

Castor Domestic Fundamentals:

- **Cash market continued to trade firm on Tuesday due to restricted arrivals** and buying interest at higher level. 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 Gondal where it is being traded at Rs 3905 per qtl. Prices in Deesa recovered considerably.
- **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	5	4260	4298	4234	4264	90170	21170	111240	1210
April-14	5	4320	4363	4300	4330	51520	1960	119800	1930
May-14	9	4393	4432	4379	4404	15010	3330	35550	-240

Spread	Feb-14	Mar-14	Apr-14	May-14
Spot/Deesa	93			
March-14		66		
April-14			75	
May-14				-

Stocks	Demat	In-Process	Total	FED
	3.03.2014	3.03.2014	3.03.2014	3.03.2014
Bhabhar	1415	0	1415	1415
Deesa	17636	933	18569	17636
Kadi	27411	1919	29330	27411
Patan	38135	1019	39154	38135

Castor Seed Daily Prices on 4.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			4-Mar-14	3-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3850	3750	100
	Gujarat	Rajkot	3910	3875	35
		Gondal	3905	4055	-150
		Patan	4060	4020	40
		Deesa	4350	4020	330
		Mehsana	4025	3975	50
		Kadi	3975	4000	-25
		Ahmedabad	4000	4000	Unch

Castor Seed Arrivals on 4.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			4-Mar-14	3-Mar-14	
Castor Seed	Rajasthan	Sumerpur	600	600	Unch
	Gujarat	Rajkot	575	650	-75
		Gondal	552	470	82
		Patan	2444	2014	430
		Deesa	2400	2363	37
		Mehsana	600	500	100
		Kadi	1500	2000	-500
		Total Arrival		8671	8597

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