

Castor Domestic Fundamentals:

- **Cash and futures markets traded steady on Tuesday.** 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:24.02.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	-97	4278	4292	4153	4179	121610	46480	155520	-24130
April-14	-93	4350	4362	4225	4252	58740	32530	89790	23850
May-14	-90	4422	4433	4302	4325	15570	9060	24280	9980

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

Stocks	Demat	In-Process	Total	FED
	24.02.2014	24.02.2014	24.02.2014	24.02.2014
Bhabhar	1415	0	1415	1415
Deesa	13711	1660	15371	13711
Kadi	24152	986	25138	24152
Patan	35860	1368	37228	35860

Castor Seed Daily Prices on 25.02.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			25-Feb-14	24-Feb-14	
Castor Seed	Rajasthan	Sumerpur	3850	3825	25
	Gujarat	Rajkot	3750	3800	-50
		Gondal	3980	3955	25
		Patan	4110	4100	10
		Deesa	4525	4500	25
		Mehsana	4075	4050	25
		Kadi	4100	Closed	-
		Ahmedabad	4075	4050	25

Castor Seed Arrivals on 25.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			25-Feb-14	24-Feb-14	
Castor Seed	Rajasthan	Sumerpur	600	600	Unch
	Gujarat	Rajkot	600	560	40
		Gondal	300	276	24
		Patan	1890	1950	-60
		Deesa	3000	2000	1000
		Mehsana	800	300	500
		Kadi	2500	Closed	-
	Total Arrival		9690	5686	4004

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