

### Castor Domestic Fundamentals:

- **Castor seed market is likely to trade range bound in the weeks** ahead as weak demand restricts upward momentum. Planters are offering Rs 795 per 20 kg. In Mehsana and are unwilling to offer higher price for castor seed at this point of time. Castor oil FOB quote is hovering in the range of \$1440 to \$1442 per tonne. As area coverage has improved considerably amid sluggish demand, any uptrend in the short term is unlikely.
- **Area coverage till 14<sup>th</sup> August has been registered at 5.52 lakh ha.,** higher than last year (4.89 lakh ha.) till date. Normal area for whole kharif season is 10.37 lakh ha. 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.
- **No major change in castor products price has been** witnessed from previous trading session. Castor meal FOR is being quoted at Rs 6300 per tonne, moderately higher (Rs 6050 per tonne) than previous trading session. It is -1.25 percent lower than last week and 6.60 percent higher than the price realized during August 2014. FOB Quote for Castor oil first grade at Kandla has increased from \$1430 to \$1440 per tonne in last three days. However, it is almost 18.12 percent higher than the price realised in August 2013. Castor meal export price for bulk quantity too has increased slightly from \$105 to \$108 per tonne. It is higher by 9.35 percent from August, 2013.
- **Market is expected to face short supply of seed August onward. Out of 15.8 lakh** tonne seed available for crushing almost 8.0 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. 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:

- **FoB quote for castor oil at Kandla has increased from** \$1430 to \$1440 for export in last three days. Price has increased almost \$10 per tonne today despite lower quotes for seed. Buyers like China, EU and Japan may enter in to the market in second half of August for bulk buying.
- **Demand for castor meal continues from EU, USA and China. However,** recent dip has slowed down fresh deal for the same. As buyers remain inactive FOB price is bound to stay steady in the third week of August. Export quote for meal increased slightly by \$2 to \$108 per tonne today.
- **Price of castor oil in Rotterdam too has increased from \$1705 to** \$1725 per metric tonne during last one week. Buyers like EU, USA and China remain sidelined.
- **No major export trade was reported on Thursday and** buyers are waiting for a clear directional clue.

**Domestic market Outlook:** Market is expected to trade in a range.

| NCDEX Castor Futures |     |      |      |      |       |        |        | Date: 21.08.2014 |        |
|----------------------|-----|------|------|------|-------|--------|--------|------------------|--------|
| Contract             | +/- | Open | High | Low  | Close | Volume | Change | OI               | Change |
| <b>Sept-14</b>       | 42  | 4227 | 4277 | 4217 | 4255  | 107610 | -21700 | 166176           | -9280  |
| <b>Oct-14</b>        | 47  | 4295 | 4345 | 4285 | 4319  | 44750  | 65750  | 124520           | 5110   |
| <b>Nov-14</b>        | 58  | 4370 | 4409 | 4360 | 4346  | 12700  | 2000   | 60160            | 910    |

| Spread     | Sept-14 | Oct-14 | Nov-14 | Dec-14 |
|------------|---------|--------|--------|--------|
| Spot/Deesa |         |        |        |        |
| Oct-14     | 55      |        |        |        |
| Nov-14     |         | 64     |        |        |
| Dec-14     |         |        | 27     |        |

| Stocks  | Demat            | In- Process      | Total            | FED              |
|---------|------------------|------------------|------------------|------------------|
|         | <b>20.8.2014</b> | <b>20.8.2014</b> | <b>20.8.2014</b> | <b>18.8.2014</b> |
| Bhabhar | 324              | 0                | 324              | 587              |
| Deesa   | 29457            | 10               | 29467            | 30457            |
| Kadi    | 52388            | 20               | 52408            | 52388            |
| Patan   | 47889            | 262              | 48151            | 48608            |

### Castor Seed Daily Prices on 21 August 2014

| Commodity   | Center    | Market    | Price (Rs/Q) |           | Change |
|-------------|-----------|-----------|--------------|-----------|--------|
|             |           |           | 21-Aug-14    | 20-Aug-14 |        |
| Castor Seed | Rajasthan | Sumerpur  | 3950         | 3900      | 50     |
|             |           | Jodhpur   | 3800         | 3800      | Unch   |
|             | Gujarat   | Rajkot    | 3950         | Closed    | -      |
|             |           | Gondal    | 3955         | Closed    | -      |
|             |           | Patan     | 4150         | NR        | -      |
|             |           | Deesa     | 4200         | 4125      | 75     |
|             |           | Mehsana   | 4150         | 4100      | 50     |
|             |           | Kadi      | 4065         | 4050      | 15     |
|             |           | Ahmedabad | NR           | 4025      | -      |

### Castor Seed Daily Arrivals.

| Commodity   | Center    | Market        | Fig. in Quintal |           | Change |
|-------------|-----------|---------------|-----------------|-----------|--------|
|             |           |               | 21-Aug-14       | 20-Aug-14 |        |
| Castor Seed | Rajasthan | Sumerpur      | 80              | 80        | Unch   |
|             |           | Jodhpur       | 80              | 400       | -320   |
|             | Gujarat   | Rajkot        | 215             | Closed    | -      |
|             |           | Gondal        | 11              | Closed    | -      |
|             |           | Patan         | 4748            | NR        | -      |
|             |           | Deesa         | 1000            | 716       | 284    |
|             |           | Mehsana       | 480             | 480       | Unch   |
|             |           | Kadi          | 488             | 560       | -72    |
|             |           | Other Gujarat | -               | 17244     | -      |
|             |           | Total Arrival |                 | 7102      | 19480  |

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

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