

Castor Domestic Fundamentals:

- **Cash and futures markets traded firm on Friday 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	97	4193	4290	4190	4281	105670	59080	169730	-9920
April-14	97	4258	4361	4258	4350	34830	25550	73120	7180
May-14	100	4335	4430	4335	4421	5760	3660	14630	330

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

Stocks	Demat	In-Process	Total	FED
	20.02.2014	20.02.2014	20.02.2014	17.02.2014
Bhabhar	1415	0	1415	1415
Deesa	12715	734	13449	12001
Kadi	24022	140	24162	22250
Patan	34816	851	35667	34145

Castor Seed Daily Prices on 21.02.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			21-Feb-14	20-Feb-14	
Castor Seed	Gujarat	Rajkot	3750	3800	-50
		Gondal	3955	3930	25
		Patan	4065	4000	65
		Deesa	4005	4125	-120
		Mehsana	4010	3985	25
		Kadi	4050	3975	75
		Ahmedabad	4025	4000	25
	Rajasthan	Sumerpur	3820	3800	20

Castor Seed Arrivals on 21.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			21-Feb-14	20-Feb-14	
Castor Seed	Gujarat	Rajkot	600	600	Unch
		Gondal	609	211	398
		Patan	1714	2000	-286
		Deesa	2002	2000	2
		Mehsana	400	250	150
		Kadi	2100	2600	-500
	Rajasthan	Sumerpur	800	800	Unch
	Total Arrival		8225	8461	-236

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