

Castor Domestic Fundamentals:

- **Castor cash market traded firm on Thursday due to improved demand for oil** from China and European Union. Market sources confirm that buyers have struck fresh deal of 5500 tonne for forward delivery this week. The deals have been struck in the range of \$1250 to \$1260 per tonne.
- **Improved demand for oil and stockists interest at current level hint market to stay steady until arrivals increase.** As short supply is obvious any steep downfall is unlikely. Cash market may rule in the range of Rs 3800 to Rs 3900 per qtl. in March .
- **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.
- **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 up.

NCDEX Castor Futures							Date:03.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	43	4345	4398	4331	4375	56520	-20170	88088	-11210
April-14	45	4404	4469	4400	4445	118040	-20,060	166770	-21930
May-14		4490	4539	4472	4440	17140	4,330	46420	-3240

Spread	Mar-14	Apr-14	May-14	June-14
Spot/Deesa	220			
March-14		70		
April-14			67	
May-14				-

Stocks	Demat	In-Process	Total	FED
	5.03.2014	5.03.2014	5.03.2014	3.03.2014
Bhabhar	1415	0	1415	1415
Deesa	18439	1087	19526	17636
Kadi	28508	1397	29905	27411
Patan	38981	1472	40453	38135

Castor Seed Daily Prices on 6.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			6-Mar-14	5-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3900	3900	Unch
	Gujarat	Rajkot	3970	3870	100
		Gondal	4030	3955	75
		Patan	4245	4110	135
		Deesa	4150	4050	100
		Mehsana	4150	4000	150
		Kadi	4100	4050	50
		Ahmedabad	4150	4050	100

Castor Seed Arrivals on 6.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			6-Mar-14	5-Mar-14	
Castor Seed	Rajasthan	Sumerpur	600	600	Unch
	Gujarat	Rajkot	480	450	30
		Gondal	596	327	269
		Patan	2201	2120	81
		Deesa	2500	2000	500
		Mehsana	800	600	200
		Kadi	1300	2200	-900
	Total Arrival		8477	8297	180

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