

Castor Domestic Fundamentals:

- **Cash market continued to trade lower on Wednesday on the** back of weak inner tone and increasing expectation of higher arrivals in the weeks ahead. Prices in most markets decreased in the range of Rs 30 to Rs 75 per qtl except Gondal where prices dipped considerably around Rs 300 per qtl. 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 with weak bias likely to continue.**

| NCDEX Castor Futures | | | | | | | Date: 11.03.2014 | | |
|----------------------|-----|------|------|------|-------|--------|------------------|--------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Mar-14 | 33 | 4233 | 4273 | 4215 | 4268 | 8620 | -42575 | 14020 | -11110 |
| April-14 | 34 | 4289 | 4337 | 4273 | 4328 | 69520 | -44230 | 196420 | 5930 |
| May-14 | 27 | 4366 | 4405 | 4343 | 4393 | 15470 | 7130 | 14020 | -17240 |

| Spread | Mar-14 | Apr-14 | May-14 | June-14 |
|------------|--------|--------|--------|---------|
| Spot/Deesa | 268 | | | |
| March-14 | | 48 | | |
| April-14 | | | 61 | |
| May-14 | | | | - |

| Stocks | Demat | In-Process | Total | FED |
|---------|------------|------------|------------|------------|
| | 11.03.2014 | 11.03.2014 | 11.03.2014 | 10.03.2014 |
| Bhabhar | 1415 | 111 | 1526 | 1415 |
| Deesa | 21609 | 1104 | 22713 | 20752 |
| Kadi | 31328 | 2822 | 34150 | 30067 |
| Patan | 40483 | 1018 | 41501 | 39929 |

Castor Seed Daily Prices on 12.03.2014

| Commodity | Center | Market | Price (Rs/Q) | | Change |
|-------------|-----------|-----------|--------------|-----------|--------|
| | | | 12-Mar-14 | 11-Mar-14 | |
| Castor Seed | Gujarat | Rajkot | 4015 | 4015 | Unch |
| | | Gondal | 3930 | 4245 | -315 |
| | | Patan | 4045 | 4075 | -30 |
| | | Deesa | 4000 | 4070 | -70 |
| | | Mehsana | 3975 | 4050 | -75 |
| | | Kadi | NR | NR | - |
| | | Ahmedabad | 4000 | 4000 | Unch |
| | Rajasthan | Sumerpur | 3850 | 3900 | -50 |

Castor Seed Arrivals on 12.03.2014

| Commodity | Center | Market | Fig. in per bags(80kg) | | Change |
|-------------|---------------|----------|------------------------|-----------|--------|
| | | | 12-Mar-14 | 11-Mar-14 | |
| Castor Seed | Gujarat | Rajkot | 625 | 550 | 75 |
| | | Gondal | 437 | 174 | 263 |
| | | Patan | 2702 | 3370 | -668 |
| | | Deesa | 1000 | 3080 | -2080 |
| | | Mehsana | 700 | 800 | -100 |
| | | Kadi | NR | NR | - |
| | Rajasthan | Sumerpur | 600 | 500 | 100 |
| | Total Arrival | | 6064 | 8474 | -2410 |

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