

Castor Domestic Fundamentals:

- Castor seed markets traded lower on Thursday on higher arrivals in Gujarat, Rajasthan. However it traded steady in Andhra Pradesh. Arrivals in major markets like Sumerpur, Rajkot and Deesa have improved slightly. Two major players are buying seed actively and one of them is Rucchi. In Deesa market Seed price decreased from Rs 4150 to Rs 41000 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 r seed this year.
- This year area under castor seed decreased sharply from 11.1 lakh ha. to 9.84 lakh ha, almost 1.97 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 12 lakh T against the last year production of around 14 lakh T.
- Lower area and production is likely to fuel cash market declining and market and domestic commercial industry is on the brink of facing short supply of castor oil after April. Demand for oil is good and going by current export trend and domestic consumption there is a visible short supply in the cash market. \$ to 5 lakh tonne stock is expected to remain in strong hands and market may move as per their strategy, traders opine.

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 Rs 3800 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 with weak bias in the short term.**

NCDEX Castor Futures							Date: 23.01.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-14	14	4244	4310	4225	4289	3740	30	1840	-1820
Feb-14	-142	4300	3420	4141	4156	87240	1200	181620	3300
Mar-14	-139	4367	4392	4213	4228	25070	21020	12750	2400

Spread	Jan-14	Feb-14	Mar-14	Apr-14
Spot/Deesa	-139			
Jan-14		6		
Feb-14			70	
Mar-14				67

Stocks	Demat	In-Process	Total	FED
21.01.2014				
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 22.01.2014

Commodity	Center	Price (Rs/Q)		Change
		23.01.2014	22.01.2014	
Castor Seed				
	Rajkot	4015	3900	115
	Patan	4225	4205	20
	Deesa	4150	4125	25
	Sumerpur	3900	3925	75

Castor Seed Arrivals on 11.01.2014

Commodity	Center	Price (Rs/Q)		Change
		23.01.2014	22.01.2014	
Castor Seed				
	Patan	2812	2021	789
	Deesa	1000	2000	-1000
	Rajkot	595	350	245
	Sumerpur	300	300	0
	Total Arrival	4702	4671	

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2013 Indian Agribusiness Systems Pvt Ltd.