

Castor Domestic Fundamentals:

- **Cash Market traded mixed on Saturday. No major trading activity** was witnessed at the fag end of this week. Traders say that fresh buying interest might be seen from next week after Holi. Mostly traded quantity is in the way to godowns as big players are well aware of emerging shortfall in the second half.
- **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: 15.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	20	4230	4274	4230	4252	1260	-7180	5710	-8320
April-14	18	4279	4317	4275	4305	34270	-36750	189540	-5350
May-14	18	4347	4385	4345	4371	3980	-12225	55400	42000

Spread	Mar-14	Apr-14	May-14	June-14
Spot/Deesa	245			
March-14		53		
April-14			67	
May-14				-

Stocks	Demat	In-Process	Total	FED
	14.03.2014	14.03.2014	14.03.2014	10.03.2014
Bhabhar	1415	760	2175	1415
Deesa	23114	351	23465	20752
Kadi	33062	3553	36615	30067
Patan	40906	785	41691	39929

Castor Seed Daily Prices on 14.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			15-Mar-14	14-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3850	3850	Unch
	Gujarat	Rajkot	3850	3925	-75
		Gondal	Closed	3980	-
		Patan	4105	4090	15
		Deesa	4015	4055	-40
		Mehsana	4050	4050	Unch
		Kadi	NR	NR	-
		Ahmedabad	3950	3950	Unch

Castor Seed Arrivals on 14.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			15-Mar-14	14-Mar-14	
Castor Seed	Rajasthan	Sumerpur	500	600	-100
	Gujarat	Rajkot	450	650	-200
		Gondal	Closed	165	-165
		Patan	3650	2976	674
		Deesa	910	2000	-1090
		Mehsana	800	600	200
		Kadi	NR	NR	-
		Ahmedabad	32000	32000	Unch
	Total Arrival		38991	38310	38991

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

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