

## Castor Domestic Fundamentals: -

- Castor seed cash markets traded weak on Tuesday as mostly market remained closed due to Maker Sankranti and Milad-Un-Nabi. Sluggish trading activities in few markets during last two –three days and improved arrivals exalted pressure on cash market. Market participants expect higher arrivals from next week.
- Castor seed farmers in Gujarat want MSP for this crop like other crops in India. They complain that prices in open market are not remunerative for farmers and their interest to grow castor crop is diminishing fast. That's why area under this crop is declining and market and domestic commercial industry is on the brink of facing short supply of castor seed this year.
- For Seed market only Rucchi is active buyers. Other stockists expect a correction in the market by the end of this month. Market participants are well aware of the fact that seed production is lower by 2.5 to 3 lakh tonne this year from previous year. It would push market up in the medium and long term.
- 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.

## 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 Rs3800 to 3900 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 \$1260 to \$1270 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 trade steady to slightly weak in the short term..**

NCDEX Castor Futures							Date:12.01.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Jan-14</b>	43.00	4426	4445	4256	4302	7,680	-5,610	18370	-1740
<b>Feb-14</b>	46.00	4493	4503	4314	4361	85,310	-28,670	183840	4320
<b>Mar-14</b>	43.00	4536	4568	4381	4432	13,180	-2,490	58950	2110

Spread	Jan-14	Feb-14	Mar-14	Apr-14
Spot/Deesa	-238			
Jan-14		67		
Feb-14			69	
Mar-14				

Stocks	Demat	In-Process	Total	FED
08.01.2014				
Bhabhar	617	687	1304	0
Deesa	8540	290	8830	0
Kadi	9625	1882	11507	0
Patan	14216	2014	16230	0

## Castor Seed Daily Prices on 11.01.2014

Commodity	Center	Price (Rs/Q)		Change
		12.01.2014	13.01.2014	
Castor Seed				
	Rajkot	4045	closed	-
	Patan	NR	closed	-
	Deesa	4350	closed	-
	Sumerpur	4050	closed	-

## Castor Seed Arrivals on 11.01.2014

Commodity	Center	Price (Rs/Q)		Change
		12.01.2014	13.01.2014	
Castor Seed				
	Patan	-	closed	-
	Deesa	-	closed	-
	Rajkot	435	closed	-
	Sumerpur	150	closed	-
	Total Arrival	585	closed	-

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