

Castor Domestic Fundamentals:

- Rajkot and Gondal cash markets traded firm on Wednesday. Other markets like Patan, Deesa, Sumerpur and Kadi traded lower in the range of Rs 15 to Rs 50 per qtl. from previous day. Traders offered prices in the range of Rs 3800 to Rs 4000 per qtl. depending on quality. Lowest prices were recorded in Kadi at Rs 3775 per qtl. Prices are expected to rule under pressure in the short term as stockists would prefer to collect seed at lowest possible level.
- Major market participants expect more downward correction in domestic markets in the short term. Traders expect prices to stabilize near Rs 3700 to Rs 3800 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 3700 to 3800 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
Feb-14	29	4115	4140	4041	4136	79190	-31610	134560	-11000
Mar-14	31	4189	4211	4118	4211	52730	-5240	107470	770
April-14	28	4257	4284	4194	4284	7630	-10120	39610	900

Spread	Feb-14	Mar-14	Apr-14	May-14
Spot/Deesa	-185			
Feb-14		75		
March-14			73	
April-14				-

Stocks	Demat	In-Process	Total	FED
	29.01.2014	29.01.2014	29.01.2014	28.01.2014
Bhabhar	1415	00	1415	1415
Deesa	11045	101	11146	10823
Kadi	15676	1549	17225	15242
Patan	25630	1739	27369	24533

Castor Seed Daily Prices on 29.01.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			29-Jan-14	28-Jan-14	
Castor Seed	Gujarat	Rajkot	3800	3750	50
		Gondal	3905	3855	50
		Patan	3975	4035	-60
		Deesa	3850	3875	-25
		Mehsana	3900	3950	-50
		Kadi	4010	4025	-15
		Ahmedabad	4000	4000	Unch
	Rajasthan	Sumerpur	3775	3825	-50

Castor Seed Arrivals on 29.01.2014

Commodity	Center	Market	Fig. in per bag(80kg)		Change
			29-Jan-14	28-Jan-14	
Castor Seed	Gujarat	Rajkot	360	300	60
		Gondal	175	154	21
		Patan	1093	1449	-356
		Deesa	2000	4000	-2000
		Mehsana	300	400	-100
		Kadi	1200	1200	Unch
	Rajasthan	Sumerpur	350	300	50
	Total Arrival		5478	7803	-2325

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