

Castor Domestic Fundamentals:

- **Castor seed prices in cash and futures markets continue to trade lower** on weak inner tone and increasing arrival in major bench mark markets. Market participants expect prices to dip more in the weeks ahead. However, any steep dip is unlikely. Market is expected to stabilize near Rs 3750 to Rs 3850 per qtl., depending on quality of the seed.
- **Prices in future market April contract decreased Rs 20 from previous** close to Rs 4120. Sellers remained active players and They expect a decrease of Rs 30 to Rs 50 in the near term. However, volume has increase considerably for April contract. Profit booking on weak market is mainly attributed to southward market. Castor seed in spot market traded in the range of Rs 3750 to Rs 4010 per qtl.
- **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.
- **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 end 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 3850 per qtl.

Domestic market Outlook:

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

NCDEX Castor Futures							Date: 25.03.2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
April-14	-12	4137	4152	4099	4128	43460	-260	163230	2060
May-14	-13	4218	4219	4166	4198	34880	28020	79150	-4740
June-14	-9	4246	4283	4237	4274	5460	2740	30180	4480

Spread	Apr-14	May-14	June-14	July-14
Spot/Deesa	140			
March-14		70		
April-14			64	
May-14				-

Stocks	Demat	In-Process	Total	FED
	24.3.2014	24.3.2014	24.3.2014	18.3.2014
Bhabhar	2386	10	2396	2386
Deesa	24078	110	24078	24078
Kadi	38167	2242	40409	38167
Patan	42168	742	42910	42168

Castor Seed Daily Prices on 25.3.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			25-Mar-14	24-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3750	3780	-30
	Gujarat	Rajkot	3885	3885	Unch
		Gondal	Closed	Closed	-
		Patan	4000	4050	-50
		Deesa	4000	3995	5
		Mehsana	3940	3975	-35
		Kadi	4010	Closed	-
		Ahmedabad	3950	4000	-50

Castor Seed Arrivals on 25.3.2014

Castor Seed Arrivals on 23.3.2014					
Commodity	Center	Market	Fig. in Quintal		Change
			25-Mar-14	24-Mar-14	
Castor Seed	Rajasthan	Sumerpur	640	720	-80
	Gujarat	Rajkot	350	350	Unch
		Gondal	Closed	Closed	Unch
		Patan	6710	8000	-1290
		Deesa	1768	1587	181
		Mehsana	640	600	40
		Kadi	1920	Closed	1920
		Other Gujarat	17412	16008	1404
	Total Arrival		29440	27265	2175

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

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