



BLACK PEPPER

- Kochi Black Pepper physical market finished higher this fortnight on rebounding demand amid higher arrivals in the market.
- Cumulative arrivals for this fortnight were 305 Tonnes. Cumulative offtake for this fortnight were 330 Tonnes.
- Initially, markets were lower as arrivals were higher and dry weather conditions in small villages in Kerala prompted farmers to bring in more of fresh stocks.
- Markets were also lower domestic, export and stockists demand remained weak.
- Sources also added that due to the lack of activity in the markets brought the markets down.
- However, markets moved higher after unfavourable weather in the growing areas of Kerala's southern districts, from where arrivals normally begin, has delayed harvesting.
- Markets sources however added that demand would outweigh supply in the long term this may keep supporting the uptrend.
- Sources added that firm futures have influenced the buying in the cash markets in the latter stages of the fortnight.
- Sources added that Pepper prices may move higher in the longer run as the Vietnam new crop is delayed and will enter the market in March 2011.
- Spices board said that India exported lower in November 2010 compared to November 2009. India exported 1,000 tonnes of Pepper in November 2010 compared to 1,600 tonnes in November 2009.
- Spices Board also added that the April-November 2010 exports of Pepper were seen at 11,500 tonnes compared to 13,850 tonnes in April-November 2009.
- Production in India is expected be at a range of 40,000 tonnes and estimates may further reduce due to bad weather conditions.

Pepper prices may trade range bound to steady in the short term. In the medium and long term price trend will depend on the availability and production estimates in India.

Rs/Qtl	December 27 th 2010	January 08 th 2011	Change
Ungarbled	21200	21500	+300
Garbled	21700	22000	+300

Technical Analysis - NCDEX – January Futures



- Prices have closed below 9-day EMA thus supporting the bearish momentum in short term.
- MACD is moving up supports bullish market.
- RSI is moving down in the neutral region and is supporting bearishness.
- Key support levels are at Rs 21338/qtl and then Rs 22068/qtl.
- Key resistance levels are at Rs 23509/qtl and then Rs 24220/qtl.



CARDAMOM

- Cardamom auction fell this fortnight supported by weak domestic and export demand.
- Markets fell amid lower arrivals in the domestic market due to the holiday season.
- Cumulative arrivals for this fortnight were 479,437 kgs. Cumulative offtake for this fortnight were 449,356 kgs.
- Markets also fell as stockists and export demand remained weak.
- Markets fell after Spices board said that India exported lower in November 2010 compared to November 2009. India exported 200 tonnes of Cardamom in November 2010 compared to 295 tonnes in November 2009.
- Spices Board also added that the April-November 2010 exports of Cardamom were seen at 925 tonnes compared to 1,445 tonnes in April-November 2009.
- However sources added that due to wet weather conditions in the south arrivals are expected to decrease in weeks ahead.
- Planters are not releasing their stocks into the market for sale as they are hoping higher prices this year.
- Weak production in India is also likely to support any uptrend in the market. India's cardamom production is expected around 10,000 tonnes and the previous average production is around 13,000 tonnes.
- Sources added that Guatemala cardamom production is expected around 20,000 tonnes and the previous average production is around 23,000 tonnes.
- Sources added that the third harvest will be complete by January 2nd week.
- Sources however added that markets may see some firmness as weather has become bad again and arrivals could decline.

We believe that cash markets may rebound following lower arrivals. In the longer run markets could remain firm on lower output from Guatemala and India.

Rs/Kg	December 27 th 2010	January 08 th 2011	Change
Max Auction Price	1486.5-1532	1504	-28
Average Auction Price	1352.64-1391.87	1389.63	-2.24

Technical Analysis - MCX – February Futures



- Prices have closed above 9 and 18-day EMAs thus supporting the bullish momentum in the short term.
- MACD is flat in the positive zone reveals sideways market.
- RSI is moving up in the neutral region and is supporting the bullish momentum.
- Key supports appear to be at Rs 1402/Kg and then Rs 1499/Kg.
- Key resistances appear to be at Rs 1697/Kg and then Rs 1798/Kg.



TURMERIC

- Turmeric physical market in Erode fell heavily this fortnight as domestic and export demand remained weak.
- However traders in Nizam and Erode are waiting for the fresh crops arrive in 2nd week of January.
- Sources added that stockists demand remained weak and all the sources want to buy the new crop.
- Sources however added that this year about 5-10% losses could be seen due to bad weather conditions in the initial sowing period.
- However, traders still estimate a rise in production to 60-65 lakh bags vs. 40-45 lakh bags last year due to higher sowing intentions.
- Weak export demand due to the holiday season in U.S and Europe could also weaken the prices.
- Carry-forward in Erode remains between 50,000-75,000 bags.
- Spices board said that India exported higher in November 2010 compared to November 2009.
- India exported 3,500 tonnes of Turmeric in November 2010 compared to 3,000 tonnes in November 2009.
- Spices Board also added that the April-November 2010 exports of Turmeric were seen at 33,000 tonnes compared to 37,250 tonnes in April-November 2009.

In the short-term turmeric prices may trade range bound to weak on lower demand. In the medium to long-term the price trend may depend on this year's output estimates and demand.

Rs/Qtl	December 27 th 2010	January 08 th 2011	Change
Finger - Erode	16350-16750	15750-16150	-600
Gattah - Erode	16250-16650	15650-16050	-600
Nizam-Cold Stock	17000	16700	-300

Technical Analysis - NCDEX – April Futures

Turmeric 1104(NCTMCJ1)2011/01/08 - Daily B:10268.00 A:10288.00
O 10100.00 H 10336.00 L 10032.00 C 10292.00 V 3,260 I 5,940 +286
EMA(9) 10182 (18) 10145



- Price has closed above 9 and 18-day EMAs supporting the bullish momentum in short term.
- MACD is moving down supporting the bearish market.
- RSI is moving up in the neutral region and is supporting the bullish momentum.
- Key supports are visible at Rs 9024/ql and then at Rs 9658/ql.
- Key resistance are visible at Rs 10968/ql and then at Rs 11644/ql.



CUMIN SEED

- Unjha Cumin Seed physical market ended lower this fortnight as reports of good weather in Gujarat may assist the crop pulled the markets lower.
- Cumulative arrivals at Unjha for this fortnight were at 39,500 quintals. Cumulative offtake for this fortnight were at 64,500 quintals.
- Initially markets were firm after sources reported bad weather conditions in Gujarat. However in the latter stages of the fortnight weather cleared up assisting the crop. Markets sentiments also remained weak as stockists demand remained weak.
- All market participants are going along with the wait and watch policy and want to buy the fresh crop which may come in February.
- India's production this year could be lower compared to last year due to untimely rainfall in Gujarat and Rajasthan.
- Gujarat is expected to produce 30% less compared to last year. Traders say that Gujarat may produce 25-26 lakh bags this year. Initially, the figure was between 30-32 lakh bags.
- However Rajasthan is expected to produce little more due to increase in sowing intentions from farmers this year. Rajasthan may produce between 7-8 lakh bags this year.
- Markets also fell after traders added that ample carry forward stocks in Unjha could be enough till the fresh crops arrive in the market.
- Spices board said on Tuesday that India exported lower in November 2010 compared to November 2009. India exported 2,500 tonnes of Cumin Seed in November 2010 compared to 4,000 tonnes in November 2009.
- Spices Board also added that the April-November 2010 exports of Cumin Seed were seen at 22,500 tonnes compared to 35,300 tonnes in April-November 2009.

We expect Cumin seed prices to trade range bound to weak in the short term as weak demand and clear weather over Gujarat could take prices lower. Price trend in the medium to long term may depend on weather over growing regions, production estimates and export demand.

Rs/Qtl- Unjha	December 27 th 2010	January 08 th 2011	Change
Loose	12675	12575	-100
NCDEX	13625-13650	13525-13550	-100
Poojari	14150	14050	-100

Technical Analysis - NCDEX – February Futures



- Prices have closed above 9 and 18-day EMAs thus supporting the bullish momentum in the short term.
- MACD is moving up supporting the bullish momentum.
- RSI is flat and supports sideways market.
- Key support levels are at Rs 13832/ql and then Rs 14264/ql.
- Key resistance levels are at Rs 15213/ql and then Rs 15730/ql.



Red Chilli

- Red Chillies physical market remained higher in Guntur this fortnight as traders have reported crop losses in A.P due to untimely weather.
- Markets also moved higher as stockists demand improved in Guntur.
- Last year production was 1.5 crore bags and this year production could decline to 1.25 crore bags.
- Cumulative arrivals at Guntur for this fortnight were at 640,000 quintals. Cumulative offtake for this fortnight were at 610,000 quintals.
- Sources say that due to the untimely rains sowing of the crops has been less this year.
- Traders estimate a 10-15% less sowing compared to last year.
- Spices board said that India exported higher in November 2010 compared to November 2009.
- India exported 25,000 tonnes of Red Chilli in November 2010 compared to 19,500 tonnes in November 2009.
- Spices Board also added that the April-November 2010 exports of Red Chilli were seen at 166,000 tonnes compared to 131,250 tonnes in April-November 2009.

In the short term red chilli prices show some range bound to firm movements supported by firm futures. In the long term market trend may depend on weather conditions, export demand and production of the crop.

Rs/Qtl - Guntur	December 27 th 2010	January 08 th 2011	Change
Cold storage	7000-7100	6900-7700	+600
Teja	8300-8500	8000-8300	-200
Bedki	9000	8400-9400	+400

Technical Analysis - NCDEX – February Futures

CHILL334GTR 1102(NCGTRG1)2011/01/08 - Daily B:8594.00 A:8598.00
O 8656.00 H 8816.00 L 8548.00 C 8566.00 V 2,870 I 4,855 -164
EMA(9) 8666.5 (18) 8164.7



- Prices have closed below 9-day EMA thus supporting the bearish momentum in the short term.
- MACD is moving up supporting bullish market.
- RSI is moving down in the neutral region and is supporting bearishness.
- Key support levels are at Rs 7175/qtl and then Rs 7871/qtl.
- Key resistance levels are at Rs 9271/qtl and then Rs 9975/qtl.



Coriander Seed

- Coriander seed physical market surged higher in Ramganj this fortnight as demand in the domestic and international counter saw a rebound at lower levels. Markets also moved higher after lower arrivals in the domestic markets.
- Cumulative arrivals at Guntur for this fortnight were at 36,000 quintals. Cumulative offtake for this fortnight were at 42,000 quintals. Markets moved higher as sources said that the cash markets were influenced by the futures counter which ended higher this fortnight.
- Sources reported of crops losses expected in Rajasthan, M.P and A.P. M.P is expected to lose about 25% of the crop and Rajasthan about 5-10% and A.P about 5-10% due to untimely rains.
- Markets sentiments however look bearish in the longer run after sources revealed that this year production will be higher.
- Traders and sources also said that demand continues to be weak and continued selling pressure in the markets may pull the markets lower in the longer run.
- Spices board said that India exported lower in November 2010 compared to November 2009. India exported 2,250 tonnes of Coriander in November 2010 compared to 3,100 tonnes in November 2009. Spices Board also added that the April-November 2010 exports of Coriander were seen at 30,500 tonnes compared to 29,750 tonnes in April-November 2009.

We expect coriander prices to move lower as arrivals could improve. In the medium to long term price trend may depend on production estimates and demand in the market.

Rs/Qtl - Ramganj	December 27 th 2010	January 08 th 2011	Change
Badami	2900	4700-4800	+1900
Eagle	2950	4900-5000	+2050

Technical Analysis - NCDEX – February Futures

CORIANDER 1102(NCCODG1)2011/01/08 - Daily B:5274.00 A:5285.00
O 5254.00 H 5447.00 L 5225.00 C 5283.00 V 7,450 I 7,970 -5
EMA(9) 4867.3 (18) 4494.8



- Prices have closed above 9 and 18-day EMAs thus supporting the bullish momentum in the short term.
- MACD is moving higher revealing bullish market.
- RSI is flat in the overbought region and is warranting cautions to the bulls.
- Key support levels are at Rs 3446/qtl and then Rs 4364/qtl.
- Key resistance levels are at Rs 5824/qtl and then Rs 6366/qtl.

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