

Castor Domestic Fundamentals:

- **Cash Market traded unchanged on Tuesday. Sluggish trading** activities were witnessed in the market as major buyers have not returned to the market after holi. Traders say that fresh buying interest might be seen once again from mid of this week.
- **Farmers too are releasing lower quantity in anticipation** of higher prices in the second half. Arrivals in major markets have decreased considerably. Stockists too are holding on stock and it may drag prices up early than expectation.
- **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:

NCDEX Castor Futures							Date: 18.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	-70	4124	4275	4175	4252	1260	-7180	5710	-8320
April-14	-67	4254	4324	4207	4305	34270	-36750	189540	-5350
May-14	-63	4289	4390	4275	4371	3980	-12225	55400	42000

Spread	Mar-14	Apr-14	May-14	June-14
Spot/Deesa	175			
March-14		51		
April-14			66	
May-14				-

Stocks	Demat	In-Process	Total	FED
	17.03.2014	17.03.2014	17.03.2014	10.03.2014
Bhabhar	1516	879	2395	1415
Deesa	23114	351	23465	20752
Kadi	33959	3694	37653	30067
Patan	41531	181	41712	39929

Castor Seed Daily Prices on 18.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			18-Mar-14	17-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3850	3850	Unch
	Gujarat	Rajkot	3865	3850	15
		Gondal	3755	Closed	-
		Patan	4055	4105	-50
		Deesa	Closed	4015	-
		Mehsana	4050	4050	Unch
		Kadi	4500	NR	4500
		Ahmedabad	4500	3950	550

Castor Seed Arrivals on 18.03.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change
			18-Mar-14	17-Mar-14	
Castor Seed	Rajasthan	Sumerpur	300	500	-200
	Gujarat	Rajkot	310	450	-140
		Gondal	175	NR	175
		Patan	1951	3650	-1699
		Deesa	NR	910	-910
		Mehsana	500	800	-300
		Kadi	1044	NR	1044
		Ahmedabad	20000	32000	-12000
	Total Arrival		24280	38310	-14030

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

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