.01.2014	05.01.2014	
Castor Seed				
	Rajkot	4200	4250	+50
	Patan	4425	4390	-50
	Deesa	4480	4445	-65
	Sumerpur	4150	4150	No Ch.

Castor Seed Arrivals on 02.01.2014

Commodity	Center	Price (Rs/Q)		Change
		06.01.2014	05.01.2014	
Castor Seed				
	Patan	2900	3532	632
	Deesa	25	30	5
	Rajkot	520	958	478
	Sumerpur	200	175	-25
	Total Arrival	3645	4695	

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