

## RED CHILLIES

### Market Analysis:

- Red chilli prices cash markets ended steady as demand remained weak at highs.
- Sentiments remained weak on anticipation of fresh arrivals in Guntur.
- Sources added that domestic, stockists and export demand remained weak.
- Upcountry demand remained weak and may pull markets lower in the short run.
- 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 lower than 1 crore bags.
- Sources say that production could be lower by 50-60% due to untimely weather in A.P.
- However sources added that dry weather conditions in A.P could assist harvesting of the crop.

*In the short term red chilli prices may show weakness on fresh arrivals expectations 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 bearish sentiments.
- Prices closed above 9 and 18-day EMA's thus supporting the bullish momentum in the short term.
- MACD and RSI are moving down supports bearish 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 harvesting of the crop.

### Price Drivers:

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

### SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	25-01-11	24-01-11	Change
Cold Storage		6950-7750	6950-7750	-
LCA 334 New	Guntur	7000-7500	7000-7500	-
Teja		8050-8350	8050-8350	-
Bedki		8450-9450	8450-9450	-

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

	25-01-11	24-01-11
Arrivals-New	25000	50000
Arrivals-Old	25000	30000
Offtake	50000	80000



### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	8500-8505	8590	8605	8447	8134	8346	8558	8760	8962

### BLACK PEPPER

#### Market Analysis:

- Kochi Black pepper physical markets ends lower on Tuesday as demand continues to be weak.
- Pepper market sentiments remain bearish as reports that globally buyers are not showing much interest.
- Upcountry demand is also slow and may remain so till February.
- However 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 to weak in the short term on 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 below 9 and 18-day EMA's thus supporting the bearish momentum in short term.
- MACD is flat supports sideways markets.
- RSI is moving down supports bearish market.
- 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 and may assist further development of the crop.

#### Price Drivers:

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

#### SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	25-01-11	24-01-11	Change
Ungarbled	Kochi	21300	21500	-200
Garbled		22100	22300	-200

#### Arrivals and Offtake in Tonnes:

	25-01-11	24-01-11
Arrivals	20	30
Offtake	10	20

Pepper 1102(NCPEPG1)2011/01/25 - Daily B:22535.00 A:22560.00  
O 22940.00 H 22954.00 L 22315.00 C 22555.00 V 8,500 I 9,460 -365  
EMA(9) 22883 (18) 22896



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	22675-22680	22448	22423	22808	21969	22262	22555	22901	23247

### TURMERIC

#### Market Analysis:

- Erode new stock fell on Tuesday old stock remained steady amid higher arrivals.
- However Nizam new stock remained steady as arrivals declined in the market.
- Sources say that farmers seeing that markets have declined a lot they are hesitating to bring in stocks in Erode.
- However market activity remained low as upcountry demand remained weak due to cold weather and sources say that upcountry demand is expected to be weak till February.
- On the other hand this year about 5-10% losses could be seen due to bad weather conditions in the initial sowing period.
- Mixed 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 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 down 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	25-01-11	24-01-11	Change
Finger-Old	Erode	15250-	15250-	-
Gattah-Old		15450	15450	-
Finger-New		15150-	15150-	-
Gattah-New		15350	15350	-
Finger-New	Nizamabad	13000-	15000-	-200
Gattah-New		14000	16000	-200
Finger-New		12500-	12700-	-200
Gattah-New		13500	13700	-200
Nizam-New	Nizamabad	15000	15000	-

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

	Centre	25-01-11	24-01-11
Arrivals-Old	Erode	1000	1500
Arrivals-New		3000	2000
Offtake- Old		700	800
Offtake- New		2100	3000
Arrivals	Nizamabad	3000	6000
Offtake		3000	6000



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	9985-9990	9885	9860	10055	9725	9831	9936	10085	10190

### CARDAMOM

#### Market Analysis:

- Cardamom markets rebounded on Tuesday amid higher arrivals in the markets.
- Sources however added that sentiments remained weak on anticipation of fresh arrivals in Tamil Nadu and Kerala.
- Sources also added that weak domestic and export demand will keep pulling the markets lower.
- Sources added that the 3<sup>rd</sup> harvest is over however arrivals could slow down due to low production estimates.
- Sources also added that markets sentiments may remain bullish in the longer run due to bad weather which may hinder arrivals in the local markets.
- 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 indecision.
- Prices are above 9-day EMA supporting bullish momentum in the short term.
- MACD is moving down supporting bearish market.
- RSI is flat supporting sideways market.
- Cardamom futures are likely to trade range-bound with 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	Weak domestic and export demand	Bears
2	Anticipation of fresh arrivals	Bears
3	Favourable weather conditions for harvesting	Bears
4	Lower arrivals	Bulls
5	Lower production from India and Guatemala	Bulls

#### SPOT MARKET PRICES: (Rs/Kg)

Grade	Centre	25-01-11	24-01-11	Change
Small	Max Auction Price	1477.5	1342.5-1350	+127.5
	Average Auction Price	1352.62	1264.19-1268.81	+83.81

#### Arrivals and Offtake in Kgs:

	25-01-11	24-01-11
Arrivals	27133	11659
Offtake	27133	10032



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1508-1510	1525	1530	1497	1468	1488	1520.6	1540	1560



### CUMIN SEED

#### Market Analysis:

- Unjha cash markets ends lower on Tuesday as hedgers were less active in the markets.
- Markets also moved lower due to higher arrivals in the markets.
- Weak futures on Tuesday also partially influenced the selling in the cash markets.
- Carryover stocks are low about 6-8 lakh bags and this may continue to push the markets higher.
- 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.
- This year Rajasthan could make for the loss in Gujarat and produce between 3-4 lakh bags.

**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 growing regions, production estimates and export demand.**

#### Technical Analysis:

- Candlestick formation reveals profit taking in the markets.
- 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 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	Favourable weather over Gujarat	Bears
3	Weak hedgers buying activity	Bears
4	Lower carry over	Bulls
5	Lower productions estimates	Bulls

#### SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	25-01-11	24-01-11	Change
Loose		12425	12525	-100
Machine Cut	Unjha	13900	14000	-100
NCDEX		13375-	13475-	-100
Quality		13400	13500	

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

	25-01-11	24-01-11
Arrivals	4000-4500	4000-5000
Offtake	4000	7000

JEERA 1103(NCJEEH1)2011/01/25 - Daily B:15750.00 A:15773.00  
O 15850.00 H 15949.00 L 15570.00 C 15750.00 V 6,741 15,651 -123  
EMA(9) 15538 (18) 15302



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	15800-15805	15642	15602	15906	15377	15563	15750	15942	16135

### CORIANDER SEED

#### Market Analysis:

- Coriander cash markets remained steady on Tuesday amid weak demand.
- Markets sentiments remained weak amid production estimates being higher.
- Markets sentiments remain weak as arrivals remained consistently higher in the markets.
- However planters seeing weak markets may hesitate to bring in stocks which may slowdown the downtrend.
- 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 stockist's, export and north Indian demand remain weak.
- 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 selling pressure in the markets.
- Prices are below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD and RSI are moving down supports bearish markets.
- 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	25-01-11	24-01-11	Change
Badami	Ramganj	3600-3700	3600-3700	-
Eagle		3600-3700	3600-3700	-

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

	25-01-11	24-01-11
Arrivals	2500	3000
Offtake	2500	3000



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	4945-4950	4896	4883	4983	4736	4822	4909	5082	5256

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