

Castor Domestic Fundamentals:

- **Cash market traded up on Wednesday taking clues from** futures market. Actually cash market seems to trade lower as current price of seed has brought parity for end products at negligible level. Buyers remained sideline as they expect price to cool down in the short term. Despite slackness in sowing activities, area under castor seed is likely to increase by 9 to 10 percent from 9.83 to 10.54 lakh ha. However, it would not impact price much in the third quarter, as new crop would hit market in Jan-Feb,2014.
- **Castor coverage area lags behind by 29.03 percent percent so far from last year.** Total area coverage till 31st July was recorded at 2.03 lakh ha. against 2.86 lakh ha last year till the end of July. Overall normal area for the whole year is 10.37 lakh ha. As weather remains favourable from sowing point of view now, market participants expect production to go up by 3 to 4 lakh T than last year, given the normal weather condition in August and Sept. Despite higher production prospects short supply of seed seems very much in the sight as new crop would hit market January Onward.
- **FOB Quote for Castor oil first grade at Kandla has increased from \$1445 to \$1465 per tonne** in last three days. Castor meal export price for bulk quantity increased slightly from \$107 to \$108 per tonne. More dip for meal quote is unlikely from current level. Castor seed in Gujarat(good quality) is being traded at Rs 4200 per qtl.Castor meal for bulk deal ex-Kandla is being done at Rs6125 per qtl. Castor oil commercial grade was traded at Rs8450 per qtl.Good demand from overseas market and buyers interest at higher price may lend support to seed in local market.
- **Market is expected to face short supply of seed August onward. Out of 15.8 lakh** tonne seed available for crushing almost 7.5 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 food grains** 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:

- **Fresh export deal for oil has been executed at \$1445 per tonne.**Chinese and European buyers are said to be active in the market.Last week deal of around 1000 tonne had been executed at \$1430 per tonne. However, price could not sustain at that level. Improved demand for oil and stockist's unwillingness to release stock at current price remains supportive to the seed market.
- **Price of castor oil in Rotterdam too has decreased from \$1755to \$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 \$1755to \$1705 per metric tonne in last one week.

Domestic market Outlook: Market may stay steady to slightly weak.

NCDEX Castor Futures								Date: 06.08.2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Aug-14	57	4280	4263	4180	4245	84770	12470	108160	-10850
Sept-14	44	4248	4319	4248	4300	113360	26000	152910	-2910
Oct-14	37	4345	4397	4341	4377	24670	90	94030	1110

Spread	Aug-14	Sept-14	Oct-14	Nov-14
Spot/De esa				
Aug-14	95			
Sep-14		55		
Oct-14			77	

Stocks	Demat	In- Process	Total	FED
	5.8.2014	5.8.2014	5.8.2014	4.8.2014
Bhabhar	587	0	587	587
Deesa	31935	71	32006	32518
Kadi	54822	454	55276	55691
Patan	50969	323	51292	51200

Castor Seed Daily Prices on 6 August 2014

Commodity	Center	Market	Price (Rs/Q)		Change
			6-Aug-14	5-Aug-14	
Castor Seed	Rajasthan	Sumerpur	3925	3850	75
		Jodhpur	3800	3775	25
	Gujarat	Rajkot	3940	3875	65
		Gondal	3955	3855	100
		Patan	4125	4090	35
		Deesa	4150	4125	25
		Mehsana	4075	4050	25
		Kadi	4020	4020	Unch
		Ahmedabad	4075	4000	75

Castor Seed Daily Arrivals.

Commodity	Center	Market	Fig. in Quintal		Change
			6-Aug-14	5-Aug-14	
Castor Seed	Rajasthan	Sumerpur	24	40	-16
		Jodhpur	80	160	-80
	Gujarat	Rajkot	300	205	95
		Gondal	115	77	38
		Patan	2943	2370	573
		Deesa	224	193	31
		Mehsana	400	360	40
		Kadi	640	800	-160
		Other Gujarat	8978	11995	-3017
	Total Arrival		13704	16200	-2496

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

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