#### **DEPOSIT AND DELIVERIES**



## **CONTRACT SPECIFICATIONS**

Commodity	Ticker Symbol	Basis*	Additional delivery center*	Delivery Logic
Castor	CASTOR	Deesa	Bhabhar, Kadi, Patan	Compulsory Delivery

#### **Position Limits**

Trading and				Aggregate		Near Month		
Quotation	GST	Delivery Unit	Tick Size	Expiry date	Member	Client	Member	Client
Rs. per quintal	Exclusive	5 MT	Rs.2	20th every month	2,05,000	20,500	51,250	5,125

	Castor Seed (small seed) with the following specifications:				
	Oil content	47% Min			
	Fotri (Husk) and damaged Seeds	3.5% Max			
Quality	Sand, Silica And Stones	1% Max			
Specifications	Moisture content	4.5 % Max			
	Acceptable quality variations at the time of taking physical delivery shall be applicable as per annexure to the contract specifications				

<sup>\*</sup>Applicable from 1st Spetmeber 2020

For detailed contract specifications visit website www.ncdex.com



#### National Commodity & Derivatives Exchange Limited

CIN: U51909MH2003PLC140116

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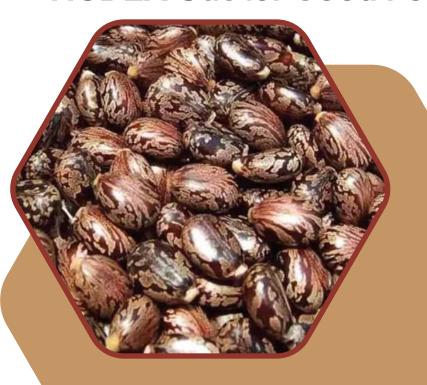


Disclaimer: Trading in commodities contracts is subject to inherent market risks and the participants should understand and consult their financial advisers before trading. The contents in this publication are for guidance only and should not be treated as recommendatory or definitive. Neither NCDEX nor the NCDEX IPF Trust or their affiliates, associates, representatives, directors, employees or agents shall be responsible in any manner to any person or entity for any decisions or actions taken on the basis of this publication. No part of this publication may be redistributed or reproduced without written permission from NCDEX.



# Commodity at a Glance

# **NCDEX Castor Seed Futures**



- Benchmark Futures contract for castor seed
- Hedging and price risk management tool for value chain
- Efficient and Transparent price discovery
- Robust delivery mechanisms
- Connects the entire value chain

Launched on 23 July 2004

Highest monthly
ADTQ 245,153 MT
ADOI 451,148 MT

Total deliveries till Jan 2020

1.49 Million MT

India is the largest producer exporting majority of its production to the world. Gujarat is the largest producing state in India.

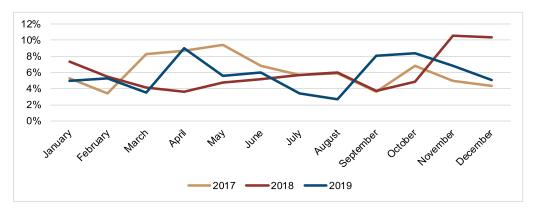
Key trading centers: Deesa, Palanpur, Patan, Kadi, Dhanera, Sidpur (Gujarat), Mahboobnagar, Nalgonda, Rangareddi (Andhra Pradesh), Sumerpur (Rajasthan).

#### **SEASONALITY**

Castor seed is a Kharif crop with sowing taking place between July to October and harvesting from December to March. Major arrival continues till June.



#### CASTOR SEED MONTHLY PRICE VOLATILITY



Annualised Volatility

22% 2017 23% 2018 22% 2019

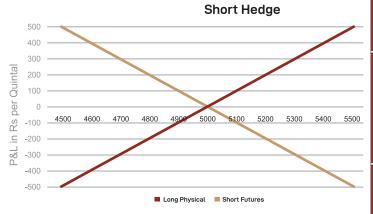
# PRICE RISK HEDGING

Processor/ Hedger locks in the Castor Futures price at Rs. 5000/ quintal for a Long position.

If the price of the Castor decreases in the physical market, the gain in the physical market is offset by the loss in the Futures market.

If the price of Castor Seed increases in the physical market, the loss in the physical market is offset by gain in the Futures market.





Graphs: For illustrative purposes only

Farmer/ Hedger locks in the Castor Futures price at Rs. 5000/ quintal for a short position.

If the price of the Castor decreases in the physical market, the loss in the physical market is offset by the gain in the Futures market.

If the price of Castor Seed increases in the physical market, the gain in the physical market is offset by loss in the Futures Market.

## **USES OF CASTOR SEED**

- Castor Oil a derivative of Castor Seed is used in manufacturing of soaps, lubricants, hydraulic brake fluids, paints, coatings, inks, cold resistant plastics, waxes and polishes, nylon, pharmaceuticals, dyes and perfumes etc.
- It is used either in crude form or in the refined hydrogenated form.
- Sebacic acid & 12 HAS, important derivatives of Castor Seed have varied applications in China.

## FACTORS INFLUENCING THE PRICE

- Production & Acreage Variations
- Monsoon & Level of rainfall
- Seasonal price variations
- Carry-over stocks

Source - NCDEX Futures Price

- Export demand of castor oil & new uses of the oil
- Demand in importing countries and domestic demand
- Shifting cropping patterns