

Castor Domestic Fundamentals:

- **Weakness continues in castor seed market as arrival pressure** is expected from mid March. 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:

- **Castor derivatives volume too is expected to go up from 1.2 lakh tonne** to 1.25 lakh tonne. China would continue to maintain its previous position as major importer. Its import volume may go up from 2.11 lakh tonne (2013) to 2.35 lakh tonne in 2014. Europe would remain second next to China with expected import of 1.45 lakh tonne in 2014. It had exported 1.3 lakh tonne in 2013.
- **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.

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	-69	4185	4205	4098	4119	105890	-15720	120730	-34790
April-14	-76	4264	4278	4171	4185	49560	-9180	117870	28080
May-14	-76	4332	4352	4248	4264	11680	-3890	35790	11510

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

Stocks	Demat	In-Process	Total	FED
	27.02.2014	27.02.2014	27.02.2014	24.02.2014
Bhabhar	1415	0	1415	1415
Deesa	15230	1409	16639	13711
Kadi	26226	1921	28147	24152
Patan	36747	1812	38559	35860

Castor Seed Daily Prices on 28.02.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			28-Feb-14	26-Feb-14	
Castor Seed	Rajasthan	Sumerpur	3825	3875	-50
	Gujarat	Rajkot	3900	3750	150
		Gondal	4105	3930	175
		Patan	4010	4040	-30
		Deesa	4250	4445	-195
		Mehsana	4000	4025	-25
		Kadi	4000	3950	50
		Ahmedabad	4000	4050	-50

Castor Seed Arrivals on 28.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			28-Feb-14	26-Feb-14	
Castor Seed	Rajasthan	Sumerpur	700	600	100
	Gujarat	Rajkot	500	500	Unch
		Gondal	294	247	47
		Patan	1781	1965	-184
		Deesa	3000	2500	500
		Mehsana	600	500	100
		Kadi	2000	1800	200
	Total Arrival		8875	8112	763

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