

## Castor Domestic Fundamentals:

- **Cash market traded firm on Monday due to restricted arrivals from last two-three days.** Recent rains have impacted normal trading activities in Rajasthan. With opening up of weather market may witness improved level of arrivals. Prices of castor seed improved in all major markets except Deesa where it is being traded at Rs 4020 per qtl. It is lower by Rs 250 per qtl from last week.
- **Agriwatch estimates 11.49 lakh tonne seed production in 2013-14 against 14.04 lakh tonne** last year. As per Agriwatch estimate the season started with 3.84 lakh tonne carry out.
- **Thus total availability comes to 15.33 lakh tonne. At 46 percent oil recovery the total oil** availability would be around 7.00 lakh tonne against the expected total global and domestic demand of 7.5 lakh tonne of oil. It clearly indicates short supply in the medium term.
- **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.
- **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 steady to slightly weak.**

NCDEX Castor Futures							Date:03.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	87	4177	4275	4138	4255	90170	21170	111240	1210
April-14	89	4241	4338	4200	4321	51520	1960	119800	1930
May-14	84	4311	4412	4276	4392	15010	3330	35550	-240

Spread	Feb-14	Mar-14	Apr-14	May-14
Spot/Deesa	230			
March-14		66		
April-14			138	
May-14				-

Stocks	Demat	In-Process	Total	FED
	1.03.2014	1.03.2014	1.03.2014	24.02.2014
Bhabhar	1415	0	1415	1415
Deesa	17223	594	17817	13711
Kadi	26887	1782	28669	24152
Patan	38125	948	39073	35860

## Castor Seed Daily Prices on 3.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			3-Mar-14	1-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3750	3750	Unch
	Gujarat	Rajkot	3875	3845	30
		Gondal	4055	3905	150
		Patan	4020	3945	75
		Deesa	4020	4400	-380
		Mehsana	3975	3950	25
		Kadi	4000	3900	100
		Ahmedabad	4000	3950	50

## Castor Seed Arrivals on 3.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			3-Mar-14	1-Mar-14	
Castor Seed	Rajasthan	Sumerpur	600	600	Unch
	Gujarat	Rajkot	650	490	160
		Gondal	470	766	-296
		Patan	2014	1829	185
		Deesa	2363	2500	-137
		Mehsana	500	700	-200
		Kadi	2000	1800	200
	Total Arrival		8597	8685	-88

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