

## Castor Domestic Fundamentals:

- Castor seed prices improved in major markets despite higher arrivals in Deesa, Mehsana and Sumerpur On Monday. Traders offered higher prices in Rajkot, Gondal and Patan today. Prices increased considerably in Gondal by Rs 125 per qtl. to Rs 3905 per qtl. Castor seed Traded at Rs 3775 in Sumerpur, higher by Rs 75 from last Saturday.
- **Overall arrivals in major markets have** improved from Saturday. Major buyers have shown interest at higher prices. Futures markets too have improved slightly. However, overall sentiment remains bearish as prices of castor oil too have decreased in last four –five 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:10.02.2014 |        |        |
|----------------------|-----------|------|------|------|-------|--------|-----------------|--------|--------|
| Contract             | +/-       | Open | High | Low  | Close | Volume | Change          | OI     | Change |
| <b>Feb-14</b>        | <b>76</b> | 4092 | 4168 | 4082 | 4153  | 54470  | 14235           | 44510  | -16000 |
| <b>Mar-14</b>        | <b>79</b> | 4166 | 4237 | 4149 | 4223  | 126920 | 52750           | 180810 | 20155  |
| <b>April-14</b>      | <b>88</b> | 4234 | 4315 | 4221 | 4303  | 26890  | 13000           | 53960  | 4000   |

| Spread     | Feb-14 | Mar-14 | Apr-14 | May-14 |
|------------|--------|--------|--------|--------|
| Spot/Deesa | -153   |        |        |        |
| Feb-14     |        | 70     |        |        |
| March-14   |        |        | 68     |        |
| April-14   |        |        |        | -      |

| Stocks  | Demat     | In-Process | Total     | FED       |
|---------|-----------|------------|-----------|-----------|
|         | 8.02.2014 | 8.02.2014  | 8.02.2014 | 3.02.2014 |
| Bhabhar | 1415      | 0          | 1415      | 1415      |
| Deesa   | 11679     | 40         | 11719     | 15616     |
| Kadi    | 20008     | 754        | 20762     | 17581     |
| Patan   | 30540     | 1501       | 32041     | 28382     |

## Castor Seed Daily Prices on 10.02.2014

| Commodity   | Center    | Market    | Price (Rs/Q) |          | Change |
|-------------|-----------|-----------|--------------|----------|--------|
|             |           |           | 10-Feb-14    | 8-Feb-14 |        |
| Castor Seed | Gujarat   | Rajkot    | 3780         | 3725     | 55     |
|             |           | Gondal    | 3905         | 3780     | 125    |
|             |           | Patan     | 3990         | 3950     | 40     |
|             |           | Deesa     | 3900         | 3925     | -25    |
|             |           | Mehsana   | 3875         | 3900     | -25    |
|             |           | Kadi      | -            | 3900     | -      |
|             |           | Ahmedabad | 3800         | 3800     | Unch   |
|             | Rajasthan | Sumerpur  | 3775         | 3700     | 75     |

## Castor Seed Arrivals on 10.02.2014

| Commodity   | Center        | Market   | Fig. in per bags(80kg) |          | Change |
|-------------|---------------|----------|------------------------|----------|--------|
|             |               |          | 10-Feb-14              | 8-Feb-14 |        |
| Castor Seed | Gujarat       | Rajkot   | 470                    | 235      | 235    |
|             |               | Gondal   | 120                    | 170      | -50    |
|             |               | Patan    | 1164                   | 1173     | -9     |
|             |               | Deesa    | 5000                   | 1968     | 3032   |
|             |               | Mehsana  | 2000                   | 200      | 1800   |
|             |               | Kadi     |                        | 1200     | -1200  |
|             | Rajasthan     | Sumerpur | 350                    | 300      | 50     |
|             | Total Arrival |          | 9104                   | 5246     | 3858   |

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