

Castor Domestic Fundamentals:

- **Cash market traded mixed on Saturday 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	-55	4379	4379	4322	4333	27520	-9660	70500	-8370
April-14	-55	4463	4463	4392	4403	71640	-26200	174770	3615
May-14	-52	4533	4533	4465	4478	8440	-500	43540	-2010

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

Stocks	Demat	In-Process	Total	FED
	7.03.2014	7.03.2014	7.03.2014	3.03.2014
Bhabhar	1415	0	1415	1415
Deesa	18649	2375	21024	17636
Kadi	29001	2103	31104	27411
Patan	39173	1220	40393	38135

Castor Seed Daily Prices on 8.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			8-Mar-14	7-Mar-14	
Castor Seed	Gujarat	Rajkot	4090	4025	65
		Gondal	4055	4080	-25
		Patan	4250	3955	295
		Deesa	4305	4230	75
		Mehsana	4175	4225	-50
		Kadi	4075	4200	-125
		Ahmedabad	4200	4150	50
	Rajasthan	Sumerpur	3970	4150	-180

Castor Seed Arrivals on 8.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			8-Mar-14	7-Mar-14	
Castor Seed	Gujarat	Rajkot	675	750	-75
		Gondal	515	470	45
		Patan	2665	3380	-715
		Deesa	1200	3000	-1800
		Mehsana	700	600	100
		Kadi	1700	1800	-100
	Rajasthan	Sumerpur	500	600	-100
	Total Arrival		7955	10600	-2645

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