

Castor Domestic Fundamentals:

- Castor seed markets traded steady to slightly firm on Monday in normal trading activities. Buyers in Sumerpur, Deesa and Patan offered Rs 20 per qtl. higher prices to cover their daily requirements. 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 3925 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 range bound at current level in the short term.**

NCDEX Castor Futures							Date:20.01.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-14	14	4244	4310	4225	4289	3740	30	1840	-1820
Feb-14	0	4344	4381	4319	4335	87240	1200	181620	3300
Mar-14	-1	4412	4451	4389	4405	25070	21020	12750	2400

Spread	Jan-14	Feb-14	Mar-14	Apr-14
Spot/Deesa	150			
Jan-14		57		
Feb-14			66	
Mar-14				73

Stocks	Demat	In-Process	Total	FED
18.01.2014				
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 21.01.2014

Commodity	Center	Price (Rs/Q)		Change
		21.01.2014	20.01.2014	
Castor Seed				
	Rajkot	4000	3910	90
	Patan	4165	4300	-135
	Deesa	4125	4300	-175
	Sumerpur	3875	3925	-50

Castor Seed Arrivals on 11.01.2014

Commodity	Center	Price (Rs/Q)		Change
		21.01.2014	20.01.2014	
Castor Seed				
	Patan	2520	2251	-269
	Deesa	2000	500	1500
	Rajkot	560	340	210
	Sumerpur	300	300	0
	Total Arrival	5380	3391	

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