

Castor Domestic Fundamentals:

- **Cash and futures markets traded steady on Monday** . 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	7	4273	4322	4252	4277	75130	170650	179650	-1490
April-14	7	4322	4392	4320	4345	26210	77640	65940	3380
May-14	10	4405	4462	4397	4417	6510	19370	14300	2660

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

Stocks	Demat	In-Process	Total	FED
	22.02.2014	22.02.2014	22.02.2014	17.02.2014
Bhabhar	1415	0	1415	1415
Deesa	12785	1388	14173	12001
Kadi	24152	654	24806	22250
Patan	35320	1465	36785	34145

Castor Seed Daily Prices on 24.02.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			24-Feb-14	22-Feb-14	
Castor Seed	Gujarat	Rajkot	3800	3800	Unch
		Gondal	3955	3955	Unch
		Patan	4100	4100	Unch
		Deesa	4500	4055	445
		Mehsana	4050	4050	Unch
		Kadi	Closed	4050	-
		Ahmedabad	4050	4075	-25
	Rajasthan	Sumerpur	3825	3820	5

Castor Seed Arrivals on 24.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			24-Feb-14	22-Feb-14	
Castor Seed	Gujarat	Rajkot	560	300	260
		Gondal	276	276	Unch
		Patan	1950	1360	590
		Deesa	2000	3342	-1342
		Mehsana	300	200	100
		Kadi	Closed	2500	-
	Rajasthan	Sumerpur	600	800	-200
	Total Arrival		5686	8778	-3092

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> © 2014 Indian Agribusiness Systems Pvt Ltd.