

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	51	4119	4177	4085	4165	74720	-31170	121940	1210
April-14	37	4193	4240	4157	4227	51520	1960	119800	1930
May-14	35	4270	4314	4232	4303	15010	3330	35550	-240

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

Stocks	Demat	In-Process	Total	FED
	28.02.2014	28.02.2014	28.02.2014	24.02.2014
Bhabhar	1415	0	1415	1415
Deesa	15914	2024	17938	13711
Kadi	26887	1572	28459	24152
Patan	37622	1381	39003	35860

Castor Seed Daily Prices on 1.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			1-Mar-14	28-Feb-14	
Castor Seed	Rajasthan	Sumerpur	3750	3825	-75
	Gujarat	Rajkot	3845	3900	-55
		Gondal	3905	4105	-200
		Patan	3945	4010	-65
		Deesa	4400	4250	150
		Mehsana	3950	4000	-50
		Kadi	3900	4000	-100
		Ahmedabad	3950	4000	-50

Castor Seed Arrivals on 1.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			1-Mar-14	28-Feb-14	
Castor Seed	Rajasthan	Sumerpur	600	700	-100
	Gujarat	Rajkot	490	500	-10
		Gondal	766	294	472
		Patan	1829	1781	48
		Deesa	2500	3000	-500
		Mehsana	700	600	100
		Kadi	1800	2000	-200
	Total Arrival		8685	8875	-190

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.