

Castor Domestic Fundamentals:

- **Cash market traded weak on Tuesday with increasing** expectation of higher arrivals in the weeks ahead. Prices in most markets decreased in The Range of Rs 10 to Rs 100 per qtl. Major dip has been seen in Mehsana . Buyers would prefer to wait for stabilization in the market. Overall tone remains bearish. However, rough weather may support market for a day or two on expectation of lower arrival.
- **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: 11.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	-43	4275	4275	4200	4233	53810	13275	40850	-12110
April-14	-57	4339	4339	4269	4299	111740	14230	188,550	-21930
May-14	-43	4394	4397	4343	4367	15470	7130	48120	17240

Spread	Mar-14	Apr-14	May-14	June-14
Spot/Deesa	175			
March-14		63		
April-14			65	
May-14				-

Stocks	Demat	In-Process	Total	FED
	10.03.2014	10.03.2014	10.03.2014	10.03.2014
Bhabhar	1415	0	1415	1415
Deesa	20752	1911	22663	20752
Kadi	30067	1350	33081	30067
Patan	39929	1350	41279	39929

Castor Seed Daily Prices on 11.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			11-Mar-14	10-Mar-14	
Castor Seed	Gujarat	Rajkot	4015	4025	-10
		Gondal	4245	4255	-10
		Patan	4075	4145	-70
		Deesa	4070	4115	-45
		Mehsana	4050	4375	-325
		Kadi	-	Closed	-
		Ahmedabad	4000	4100	-100
	Rajasthan	Sumerpur	3900	3900	Unch

Castor Seed Arrivals on 11.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			11-Mar-14	10-Mar-14	
Castor Seed	Gujarat	Rajkot	550	600	-50
		Gondal	174	229	-55
		Patan	3370	4115	-745
		Deesa	3080	2949	131
		Mehsana	800	300	500
		Kadi	-	Closed	-
	Rajasthan	Sumerpur	500	600	-100
	Total Arrival		8474	8793	-319

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