

Castor Domestic Fundamentals:

- Cash castor seed markets traded firm in Sumerpur and Deesa markets on Wednesday on the back of lower arrivals and planters demand. Recovery in futures market in long months too helped cash market to trade firm.
- Despite new arrivals from new crop in Gujarat and Andhra Pradesh planter's buying interest continues and it remain supportive to the cash market fundamental. Arrival is expected to increase by the end of this month. So downward correction in market is expected from the fourth week of this month.
- 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.

International Market Update:

- Major importers of castor oil are buying only to fulfil their immediate requirement. They would start fresh buying during peak arrival season in March. By the time price of castor seed is expected to stabilize near Rs3900 to 4000 per qtl.
- 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.
- 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.

Domestic market Outlook:

- Cash market is likely to trade firm in the near term.

NCDEX Castor Futures							Date:08.01.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-14	105	4330	4444	4228	4419	34,820	10,035	27240	-8790
Feb-14	113	4395	4520	4296	4498	237,600	1,07025	177,300	1,340
Mar-14	120	4469	5493	4361	4565	20,290	5,200	45,300	-1525

Spread	Jan-14	Feb-14	Mar-14	Apr-14
Spot/Deesa	-106			
Jan-14		77		
Feb-14			86	
Mar-14				

Stocks	Demat	In-Process	Total	FED
08.01.2014				
Bhabhar	617	687	1304	
Deesa	8540	290	8830	
Kadi	9625	1882	11507	
Patan	14216	2014	16230	

Castor Seed Daily Prices on 07.01.2014

Commodity	Center	Price (Rs/Q)		Change
		08.01.2014	07.01.2014	
Castor Seed				
	Rajkot	3980	4055	-75
	Patan	4225	4425	-200
	Deesa	4313	4337	-27
	Sumerpur	4050	3900	-125

Castor Seed Arrivals on 07.01.2014

Commodity	Center	Price (Rs/Q)		Change
		08.01.2014	07.01.2014	
Castor Seed				
	Patan	2326	2489	-165
	Deesa	55	75	-20
	Rajkot	380	490	-110
	Sumerpur	200	300	-100
	Total Arrival	2961	3354	6315

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