

RED CHILLIES

Market Analysis:

- Red chilli prices cash ended slightly lower on Thursday as arrivals declined improved in the domestic markets.
- Markets sentiments however remained weak as domestic, stockists and export demand remained weak.
- Markets moved higher as farmers brought in less stock in the markets seeing slightly lower prices.
- However, sources have reported crop losses in A.P due to untimely weather.
- Last year production was 1.5 crore bags and this year production could decline to 1.25 crore bags.
- However sources added that dry weather conditions in A.P could assist further development of the crop.

In the short term red chilli prices may show weakness on higher arrivals and weak demand. In the long term market trend may depend on weather conditions, export demand and production of the crop.

Technical Analysis:

- Candlestick formation reveals indecision.
- Prices closed below 9 and 18-day EMA's thus supporting the bearish momentum in the short term.
- MACD is moving down supports bearish market.
- RSI is flat supports sideways market.
- Red Chilli futures are likely to trade range bound with a weak bias in next trading session.

Weather:

Dry weather conditions could increase the chances of arrivals in the markets and may assist further development of the crop.

Price Drivers:

No.	Pressure Point	Favours
1	Lower production estimates	Bulls
2	Crop losses expected	Bulls
3	Weak stockists demand	Bears
4	Weak export demand	Bears
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	13-01-11	12-01-11	Change
Cold Storage	Guntur	6600-7400	6650-7450	-50
Teja		7700-8000	7750-8050	-50
Bedki		8100-9100	8150-9150	-50

Arrivals and Offtake in bags: (1 bag=45 Kg)

	13-01-11	12-01-11
Arrivals	70000	65000
Offtake	70000	65000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	8230-8235	8148	8127	8289	8012	8074	8136	8292	8354

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets remained steady on Thursday as arrivals remained lower in Kochi.
- Upcountry demand remained weak due to cold weather in New Delhi.
- Sources added that arrivals declined as the weather remained unfavorable for harvests in Kerala and this could move the markets higher.
- Sources added that there were more domestic buyers on Tuesday than sellers and that aided the price rise.
- Markets sources however added that demand would outweigh supply in the long term this may keep supporting the uptrend.
- Export demand is could see a rebound this week and could move the markets higher.
- Sources also added that lower carry-forward and lower production may support the uptrend in the markets.

Pepper prices may trade range bound to firm in the short term on lower arrivals expected in the local markets. In the medium and long term price trend will depend on the availability and production estimates in India.

Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- Prices closed below 9 and 18-day EMA's thus supporting the firm momentum in short term.
- MACD and RSI are moving down supports bearish markets.
- Black Pepper futures are likely to trade range bound with a weak bias in next trading session.

Weather:

Dry weather conditions could increase the chances of arrivals in the markets.

Price Drivers:

No.	Pressure Point	Favours
1	Unfavorable weather for harvests	Bulls
2	Firm domestic demand	Bulls
3	Lower carry-forward stocks	Bulls
4	Weak export demand	Bears
5	Higher arrivals	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	13-01-11	12-01-11	Change
Ungarbled	Kochi	21400	21400	-
Garbled		22200	22200	-

Arrivals and Offtake in Tonnes:

	13-01-11	12-01-11
Arrivals	15	12
Offtake	17.5	12

Pepper 1102(NCPEPG1)2011/01/13 - Daily B:22875.00 A:22890.00
O 22999.00 H 23175.00 L 22805.00 C 22889.00 V 4,515 I 7,767 -98
EMA(9) 22967 (18) 22900



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	23000-23010	22770	22750	23140	22367	22586	22889	23326	23477

TURMERIC

Market Analysis:

- Erode and Nizam ended lower on Thursday as demand remained weak in the markets.
- Markets also ended lower on Thursday on anticipation of fresh crop arrivals in the markets.
- Market activity remained low as upcountry demand remained weak due to cold weather.
- Sources added that stockists demand remained weak and all the sources want to buy the new crop.
- On the other hand this year about 5-10% losses could be seen due to bad weather conditions in the initial sowing period.
- However, sources estimate a rise in production to 60-65 lakh bags vs. 40-45 lakh bags last year due to higher sowing intentions.
- Erode markets will remain closed till Monday on the account of Pongal festival.

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

Technical Analysis:

- Candlestick formation reveals bullish sentiments.
- Prices closed below 9 and 18-day EMAs thus supporting the bearish momentum in short term.
- MACD is moving down supports bearish sentiments.
- RSI is moving up supports bullish sentiments.
- Turmeric futures are likely to trade range bound with a weak bias in next trading session.

Weather:

- Heavy rainfall would occur over Tamil Nadu.
- This may disrupt harvesting of the crop.

Price Drivers:

No.	Pressure Point	Favours
1	Higher output estimation	Bears
2	Higher acreage estimates	Bears
2	Weak stockists demand	Bears
4	Losses could be seen	Bulls
5	Lower carry-over stocks	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	13-01-11	12-01-11	Change
Finger	Erode	15400-	15500-	-200
		15600	15800	
Gattah	Erode	15300-	15400-	-200
		15500	15700	
Nizam	Nizamabad	16400	16500	-100

Arrivals and Offtake in bags: (1 bag=90 Kg)

	Centre	13-01-11	12-01-11
Arrivals	Erode	4000	5000
Offtake		3000	3000
Arrivals	Nizamabad	No Arrivals	No Arrivals
Offtake		No Offtake	No Offtake



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	10150-10155	10049	10023	10221	9727	9831	10070	10279	10398

CARDAMOM

Market Analysis:

- Cardamom markets moved higher on Thursday amid higher arrivals in the domestic markets.
- Sources however added that markets may see some further uptrend due to bad weather which may hinder arrivals in the local markets.
- Markets sentiments remained firm as demand remained high at lows.
- However upcountry demand remained weak due to cold weather.
- Stockists and export demand remained weak, pulling the markets lower.
- On the other hand, weak production in India and Guatemala is however likely to support any uptrend in the market.
- India is expected to produce 10,000 tonnes compared to 13,000 tonnes.
- Guatemala is expected to produce 20,000 tonnes compared to 23,000 tonnes.

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.

Technical Analysis:

- Candlestick formation is revealing bearish sentiments.
- Prices are below 9-day EMA supporting bearish momentum in the short term.
- MACD is moving down supporting bearish market.
- RSI is flat supporting bullish market.
- Cardamom futures are likely to trade range-bound with firm bias in next trading session.

Weather:

- Scattered thundershowers would occur over Tamil Nadu.
- This may disrupt the arrivals in the markets.
- Dry weather in Karnataka and Kerala could increase the chances of arrivals in the markets and may assist further development of the crop.

Price Drivers:

No.	Pressure Point	Favours
1	Weak demand	Bears
2	Weak export demand	Bears
3	Higher arrivals	Bears
4	Lower production from India and Guatemala	Bulls
5	Unfavourable weather conditions for harvesting	Bulls

SPOT MARKET PRICES: (Rs/Kg)

Grade	Centre	13-01-11	12-01-11	Change
Small	Max Auction Price	1531-1551	1500.5	+50.5
	Average Auction Price	1380.56-1388.51	1333.88	+54.63

Arrivals and Offtake in Kgs:

	13-01-11	12-01-11
Arrivals	30594	31207
Offtake	29904	29612



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	SELL	1585-1587	1565	1562	1599.5	1519	1539	1558.1	1619	1639

CUMIN SEED

Market Analysis:

- Cumin seed prices end lower as demand remained weak and arrivals remain on the higher side.
- Markets remained weak as selling pressure remained higher.
- Sources also added that markets sentiments may remain weak as weather has cleared in Gujarat aiding the crop development.
- Markets sentiments also remained weak as stockists demand remained weak.
- However lower carryover stocks and lower production estimates this year may reduce losses.
- 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.
- However Rajasthan is expected to produce little more due to increase in sowing intentions from farmers this year.
- Unjha markets will remain closed on Friday the account of Sankranti festival.

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

Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- Prices have closed below the 9 and 18-day EMAs suggests weak trend in short term.
- MACD is flat supports sideways sentiments.
- RSI is moving down supports bearish sentiments.
- Cumin seed prices are likely to remain range bound with a weak bias in next trading session.

Weather:

- Dry weather conditions over Gujarat may assist the crop development.
- Scattered thundershowers would occur over North Rajasthan may affect the quality of the crop.

Price Drivers:

No.	Pressure Point	Favours
1	Weak stockists demand	Bears
2	Favourable weather over Gujarat	Bears
3	Weak export demand	Bears
4	Lower carry over	Bulls
5	Lower productions estimates	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	13-01-11	12-01-11	Change
Loose		12125	12225	-100
Machine Cut	Unjha	13600	13700	-100
NCDEX		13075-	13175-	
Quality		13100	13200	-100

Arrivals and Offtake in bags: (1 bag=55 Kg)

	13-01-11	12-01-11
Arrivals	2500-3000	3000
Offtake	3000-3500	3000

JEERA 1102(NCJEEG1)2011/01/13 - Daily B:14405.00 A:14440.00
O 14500.00 H 14621.00 L 14236.00 C 14410.00 V 9,165 I 15,102 -52
EMA(9) 14576 (18) 14606



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	14500-14510	14355	14330	14600	14037	14223	14410	14608	14807

CORIANDER SEED
Market Analysis:

- Coriander seed prices ended lower on Thursday as demand remained weak and higher arrivals.
- Markets sentiments remained weak as selling pressure remained higher in the markets.
- Domestic, export and stockists demand remain weak and may continue to pull the markets lower in the longer run.
- However sources reported of crops losses expected in Rajasthan, M.P and A.P.
- Sources say that 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.
- However some sources added that this year amid the losses we could see the production to be good.

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

Technical Analysis:

- Candlestick formation is supporting bullish sentiments.
- Prices are above 9 and 18-day EMAs supporting bullish momentum in the short term.
- MACD is moving up suggests bullish market.
- RSI is moving up in the overbought zone and is warranting caution to the bulls.
- Coriander seed futures are likely to trade range-bound with weak bias in next trading session.

Weather:

- Dry weather conditions over M.P and Coastal A.P may assist the crop development.
- Scattered thundershowers would occur over North Rajasthan may affect the quality of the crop.

Price Drivers:

No.	Pressure Point	Favours
1	Weak stockists demand	Bears
2	Weak domestic demand	Bears
3	Firm futures counter	Bulls
4	Unfavourable weather over Rajasthan	Bulls
5	Lower arrivals	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	13-01-11	12-01-11	Change
Badami	Ramganj	3550-3750	3600-3800	-50
Eagle		3850-3950	3900-4000	-50

Arrivals and Offtake in bags: (1 bag=40 Kg)

	13-01-11	12-01-11
Arrivals	3000-3500	3000
Offtake	3500	3000


Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	5340-5345	5287	5273	5381	5016	5140	5263	5386	5510

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