

Castor Domestic Fundamentals:

- **Cash market traded mixed on Friday as buyers/sellers kept on seeking** clue for direction. 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 at least by 9 to 10 percent from 9.83 to 10.54 lakh ha. in 2014-15. However, it would not impact price much in the third quarter, as new crop would hit market next year in January.
- **Castor coverage area lags behind by 29.03 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 \$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 weak.

NCDEX Castor Futures								Date: 08.08.2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Aug-14	14	4227	4258	4194	4248	64490	-20470	63615	-35850
Sept-14	44	4270	4332	4263	4318	133130	6000	99270	-11910
Oct-14	47	4354	4406	4340	4391	30070	13000	99030	3500

Spread	Aug-14	Sept-14	Oct-14	Nov-14
Spot/Deesa				
Aug-14	48			
Sep-14		70		
Oct-14			73	

Stocks	Demat	In- Process	Total	FED
	7.8.2014	7.8.2014	7.8.2014	4.8.2014
Bhabhar	587	0	587	587
Deesa	30867	81	30948	32518
Kadi	51675	424	52099	55691
Patan	45447	888	46335	51200

Castor Seed Daily Prices on 8 August 2014

Commodity	Center	Market	Price (Rs/Q)		Change
			8-Aug-14	7-Aug-14	
Castor Seed	Rajasthan	Sumerpur	3900	3930	-30
		Jodhpur	3900	3900	Unch
	Gujarat	Rajkot	3955	3960	-5
		Gondal	4005	4005	Unch
		Patan	4160	4180	-20
		Deesa	4200	4100	100
		Mehsana	4100	4150	-50
		Kadi	4075	4090	-15
		Ahmedabad	4075	4085	-10

Castor Seed Daily Arrivals.

Commodity	Center	Market	Fig. in Quintal		Change
			8-Aug-14	7-Aug-14	
Castor Seed	Rajasthan	Sumerpur	56	16	40
		Jodhpur	160	80	80
	Gujarat	Rajkot	430	410	20
		Gondal	256	280	-24
		Patan	2762	2097	665
		Deesa	370	320	50
		Mehsana	320	320	Unch
		Kadi	720	480	240
		Other Gujarat	11142	8893	2249
Total Arrival		16216	12896	3320	

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

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