

Castor Domestic Fundamentals:

- Castor seed markets traded weak on Saturday despite lower arrivals. Trading activities remained subdued due to weekend. Arrival pressure is yet awaited in Rajasthan and market participants expect peak pressure in March. Prices of seed decreased in Rajkot and Sumerpur and traded in the range of Rs 3910 to Rs 4300 per qtl. respectively.
- 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

- 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 trade steady to slightly firm in the short term.**

NCDEX Castor Futures							Date:17.01.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-14	-25	4310	4315	4245	4275	2210	-4200	3650	-4450
Feb-14	-18	4328	4357	4274	4312	59780	-44370	181620	-1320
Mar-14	-16	4393	4424	4345	4381	11100	-9090	70670	1010

Spread	Jan-14	Feb-14	Mar-14	Apr-14
Spot/Deesa	-25			
Jan-14		37		
Feb-14			66	
Mar-14				82

Stocks	Demat	In-Process	Total	FED
16.01.2014				
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	18.01.2014	
Castor Seed				
	Rajkot	3990	3910	-80
	Patan	4300	-	-
	Deesa	4300	4300	0
	Sumerpur	3975	3925	-50

Castor Seed Arrivals on 11.01.2014

Commodity	Center	Price (Rs/Q)		Change
		17.01.2014	18.01.2014	
Castor Seed				
	Patan	2520	-	0
	Deesa	550	500	-50
	Rajkot	300	340	40
	Sumerpur	300	300	0
	Total Arrival	3670	3500	

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