

### Castor Domestic Fundamentals:

- **Improved demand at lower level and likely short supply of seed** in August despite higher arrivals in markets lend support to cash market on Monday. Prices improved in major markets in the range of Rs 5 to Rs 25 per qtl. today. However, any sudden spike is unlikely. Futures remain unsupportive to the cash market fundamental in the short term. Rainfall status has improved considerably this week and possibility of area shift from other crop to castor has decreased. It may have positive impact on seed price in August.
- **Farmers in Gujarat, Karnataka, Andhra Pradesh and Telengana have started** sowing of castor seed with slow pace. However, it is 28 percent higher in Telengana/AP from last year till 10<sup>th</sup> July. It is lagging behind in Karnataka and Gujarat considerably. Overall sowing in the second week of July till 11<sup>th</sup> was recorded at 0.41 lakh ha. almost lower by 6.8 percent from previous year till corresponding date. Sowing activities are likely to gain momentum by the end of this week.
- **Despite market being in bears grip fundamental for seed market** remains strong in the medium term. 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 \$ 1460 per tonne** for export. Price has decreased almost \$25/30 per toone in last one week as seed prices declined much more than expectation. Seed availability for this month is ample as considerable quantity from NCDEX ware houses for delivery in July is due despite lower pace of delivered seed.
- **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:** Market may trade steady to weak in clue less market.

NCDEX Castor Futures								Date: 21.07.2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Aug-14	-66	4154	4159	4085	4088	100790	95630	231920	200170
Sept-14	-59	4267	4286	4205	4209	36200	-82225	104980	-852475
Aug-14	-54	4389	4400	4323	4324	13280	22475	63350	11500

Spread	Aug-14	Sept-14	Oct-14	Nov-14
Spot/De esa				
Aug-14	28			
Sep-14		121		
Aug-14			117	

Stocks	Demat	In- Process	Total	FED
	19.7.2014	19.7.2014	19.7.2014	14.7.2014
Bhabhar	981	0	981	981
Deesa	35179	162	35341	34085
Kadi	59611	292	59903	62530
Patan	52573	558	53131	50441

**Castor Seed Daily Prices on 21 July 2014**

Commodity	Center	Market	Price (Rs/Q)		Change
			21-Jul-14	19-Jul-14	
Castor Seed	Rajasthan	Sumerpur	3925	3925	Unch
		Jodhpur	Closed	Closed	-
	Gujarat	Rajkot	3945	3920	25
		Gondal	3905	3900	5
		Patan	4075	4055	20
		Deesa	4060	4050	10
		Mehsana	4015	4025	-10
		Kadi	4015	4035	-20
		Ahmedabad	4025	NA	-

**Castor Seed Daily Arrivals.**

Commodity	Center	Market	Fig. in Quintal		Change
			21-Jul-14	19-Jul-14	
Castor Seed	Rajasthan	Sumerpur	80	80	Unch
		Jodhpur	Closed	Closed	-
	Gujarat	Rajkot	458	210	248
		Gondal	173	122	51
		Patan	2454	1820	634
		Deesa	1010	400	610
		Mehsana	560	400	160
		Kadi	816	800	16
		Other Gujarat	14529	NA	-
	Total Arrival		20080	3832	16248

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

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