



# Commodities Daily

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## SPICES DAILY

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### TURMERIC

#### SPOT MARKETS:

Turmeric markets witnessed weaker sentiments in most of the primary markets on uncertainties on the demand front. Though, the prices are already hovering on the lower side, lack of enough demand pressure to push them higher is further hurting the market. In Erode market the prices fell slightly pressured by the increased arrivals ahead of festivals. Further, rains at good intervals are benefiting the crop, which is in rhizome forming stage. Similarly, good stock position in Nizamabad markets and lack lustre trade put pressure on the prices. The traders are expecting demand for turmeric to improve in coming days. Stockists are waiting for the prices to recover and might come in picture after Diwali. The prices might remain steady to slightly weak for a few days.

#### FUTURES MARKETS:

Turmeric futures at NCDEX extended the prior session's losses today. Lack luster trading in spot markets and expiry of the October contract pressured the prices. November Turmeric opened the session gap down at Rs 2392 and then it hovered in the red zone throughout the session. The contract traded near its lifetime low levels before closing the day at Rs 2348. The volumes traded during the session remained high at 16470 MT. October contract closed at Rs 7437 on its last trading day.

#### PRICE DRIVERS:

##### Bearish:

1. Comfortable stock position
2. Low Export demand
3. Good Crop condition

##### Bullish:

1. Improving domestic demand

#### Weather:

Rain/thundershowers are likely at many places over Tamil Nadu; at a few places over Coastal & South Interior Karnataka and isolated over the rest region. Increase in rainfall activity is likely over the region in next 2-3 days. Crop is in rhizome forming stage, heavy rains in turmeric growing belts are not desirable for the turmeric crop at this stage.

#### TECHNICALS

Turmeric charts are showing tentativeness at lower levels. EMA pattern and MACD are favoring bears at the stage. Long black candle also supports the same thought. However, stochastics are positive in neutral zone. Prices are likely to recover after initial dip.



#### SUPPORT / RESISTANCES:

| Contract       | S1   | S2   | R1   | R2   |
|----------------|------|------|------|------|
| NCDEX November | 2325 | 2300 | 2402 | 2440 |

#### TRADE RECOMMENDATION:

Buy above 2335 with a target of Rs. 2365 and then 2380 with a strict stop loss at Rs. 2315. Trade cautiously with intra day outlook.

| Centers   | Prices/Qtls.     | Arrivals (Bags) one bag = 90 Kgs. |
|-----------|------------------|-----------------------------------|
| Nizamabad | Finger 2350      | 1500                              |
|           | Gattah 2150      |                                   |
| Erode     | Finger 2325-2375 | 3500-4000                         |
|           | Gattah 2300-2325 |                                   |

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market slipped on the day of lower activity levels. Rumors that Vietnam is offering white pepper at lower prices and has also become an avenue for lower priced black pepper pressured the prices. However, there is no confirmation for the said rumor. Indian export of black pepper is still to pick and some enquiries are being seen these days for the Indian produce. Thanks to the higher quotes by Brazil, the only other major supplier of black pepper than India at the moment. In the coming months Indian pepper is expected to have upper hand in the international pepper trade. As the competitors particularly Vietnam and Indonesia have low stocks. India's pepper crop is expected to arrive in the markets by next month. The market is likely to continue the bumpy ride until the export demand picks up.

### FUTURES MARKETS:

Pepper futures at NCDEX washed away all the small gains of prior three sessions today. November Pepper at NCDEX opened the session weak at Rs 18805 and then it slipped after initial bounce to Rs 12890 levels. The contract closed the session with huge losses at Rs 12585; meanwhile the contract saw the lows of Rs 12410 per quintal. The volumes traded remained slightly low at 15722 MT. October pepper culminated on the last trading session of the contract at Rs 12378 per quintal.

### PRICE DRIVERS:

#### Bullish:

1. Rumors of Vietnam offering black pepper at lower prices.
2. Low stocks with competitors
3. International buying interest

#### Bearish:

1. Indian crop expected in November
2. Low domestic demand

### Weather:

Rain/thundershowers are likely at many places over Tamil Nadu; at a few places over Coastal & South Interior Karnataka and isolated over the rest region outside Telangana and North Interior Karnataka where weather will be mainly dry. Increase in rainfall activity is likely over the region in next 2-3 days. Weather is not much concerning for the maturing pepper crop.

### TECHNICALS

Pepper charts are showing mixed signals. Prices closed below 9-day and 18-day EMA shows the bearish trend has still not reversed. However, momentum studies and stochastic are favoring bulls at the stage. Prices are likely to show some volatility with bullish bias.



### SUPPORT / RESISTANCES:

| Contract       | S1    | S2    | R1    | R2    |
|----------------|-------|-------|-------|-------|
| NCDEX November | 12310 | 12147 | 13178 | 13284 |

### TRADE RECOMMENDATION:

Buy above Rs. 12500 with a target at Rs.12800 and then 12916 with a strict stop loss at Rs.12312. Trade cautiously with intra day outlook.

| Centers | Prices/Qtls. |       | Arrivals (Tonnes) |
|---------|--------------|-------|-------------------|
| Kochi   | Garbled      | 12100 | 10                |
|         | Ungarbled    | 11500 |                   |

## RED CHILLIES

### SPOT MARKETS

Red chilli prices in Guntur market remained steady in similar supply demand situation. There is not much activity seen in the market during last one month and thus stocks didn't depleted as expected during the period. However, as the crop is delayed and likely to hit the market in February, and thus current stock of 14-15 lakh bags might deplete somewhat sharply if demand comes after the festivals. In that case prices might find wings to fly on. Until then the prices are likely to remain range bound.

### FUTURES MARKETS:

Chilli futures at NCDEX traded weak throughout the today's session. November contract of Chilli opened the session on a weaker note at Rs 5389 and then it slipped to see the lows of Rs 5291 in conjunction with the October contract, which expired today. The contract closed the session lower at Rs 5395. The activity levels in the market remained comparatively low today at 15610 MT. The October contract closed on the expiry day at Rs 5010 per quintal.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks
2. Delayed Crop

#### Bearish:

1. Low domestic demand
2. Climate favorable for growth of crop
3. Forthcoming crop is expected good due to higher acreage

### Weather:

Rain/thundershowers are likely at many places over Tamil Nadu; at a few places over Coastal & South Interior Karnataka and isolated over the rest region outside Telangana and North Interior Karnataka where weather will be mainly dry. Increase in rainfall activity is likely over the region in next 2-3 days. Prolonged rains at this stage might delay the maturity of crop.

### TECHNICALS

Chilli charts are giving mixed signals at the stage. Candlesticks have formed hammer pattern showing the possibility of recovery in the prices. Oscillators continue to support the bulls, whereas, rising MACD in negative territory shows decreasing bearish momentum. EMA pattern however, is in favor of bears. Prices are likely to show volatility with bullish bias.



### SUPPORT / RESISTANCES:

| Contract       | S1   | S2   | R1   | R2   |
|----------------|------|------|------|------|
| NCDEX November | 5292 | 5218 | 5549 | 5637 |

### TRADE RECOMMENDATION:

Buy above 5358 targeting 5470 and then 5520 with a strict stop loss at 5299. Trade cautiously with intra day outlook.

| Centers | Prices/Qtl.                               | Arrivals (Bags) 1 bag = 40 to 45 Kgs. |
|---------|---|---------------------------------------|
| Guntur  | LCA 334 (loose) (NCDEX quality) 5000-5500 | 10000-12000                           |
|         | LCA 334 (Bilty) NA                        |                                       |

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market remained steady today as SND remained nearly unchanged. The demand continues to dominate the supply and was more than four times the supply of 1500 bags. Once the export demand improves, the prices might get some reason to fly on. At the moment domestic demand is the only support for the prices. Further, Jeera sowing is feared to be delayed this year, thanks to the unfavourable climatic conditions for sowing. In addition to this, acreage is also expected to shrink on shifting preference of farmers for the other crops namely garlic and isabgol. As jeera is quite sensitive to the weather conditions right from the sowing to harvesting, the fate of the farmers depends largely on the weather. This probably might be forcing them to shift to other crops. All in all some good fundamentals are backing the prices and thus jeera prices might see some strength in the coming days.

### FUTURES MARKETS:

Jeera futures at NCDEX saw roller coaster movements today. The futures opened the day on a firm note, but it couldn't sustain the initially attained higher levels for long and slipped to close the day with marginal losses. Jeera for November delivery at NCDEX opened the session on firm at Rs 8897 and then it climbed higher to Rs 8950 levels. However the futures slipped thereafter to see the lows of Rs 8731. The contract recouped from those low levels and closed the session with marginal losses at Rs 8890 per quintal.

### PRICE DRIVERS:

#### Bullish:

1. Unfavorable weather is likely to delay sowing.
2. Improving domestic demand.

#### Bearish:

1. Export demand yet to pick up.

### Weather:

Weather will be mainly dry over most of the jeera growing regions. Dry and hot Climate is not suitable for sowing of jeera crop at present. This is delaying sowing of the forth-coming crop.

### TECHNICALS

Jeera prices are showing tentativeness at higher levels. Indicators are mostly in favor of bulls. Stochastic are positive in neutral zone; EMA pattern is also favouring bulls with close above 9-day EMA. MACD is showing decreasing bearish momentum. Prices are likely to recover further.



### SUPPORT / RESISTANCES:

| Contract       | S1   | S2   | R1   | R2   |
|----------------|------|------|------|------|
| NCDEX November | 8720 | 8650 | 9100 | 9236 |

### TRADE RECOMMENDATION:

Buy above 8840 with a target of 8980 and then 9050 with a strict stop loss at 8756. Trade cautiously with intra day outlook.

| Centers | Prices/20 Kgs.  | Arrivals (Bags) 1 bag = 55 to 60 Kgs. |
|---------|-----------------|---------------------------------------|
| Unjha   | F.A.Q           | 1500                                  |
|         | Ganesh          |                                       |
|         | Machine Cleaned |                                       |
|         |                 |                                       |

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