

Castor Domestic Fundamentals:

- **Cash market traded mixed on Friday based on supply-demand side.** Market participants expect market to trade slightly lower in cash markets in the weeks ahead. Arrivals in major markets Patan, Rajkot, Deesa, Kadi and Mehsana have started increasing and more pressure is expected from mid 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.
- **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 3850 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: 07.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	10	4400	4450	4355	4385	37180	-50275	78870	-22110
April-14	10	4460	4497	4422	4455	97840	41960	171155	-11930
May-14	18	4550	4552	4495	4528	8940	9130	45550	12240

Spread	Feb-14	Mar-14	Apr-14	May-14
Spot/Deesa	165			
March-14		72		
April-14			73	
May-14				-

Stocks	Demat	In-Process	Total	FED
	6.03.2014	6.03.2014	6.03.2014	3.03.2014
Bhabhar	1415	0	1415	1415
Deesa	18649	2155	20804	17636
Kadi	28170	1436	30146	27411
Patan	39152	1331	40483	38135

Castor Seed Daily Prices on 7.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			7-Mar-14	6-Mar-14	
Castor Seed	Rajasthan	Sumerpur	4025	3900	125
	Gujarat	Rajkot	4080	3970	110
		Gondal	3955	4030	-75
		Patan	4230	4245	-15
		Deesa	4225	4150	75
		Mehsana	4200	4150	50
		Kadi	4150	4100	50
		Ahmedabad	4150	4150	Unch

Castor Seed Arrivals on 7.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			7-Mar-14	6-Mar-14	
Castor Seed	Rajasthan	Sumerpur	600	600	Unch
	Gujarat	Rajkot	750	480	270
		Gondal	470	596	-126
		Patan	3380	2201	1179
		Deesa	3000	2500	500
		Mehsana	600	800	-200
		Kadi	1800	1300	500
	Total Arrival		10600	8477	2123

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