

Castor Domestic Fundamentals:

- **Cash Market traded mixed on Monday, however** weak sentiment continues to prevail in the market. Arrivals have improved considerably and pressure might be seen this week too. Prices have declined considerably in major benchmark markets. With increasing arrivals prices are likely to stabilize near Rs 3750 to Rs 3800 per qtl.
- **Millers quoted oil price at Rs 8350 per qtl in Mehsana. Seed prices** are ruling around Rs 4000 per qtl. With this price millers get margin of Rs 30 to Rs 35 per qtl from oil and meal selling. As demand for oil is good in the domestic and global market, any steep fall in cash market is unlikely.
- **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 over.
- 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 experts see production at around 11 lakh tonne.
- **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 Rs 3700 to 3800 per qtl.

Domestic market Outlook:

- **Castor seed market is likely to trade steady to weak.**

NCDEX Castor Futures							Date: 24.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
April-14	-66	4225	4227	4100	4140	43460	-260	163230	2060
May-14	-76	4286	4295	4155	4213	34880	28020	79150	-4740
June-14	-78	4359	4365	4239	4280	5460	2740	30180	4480

Spread	Apr-14	May-14	June-14	July-14
Spot/Deesa	145			
March-14		73		
April-14			67	
May-14				-

Stocks	Demat	In-Process	Total	FED
	22.3.2014	22.3.2014	22.3.2014	18.3.2014
Bhabhar	2386	10	2396	1516
Deesa	23515	563	24078	23465
Kadi	38167	1267	39431	34191
Patan	41682	1208	42890	41531

Castor Seed Daily Prices on 24.3.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			24-Mar-14	22-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3780	3770	10
	Gujarat	Rajkot	3885	3890	-5
		Gondal	Closed	3905	-
		Patan	4050	4050	Unch
		Deesa	3995	Closed	-
		Mehsana	3975	3935	40
		Kadi	Closed	4010	-
		Ahmedabad	4000	4000	Unch

Castor Seed Arrivals on 24.3.2014

Commodity	Center	Market	Fig. in Quintal		Change
			24-Mar-14	22-Mar-14	
Castor Seed	Rajasthan	Sumerpur	720	640	80
	Gujarat	Rajkot	350	500	-150
		Gondal	Closed	1073	-
		Patan	6335	6335	Unch
		Deesa	1587	Closed	-
		Mehsana	600	480	120
		Kadi	Closed	1320	-
		Other Gujarat	16008	15892	116
	Total Arrival		25600	26240	-640

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

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