

Castor Domestic Fundamentals:

- **Bear operators continued to dominate cash and futures markets** even on Wednesday. Cash markets decreased in the range of Rs 15 to Rs 50 per qtl. while futures extended its loss from previous trading session. The main reason behind current dip is mainly attributed to lower rainfall in the rest of July and sluggish demand for castor products. Delivered quantity at NCDEX warehouse has been lower than expectation in the month of July.
- **Market participants say that stake holders in futures market may start taking** fresh position after expiry of the contract for current month. Arrivals too have decreased from 20080 to almost 8890 qtl. Bull operators are expected to be active by the end of the week. Stockists have released almost 10 to 15 percent seed from their stock in last one week.
- **Despite market being in bears grip fundamental for seed market** remains strong. Market is expected to face short supply of seed August onward. Out of 15.8 lakh tonne seed available for crushing almost 7 lakh tonne seed has been crushed so far. Around 3 lakh tonne seed is available with big players who would prefer releasing seed in parts. So availability of seed for the rest of the year would fall short against actual monthly seed requirement of over one lakh tonne. It will push market up once again.
- **FOB Quote for Castor oil first grade at Kandla has decreased** from \$1475 to \$1460 per tonne in last two days. However, it is almost 14.31 percent higher than the price realised in July 2013. Firmness would depend on rainfall status in the month of July. In local market commercial grade castor oil is being quoted at Rs 86500 per tonne, almost Rs 500 per tonne lower from previous trading session. In \$ term it comes to \$1448/1450 per tonne. It is 17.16 percent higher than the price in June, 2013. Importers may wait for a week to start fresh deal.
- **Govt has released third adv. Estimate of foodgrains** for 2013-14 on 15, May, 2014. The govt. has estimated 16.64 lakh tonne production this year against the target of 15.81 lakh tonne. Market participants are surprised to see the inflated figure of castor seed production this year. Govt. Production target for 2014-15 has been set at 16.65 lakh tonne.

International Market Update:

- **FoB quotes for castor oil at Kandla are being quoted around \$ 1475 per tonne** for export. Price has decreased almost \$25 per tonne in last one week as seed prices declined on selling pressure. Seed availability for this month is ample as considerable quantity from NCDEX ware houses for delivery in July is due.
- **Buyers like EU, USA and China remain sidelined.** Export quote for meal decreased from \$110 to \$105 per tonne. Price of castor oil in Rotterdam too has decreased from \$1755 to \$1750 per metric tonne in last three days.

Domestic market Outlook: Cash market is likely to trade weak.

NCDEX Castor Futures								Date: 16.07.2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
July-14	-127	4220	4220	4080	4106	8500	-1275	5700	-6140
Aug-14	-128	4277	4277	4159	4159	218770	125,310	244940	-5875
Sept-14	-132	4389	4389	4270	4270	62590	-15325	86700	8520

Spread	July-14	Aug-14	Sept-14	Oct-14
Spot/Deesa				
July-14	71			
Aug-14		53		
Sep-14			111	

Stocks	Demat	In- Process	Total	FED
	15.7.2014	15.7.2014	15.7.2014	14.7.2014
Bhabhar	981	0	981	981
Deesa	34285	794	35079	34085
Kadi	62671	393	63064	62530
Patan	50441	1235	51676	50441

Castor Seed Daily Prices on 15 July 2014

Commodity	Center	Market	Price (Rs/Q)		Change
			16-Jul-14	15-Jul-14	
Castor Seed	Rajasthan	Sumerpur	3960	4015	-55
		Jodhpur	3850	3900	-50
	Gujarat	Rajkot	3925	3940	-15
		Gondal	3980	4030	-50
		Patan	NA	4230	-
		Deesa	4175	4240	-65
		Mehsana	4160	4150	10
		Kadi	NA	4085	-
		Ahmedabad	4200	NR	-

Castor Seed Daily Arrivals.

Commodity	Center	Market	Fig. in Quintal		Change
			16-Jul-14	15-Jul-14	
Castor Seed	Rajasthan	Sumerpur	80	160	-80
		Jodhpur	NA	160	-
	Gujarat	Rajkot	276	265	11
		Gondal	221	347	-126
		Patan	NA	4462	-
		Deesa	1600	1345	255
		Mehsana	480	560	-80
		Kadi	NA	1600	-
		Other Gujarat	17423	NR	-
	Total Arrival		8899	20080	8899

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

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