

Castor Domestic Fundamentals:

- **Castor seed cash markets traded mixed** on Friday. Traders offered higher prices in Rajkot, Patan, Deesa and Sumerpur. Local buyers remain active throughout the day. However, considerable dips were seen in Kadi, Ahmedabad and Gondal. Major dip in seed price was witnessed in Kadi market. Reason behind major dip in kadi is mainly attributed to the arrival of lower quality seeds.
- **Overall arrivals in major markets have** improved from Thursday. Major buyers are waiting for peak arrivals. Futures markets too have improved slightly. However, overall sentiment remains bearish as prices of castor oil too have decreased in last three –four days.
- **Market participants expect more decline as** peak arrival season (March-April) is not far away from now. However, any steep dip from current level is unlikely as market is well aware of lower crop size this year. Market is expected to stabilize In the range of Rs 3650 to Rs 3900 per qtl depending on quality and marketing centers of the seed.
- **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 Rs3700 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 \$1240 to \$1250 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:

NCDEX Castor Futures							Date:06.02.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-14	8	4031	4057	4004	4034	42920	-7860	76900	6000
Mar-14	-1	4105	4126	4066	4095	69750	-4,230	160280	11575
April-14	-6	4173	4200	4145	4167	12230	1459	45290	1000

Spread	Feb-14	Mar-14	Apr-14	May-14
Spot/Deesa	-124			
Feb-14		71		
March-14			72	
April-14				-

Stocks	Demat	In-Process	Total	FED
	6.02.2014	6.02.2014	6.02.2014	3.02.2014
Bhabhar	1415	00	1415	1415
Deesa	11679	10	11689	15616
Kadi	19183	1096	20279	17581
Patan	30198	1164	31362	28382

Castor Seed Daily Prices on 7.02.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			7-Feb-14	6-Feb-14	
Castor Seed	Gujarat	Rajkot	3750	3700	50
		Gondal	3805	3830	-25
		Patan	3925	3915	10
		Deesa	3910	3870	40
		Mehsana	3900	3850	50
		Kadi	3500	3875	-375
		Ahmedabad	3800	3950	-150
	Rajasthan	Sumerpur	3725	3700	25

Castor Seed Arrivals on 7.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			7-Feb-14	6-Feb-14	
Castor Seed	Gujarat	Rajkot	600	800	-200
		Gondal	178	126	52
		Patan	1436	1547	-111
		Deesa	2116	1377	739
		Mehsana	250	250	Unch
		Kadi	800	700	100
	Rajasthan	Sumerpur	300	300	Unch
	Total Arrival		5680	5100	580

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