

## Castor Domestic Fundamentals:

- Cash castor seed markets traded lower on Tuesday on selling pressure in futures market. Gossip of higher than estimated production this year in the market drove market downward. New arrivals in Gujarat and likely arrivals in Rajasthan in a couple of weeks weighed on market fundamentals. However, market would recover once again as production is lower.
- 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.

## 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:

- Castor market is likely to stabilize near Rs3900/4000 per quintal. Market may dip further in the short term.

NCDEX Castor Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Jan-14</b>	<b>-150</b>	4466	4475	4297	4326	24,240	5,290	36,210	-2,370
<b>Feb-14</b>	<b>-145</b>	4529	4540	4359	4395	129,160	1,930	170,100	1,840
<b>Mar-14</b>	<b>-151</b>	4604	4611	4428	4461	15,970	-180	55,750	90

Spread	Jan-14	Feb-14	Mar-14	Apr-14
Spot/Deesa	-26			
Jan-14		63		
Feb-14			36	
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 07.01.2014

Commodity	Center	Price (Rs/Q)		Change
		07.01.2014	06.01.2014	
Castor Seed				
	Rajkot	4100	4200	-100
	Patan	4250	4425	175
	Deesa	4300	4480	-180
	Sumerpur	4025	4150	-125

## Castor Seed Arrivals on 07.01.2014

Commodity	Center	Price (Rs/Q)		Change
		06.01.2014	07.01.2014	
Castor Seed				
	Patan	2900	4000	1100
	Deesa	25	75	50
	Rajkot	520	1200	680
	Sumerpur	200	250	50
	Total Arrival	3645	5500	1365

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