

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets ended higher on Thursday as arrivals declined in Guntur.
- Sources however added that domestic, stockists and export demand remained weak.
- Upcountry demand remained firm and may push markets higher in the short run
- Markets were also influenced by firm futures counter on Thursday.
- Markets also moved higher as 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 bullish sentiments.
- Prices closed above 9 and 18-day EMA's thus supporting the bullish momentum in the short term.
- MACD is moving down supports bearish market.
- RSI is moving up supports bullish market.
- Red Chilli futures are likely to trade range bound with a firm 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	Lower arrivals	Bulls
4	Weak stockists and export demand	Bears
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	20-01-11	19-01-11	Change
Cold Storage	Guntur	6750-7550	6650-7450	+100
Teja		7850-8150	7750-8050	+100
Bedki		8250-9250	8150-9150	+100

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

	20-01-11	19-01-11
Arrivals	50000	60000
Offtake	50000	60000

CHILL334GTR 1102(NCGTRG1)2011/01/20 - Daily B:8786.00 A:8830.00
O 8686.00 H 8860.00 L 8640.00 C 8820.00 V 6,090 I 4,875 +280
EMA(9) 8445.0 (18) 8292.9



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	8750-8755	8843	8858	8696	8548	8684	8820	8908	8996

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets ends lower on Thursday as demand remains weak at highs.
- Pepper market sentiments remain bearish as reports that Indonesia and Brazil are not showing much interest.
- Upcountry market players were also waiting for the fresh crop to come in so export activity has been sluggish from the North of the country.
- IPC says that overall global production in 2011 is expected to be around 309,952 lower compared to 316,380 tonnes in 2010.
- IPC also adds that India's production will be around 48,000 tonnes in 2011 lower compared to 50,000 tonnes in 2010.
- Sources however added that harvesting will start in India and this may bring in arrivals which may lower markets next week.

Pepper prices may trade range bound in the short term on mixed sentiments and lower demand. In the medium and long term price trend will depend on the availability and production estimates globally.

Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- Prices closed above 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:

Isolated rainfall would occur over Kerala could decrease the chances of arrivals in the markets and hinder the harvesting of crop.

Price Drivers:

No.	Pressure Point	Favours
1	Unfavorable weather for harvests	Bulls
2	Firm domestic demand	Bulls
3	Lower arrivals	Bulls
4	Weak international interest	Bears
5	Weak upcountry demand	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	20-01-11	19-01-11	Change
Ungarbled	Kochi	21500	21600	-100
Garbled		22300	22400	-100

Arrivals and Offtake in Tonnes:

	20-01-11	19-01-11
Arrivals	20	20
Offtake	20	35

Pepper 1102(NCPEPG1)2011/01/20 - Daily B:23010.00 A:23020.00
O 23148.00 H 23280.00 L 22950.00 C 23020.00 V 6,513 I 10,587 -95
EMA(9) 22963 (18) 22924



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	23080-23085	22849	22824	23215	22556	22753	23020	23413	23546

TURMERIC

Market Analysis:

- Nizam ended lower on Thursday on weak demand.
- Erode markets moved higher as sources say that farmers seeing that markets have declined a lot they might hesitate to bring in stocks.
- Market sentiments in Nizam have remained weak on anticipation of fresh crop arrivals in the markets.
- However 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.
- Mixed bag reactions arise for turmeric production estimates in India for 2011.
- Some sources say that production be in the range of 40-45 lakh bags, some say that production estimates could be in the range of 60-65 lakh bags.

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 indecision.
- Prices closed above 9 and 18-day EMAs thus supporting the bullish 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:

Dry weather conditions could increase the chances of arrivals in the markets and assist the harvesting of crop.

Price Drivers:

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

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	20-01-11	19-01-11	Change
Finger	Erode	15200-	15000-	+200
		15400	15200	
Gattah	Erode	15100-	14900-	+200
		15300	15100	
Nizam	Nizamabad	15700	15800	-100

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

	Centre	20-01-11	19-01-11
Arrivals-Old		800	1500-1800
Arrivals-New	Erode	1000-1200	-
Offtake		1500	900-1000
Arrivals	Nizamabad	No Arrivals	No Arrivals
Offtake	Nizamabad	No Offtake	No Offtake

Turmeric 1104(NCTMCJ1)2011/01/20 - Daily B:10208.00 A:10218.00
O 10228.00 H 10318.00 L 10130.00 C 10216.00 V 3,260 I 6,730 +62
EMA(9) 10090 (18) 10091



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	10260-10265	10157	10132	10331	9860	10038	10216	10356	10496

CARDAMOM

Market Analysis:

- Cardamom markets moved higher on Thursday as arrivals remained lower in the domestic markets.
- Sources added that markets may move higher due to bad weather which may hinder arrivals in the local markets.
- Sources added that the 3rd harvest will be over by this weekend and the next harvest could start next week.
- Stockists and export demand remained weak, and could be a dampener on prices in the longer run.
- Markets also moved higher as weak production in India and Guatemala is pushing the markets higher.
- 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 bullish sentiments.
- Prices are below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD is moving down supporting bearish market.
- RSI is moving up supporting bullish market.
- Cardamom futures are likely to trade range-bound with firm bias in next trading session.

Weather:

Isolated rainfall would occur over Kerala could decrease the chances of arrivals in the markets and hinder the harvesting of crop.

Price Drivers:

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

SPOT MARKET PRICES: (Rs/Kg)

Grade	Centre	20-01-11	19-01-11	Change
Small	Max Auction Price	Nedumk andam 1410-1515	1601	-86
	Average Auction Price	Kumily 1325.39-1338.26	1306.85	+31.41

Arrivals and Offtake in Kgs:

	20-01-11	19-01-11
Arrivals	30145	28074
Offtake	27096	26331



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1515-1517	1532	1537	1504	1467	1484	1531	1547	1564

CUMIN SEED

Market Analysis:

- Unjha cash markets remained steady on Thursday as hedgers continued buying in the markets.
- Markets sentiments remained weak as the cash markets were partially influenced by weak futures counter on Thursday.
- Carryover stocks are ample about 6-8 lakh bags and this year bring the markets down.
- This year's production in Gujarat is expected at 25 lakh bags same as last year which could move the markets higher in the long term even though initially sowing was higher.
- Sources added that Gujarat is expected to produce 30% less compared to last year.
- Sources added that Rajasthan is expected to produce more however due to untimely rains production could be lower this year.

We expect Cumin seed prices to trade range bound to firm as production estimates were lower. Price trend in the medium to long term may depend on weather over sowing regions, production estimates and export demand.

Technical Analysis:

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

Weather:

Dry weather conditions could increase the chances of arrivals in the markets and assist the harvesting of crop.

Price Drivers:

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

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	20-01-11	19-01-11	Change
Loose		12225	12225	-
Machine Cut	Unjha	13700	13700	-
NCDEX		13175-	13175-	-
Quality		13200	13200	-

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

	20-01-11	19-01-11
Arrivals	2500	2500-3000
Offtake	4000	5000-5500

JEERA 1102(NCJEEG1)2011/01/20 - Daily B:14940.00 A:14950.00
O 15140.00 H 15140.00 L 14920.00 C 14945.00 V 10,077 I 13,986 -95
EMA(9) 14822 (18) 14741



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	14825-14830	14978	14998	14738	14643	14718	14945	15083	15163

CORIANDER SEED

Market Analysis:

- Coriander cash markets ended lower on Thursday as demand remained weak.
- Markets sentiments remained weak as production estimates may be higher.
- However reports of crop losses in M.P, A.P and Rajasthan continue in the markets.
- 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.
- Markets sentiments remained weak as stockists, export demand remain weak.
- However upcountry demand remained weak and could weaken the markets.
- However some sources added that this year amid the losses we could see the production to be good.

We expect coriander prices to remain range bound to weak on crop losses anticipations. In the medium to long term price trend may depend on production estimates and demand in the market.

Technical Analysis:

- Candlestick formation reveals bullish sentiments.
- Prices are above 9 and 18-day EMAs supporting bullish momentum in the short term.
- MACD and RSI are flat suggests sideways market.
- Coriander seed futures are likely to trade range-bound with weak bias in next trading session.

Weather:

Dry weather conditions could increase the chances of arrivals in the markets and assist the harvesting of crop.

Price Drivers:

No.	Pressure Point	Favours
1	Weak stockists demand	Bears
2	Higher production estimates	Bears
3	Weak futures counter	Bears
4	Favourable weather over Rajasthan	Bears
5	Lower arrivals	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	20-01-11	19-01-11	Change
Badami	Ramganj	3500-3700	3600-3800	-100
Eagle		3800-3900	3900-4000	-100

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

	20-01-11	19-01-11
Arrivals	3000	3000
Offtake	3000	3000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	5425-5430	5371	5357	5466	5228	5314	5400	5503	5606

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