

Castor Domestic Fundamentals:

- **Castor seed markets traded firm at major trading hubs except Deesa** on Monday. Lower arrivals and fresh buying interest at current level lent support to cash market fundamental. Stockists' seem reluctant to release stock at current price as they expect market to move up from current level. Market is waiting for export demand, that may clear directional move for the weeks ahead. However, medium term outlook remains bullish.
- **Castor meal FOR is being quoted at Rs 6225 per tonne, slightly lower** (Rs 6250 per tonne) than last week. However, it is 15.04 percent higher than the price realized during 25th July 2013. FOB Quote for Castor oil first grade at Kandla has decreased from \$1460 to \$1430 per tonne in last one week. However, it is almost 11.61 percent higher than the price realised in 25th July 2013. Firmness would depend on rainfall status in the month of August. Castor meal export price for bulk quantity increased slightly from \$107 to \$108 per tonne. It is higher by 12.04 percent from 25th 2013. More dip is unlikely from current level.
- **Castor coverage area lags behind by 0.4 percent so far from last year.** Total area coverage till 18th July was recorded at 0.71 thousand ha. against the normal of 1.15 lakh ha. Overall normal area for the whole year is 10.37 lakh ha. Farmers had sowed 0.87 thousand ha last year till middle of July. Delayed rains have slowed down sowing progress this year. As rainfall status has improved sowing of castor seed is getting momentum now. Rainfall during next one month would remain crucial. There is a general view that castor production would be higher by 3 to 4 lakh T than last year, given the normal weather condition in August and Sept.
- **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 or may retain it for three –four months from now. 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.
- **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. Govt. Production target for 2014-15 has been set at 16.65 lakh tonne.

International Market Update:

- **FoB quotes for castor oil at Kandla were quoted around \$ 1430 per tonne** for export last week. However, no trade was reported today. Price has decreased almost \$25/30 per tonne in last one week as seed prices declined much more than expectation.
- **Price of castor oil in Rotterdam too has decreased from \$1755 to \$1705 per metric tonne** during last two weeks.
- **Buyers like EU, USA and China remain sidelined.** Export quote for meal decreased from \$110 to \$107 per tonne. Price of castor oil in Rotterdam too has decreased from \$1755 to \$1705 per metric tonne in last one week.

Domestic market Outlook:

Market may stay steady to slightly firm .

NCDEX Castor Futures								Date: 28.07.2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Aug-14	29	4167	4185	4108	4182	140600	7930	167940	-17160
Sept-14	-1	4265	4276	4197	4265	74310	-10830	117190	4610
Oct-14	-24	4377	4377	4290	4358	33760	4560	98710	9127

Spread	Aug-14	Sept-14	Oct-14	Nov-14
Spot/Deesa				
Aug-14	-107			
Sep-14		83		
Oct-14			93	

Stocks	Demat	In- Process	Total	FED
	26.7.2014	26.7.2014	26.7.2014	21.7.2014
Bhabhar	849	0	849	981
Deesa	34981	141	35122	35210
Kadi	58613	551	59164	59843
Patan	51009	524	51533	53029

Castor Seed Daily Prices on 28 July 2014

Commodity	Center	Market	Price (Rs/Q)		Change
			28-Jul-14	26-Jul-14	
Castor Seed	Rajasthan	Sumerpur	Closed	3900	-
		Jodhpur	3800	3800	Unch
	Gujarat	Rajkot	4015	3995	20
		Gondal	4030	4005	25
		Patan	4135	4115	20
		Deesa	4075	4090	-15
		Mehsana	4100	4100	Unch
		Kadi	4080	4065	15
		Ahmedabad	4100	4075	25

Castor Seed Daily Arrivals

Commodity	Center	Market	Fig. in Quintal		Change
			28-Jul-14	26-Jul-14	
Castor Seed	Rajasthan	Sumerpur	Closed	32	-
		Jodhpur	80	80	Unch
	Gujarat	Rajkot	294	376	-82
		Gondal	152	182	-30
		Patan	1970	2482	-512
		Deesa	1200	330	870
		Mehsana	320	160	160
		Kadi	412	560	-148
		Other Gujarat	10052	10310	-258
	Total Arrival		14480	14512	-32

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

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