

Castor Domestic Fundamentals:

- Castor seed cash markets trade firm on Friday on restricted arrivals and hedgers fresh buying interest in Gujarat and Rajasthan. Arrival pressure is yet awaited in Rajasthan and market participants expect peak pressure in March. Prices of seed improved in Patan, Deesa and Rajkot in the range of Rs 35 to Rs 60 per qtl. to Rs 3990 to 4300 per qtl.
- 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 buyer. 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:

- 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.
- 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 Rs 3800 to 3900 per qtl.
- 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 trade firm in the short term.**

NCDEX Castor Futures							Date: 17.01.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-14	-35	4340	4375	4251	4309	6,320	-20	6780	-3450
Feb-14	-51	4398	4402	4274	4337	106510	-7370	182630	-4320
Mar-14	-55	4472	4473	4341	4405	19600	-4090	69520	3010

Spread	Jan-14	Feb-14	Mar-14	Apr-14
Spot/Deesa	-9			
Jan-14		37		
Feb-14			68	
Mar-14				87

Stocks	Demat	In-Process	Total	FED
15.01.2014				
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
		17.01.2014	16.01.2014	
Castor Seed				
	Rajkot	3990	3975	15
	Patan	4300	4325	-25
	Deesa	4300	4268	32
	Sumerpur	3975	3950	25

Castor Seed Arrivals on 11.01.2014

Commodity	Center	Price (Rs/Q)		Change
		17.01.2014	16.01.2014	
Castor Seed				
	Patan	2520	2400	20
	Deesa	550	500	50
	Rajkot	300	300	256
	Sumerpur	300	300	00
	Total Arrival	3670	3500	170

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