

Castor Domestic Fundamentals:

- Castor seed markets traded mixed at this week end amid sluggish trading activities. Major buyers remained inactive and expect prices to dip more in the weeks to come. It was traded at Rs 3835 per qtl. in Rajkot mandi, almost Rs 75 per qtl. from previous day price. Buyers interest in Patan was seen at Rs 4100 per qtl, lower by Rs 20 per qtl. from previous day. Seed was traded at Rs 3775 per qtl. in Sumerpur market in Rajasthan almost lower by Rs 115 per qtl.
- Major market participants expect more downward correction in domestic markets in the short and medium term. Traders expect prices to stabilize near Rs 3600 to Rs 3700 per qtl. Notably peak arrival season is March and April. However, short supply of seed this year would fuel prices in the medium and long term.
- 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 has decreased 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.

International Market Update

- Major importers of castor oil are buying only to fulfil their immediate requirements. They would start fresh buying during peak arrival season in March as they expect correction in the market in the near term. By the time price of castor seed is expected to stabilize near Rs 3600 to 3700 per qtl.
- China, France, European Union and Australia remain the major buyers for Indian castor oil. 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 likely to continue in the short term.**

NCDEX Castor Futures							Date: 25.01.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-14	21	4024	4063	3991	4058	56310	-23475	160530	-27,275
Mar-14	20	4093	4135	4067	4131	31690	-34000	91550	+85000
April-14	16	4180	4201	4142	4197	8690	+1200	26750	+13000

Spread	Feb-14	Mar-14	Apr-14	May-14
Spot/Deesa	-1150			
Feb-14		79		
March-14			73	
April-14				66

Stocks	Demat	In-Process	Total	FED
24.01.2014				
Bhabhar	1415	00	1415	0
Deesa	10823	20	10843	0
Kadi	14739	726	15655	0
Patan	24361	2128	26489	0

Castor Seed Daily Prices on 25.01.2014

Commodity	Center	Price (Rs/Q)		Change
		25.01.2014	24.01.2014	
Castor Seed				
	Rajkot	3840	3835	5
	Patan	4100	4100	0
	Deesa	3950	3900	50
	Sumerpur	3780	3775	5

Castor Seed Arrivals on 25.01.2014

Commodity	Center	Price (Rs/Q)		Change
		25.01.2014	24.01.2014	
Castor Seed				
	Patan	2850	2812	38
	Deesa	900	1000	100
	Rajkot	600	595	5
	Sumerpur	300	300	0
	Total Arrival	4650	4707	

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