

Castor Domestic Fundamentals:

- **Cash and futures markets traded lower on Tuesday on** weak sentiment prevailing in the market. Increased arrivals and sluggish demand from end users like paints, soap and lubricant industries pressurized castor seed to trade lower. Besides, peak arrival season is approaching near fast and is expected to put more pressure in the weeks ahead.
- Importers of castor oil too have been inactive in anticipation of seasonal price fall. Bulk buying is expected from mid March. There is no report of fresh deal of castor oil in current week. Last week a small forward contract was reported at \$1240 per tonne.
- **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:15.02.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-14	15	4117	4151	4115	4124	3330	320	11860	4100
Mar-14	18	4165	4205	4146	4170	69180	20750	182500	-5575
April-14	18	4226	4275	4220	4141	15960	9000	66170	1570

Spread	Feb-14	Mar-14	Apr-14	May-14
Spot/Deesa	-124			
Feb-14		56		
March-14			71	
April-14				-

Stocks	Demat	In-Process	Total	FED
	17.02.2014	17.02.2014	17.02.2014	17.02.2014
Bhabhar	1415	0	1415	1415
Deesa	12001	402	12403	12001
Kadi	22250	1579	23829	22250
Patan	34145	571	34716	34145

Castor Seed Daily Prices on 18.02.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			18-Feb-14	17-Feb-14	
Castor Seed	Gujarat	Rajkot	3835	3885	-50
		Gondal	NR	NR	-
		Patan	3985	4005	-20
		Deesa	4000	4025	-25
		Mehsana	3925	4025	-100
		Kadi	3950	Closed	-
		Ahmedabad	3950	4025	-75
	Rajasthan	Sumerpur	3800	3800	Unch

Castor Seed Arrivals on 18.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			18-Feb-14	17-Feb-14	
Castor Seed	Gujarat	Rajkot	410	550	-140
		Gondal	NR	NR	-
		Patan	1100	1830	-730
		Deesa	1139	2012	-873
		Mehsana	200	300	-100
		Kadi	1300	Closed	-
	Rajasthan	Sumerpur	1000	500	500
	Total Arrival		5149	5192	-43

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2013 Indian Agribusiness Systems Pvt Ltd.