

Castor Domestic Fundamentals:

- **Cash and futures markets traded firm on Thursday 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
Mar-14	23	4176	4197	4162	4192	46590	-48390	179650	-2140
April-14	23	4244	4262	4132	4260	9280	-11970	65940	-1370
May-14	22	4312	4334	4311	4330	2100	-3540	14300	40

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

Stocks	Demat	In-Process	Total	FED
	19.02.2014	19.02.2014	19.02.2014	17.02.2014
Bhabhar	1415	0	1415	1415
Deesa	12715	0	12715	12001
Kadi	24022	200	24222	22250
Patan	34816	111	34927	34145

Castor Seed Daily Prices on 20.02.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			20-Feb-14	19-Feb-14	
Castor Seed	Gujarat	Rajkot	3800	3840	-40
		Gondal	3930	NR	-
		Patan	4000	4010	-10
		Deesa	4125	4000	125
		Mehsana	3985	3975	10
		Kadi	3975	3975	Unch
		Ahmedabad	4000	3975	25
	Rajasthan	Sumerpur	3800	3800	Unch

Castor Seed Arrivals on 20.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			20-Feb-14	19-Feb-14	
Castor Seed	Gujarat	Rajkot	600	425	175
		Gondal	211	NR	211
		Patan	2000	1413	587
		Deesa	2000	1948	52
		Mehsana	250	450	-200
		Kadi	2600	2200	400
	Rajasthan	Sumerpur	800	900	-100
	Total Arrival		8461	7336	1125

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