

Castor Domestic Fundamentals:

- **Castor seed markets traded mixed on Friday.** Overall sentiment remains bearish amid sluggish trading activities due to Holi. Major buyers/retailers would enter into the market next week. Today major dip has been recorded in Rajkot. Traders offered Rs 3925 per qtl, almost Rs 205 per qtl lower than previous day.
- **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: 14.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	-15	4233	4242	4204	4240	8620	-42575	14020	-11110
April-14	-19	4301	4301	4257	4240	69520	-44230	196420	5930
May-14	-12	4363	4368	4327	4357	15470	7130	14020	-17240

Spread	Mar-14	Apr-14	May-14	June-14
Spot/Deesa	261			
March-14		47		
April-14			63	
May-14				-

Stocks	Demat	In-Process	Total	FED
	13.03.2014	13.03.2014	13.03.2014	10.03.2014
Bhabhar	1415	385	1800	1415
Deesa	22623	792	23415	20752
Kadi	31801	3995	35796	30067
Patan	40906	785	41691	39929

Castor Seed Daily Prices on 14.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			14-Mar-14	13-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3850	3870	-20
	Gujarat	Rajkot	3925	4130	-205
		Gondal	3980	3980	Unch
		Patan	4090	4085	5
		Deesa	4055	4075	-20
		Mehsana	4050	3975	75
		Kadi			Unch
		Ahmedabad	3950	4000	-50

Castor Seed Arrivals on 14.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			14-Mar-14	13-Mar-14	
Castor Seed	Rajasthan	Sumerpur	600	600	Unch
	Gujarat	Rajkot	650	825	-175
		Gondal	165	165	Unch
		Patan	2976	2900	76
		Deesa	2000	1500	500
		Mehsana	600	850	-250
		Kadi			Unch
		Ahmedabad	32000	25000	7000
	Total Arrival		38991	31840	7151

Note: We have incorporated traded quantity of seed. It does not signify the total arrivals.

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