

## Castor Domestic Fundamentals:

- Castor seed cash markets continue its southward journey on Wednesday on improved arrivals amid lacklustre trading activities. Major buyers are expected to start buying from next week. It could support market at lower level. Arrivals in Rajkot improved slightly from 450 bags to 500 bags. Retail buyers offered seed price at Rs 3960 per qtl. Lower by almost Rs45 per qtl. from previous day.
- 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 \$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 under pressure in the short term.**

NCDEX Castor Futures							Date:15.01.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Jan-14</b>	60.00	4291	4331	4291	4302	6,340	-5,610	10880	-7740
<b>Feb-14</b>	58.00	4378	4470	4344	4361	119710	28,670	188880	4320
<b>Mar-14</b>	53.00	4424	4534	4409	4432	23,110	2,490	61970	910

Spread	Jan-14	Feb-14	Mar-14	Apr-14
Spot/Deesa	-102			
Jan-14		46		
Feb-14			57	
Mar-14				60

Stocks	Demat	In-Process	Total	FED
14.01.2014				
Bhabhar	1385	40	1425	0
Deesa	9960	211	10171	0
Kadi	12213	1150	13363	0
Patan	19956	2154	22108	0

## Castor Seed Daily Prices on 15.01.2014

Commodity	Center	Price (Rs/Q)		Change
		15.01.2014	13.01.2014	
Castor Seed				
	Rajkot	3960	4005	-45
	Patan	4250	3425	-75
	Deesa	4268	4340	-72
	Sumerpur	3950	4000	-50

## Castor Seed Arrivals on 11.01.2014

Commodity	Center	Price (Rs/Q)		Change
		15.01.2014	13.01.2014	
Castor Seed				
	Patan	2400	1400	1000
	Deesa	450	425	25
	Rajkot	556	484	132
	Sumerpur	300	400	-100
	Total Arrival	3706	2749	957

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