

## Castor Domestic Fundamentals:

- Castor seed markets traded mixed on Monday. Buyers in Sumerpur, Patan and Rajkot remained hesitant to buy at higher level. Inner tone in the market remains bearish for the short term. Traders offered seed price at Rs 3755 per qtl. in Rajkot market, almost Rs 5 per qtl. lower than previous day. Prices offered at the rate of Rs 3775 per qtl in Sumerpur, higher by Rs 50 from previous day.
- 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 Rs3600 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:27.01.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Feb-14</b>		4069	4185	4055	4148	114390	+68180	102820	-22345
<b>Mar-14</b>		4144	4262	4131	4230	68330	+32550	34020	-17230
<b>April-14</b>		4220	4343	4200	4310	24860	+17775	24750	-4000

Spread	Feb-14	Mar-14	Apr-14	May-14
Spot/Deesa	-248			
Feb-14		82		
March-14			80	
April-14				-

Stocks	Demat	In-Process	Total	FED
25.01.2014				
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
		27.01.2014	25.01.2014	
Castor Seed				
	Rajkot	3755	3840	-85
	Patan	3935	4100	-65
	Deesa	3900	3950	-50
	Sumerpur	3775	3780	-5

## Castor Seed Arrivals on 25.01.2014

Commodity	Center	Price (Rs/Q)3935		Change
		27.01.2014	25.01.2014	
Castor Seed				
	Patan	1151	2850	1329
	Deesa	2527	900	1427
	Rajkot	332	600	5
	Sumerpur	300	300	0
	Kadi	1200	1000	200
	Total Arrival	5509	4650	

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