

## Castor Domestic Fundamentals:

- **Cash and futures markets traded firm on Wednesday on fresh** buying interest for seed in major cash market. Lower arrival and oil demand from end users like paints, soap and lubricant industries lent support to the market fundamentals. However, firmness is unlikely to continue as peak arrival season is approaching near fast and is expected to put more pressure in the weeks ahead.
- **Govt has released second adv. estimate of foodgrains** production for 2013-14 on 14, Feb, 2014. Market participants are surprised to see the inflated figure of castor seed production this year. Govt. has estimated 16.46 lakh tonne castor seed production this year against the set target of 15.81 lakh tonne. Market expert see production at around 11 lakh tonne.
- 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:

- **Castor seed market is likely to trade weak in the weeks ahead.**

NCDEX Castor Futures							Date:15.02.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Feb-14</b>	<b>-5</b>	4135	4176	4105	4117	5820	3320	8040	-4300
<b>Mar-14</b>	<b>7</b>	4177	4222	4152	4177	94430	24750	181820	-275
<b>April-14</b>	<b>4</b>	4250	4288	4217	4244	21110	8500	67300	2570

Spread	Feb-14	Mar-14	Apr-14	May-14
Spot/Deesa	-117			
Feb-14		59		
March-14			68	
April-14				-

Stocks	Demat	In-Process	Total	FED
	18.02.2014	18.02.2014	18.02.2014	17.02.2014
Bhabhar	1415	0	1415	1415
Deesa	12383	322	12705	12001
Kadi	22885	1046	23931	22250
Patan	34474	412	34886	34145

## Castor Seed Daily Prices on 19.02.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			19-Feb-14	18-Feb-14	
Castor Seed	Gujarat	Rajkot	3840	3835	5
		Gondal	NR	NR	-
		Patan	4010	3985	25
		Deesa	4000	4000	Unch
		Mehsana	3975	3925	50
		Kadi	3975	3950	25
		Ahmedabad	3975	3950	25
	Rajasthan	Sumerpur	3800	3800	Unch

## Castor Seed Arrivals on 19.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			19-Feb-14	18-Feb-14	
Castor Seed	Gujarat	Rajkot	425	410	15
		Gondal	NR	NR	-
		Patan	1413	1100	313
		Deesa	1948	1139	809
		Mehsana	450	200	250
		Kadi	2200	1300	900
	Rajasthan	Sumerpur	900	1000	-100
	Total Arrival		7336	5149	2787

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.