

## RED CHILLIES

### Market Analysis:

- Red chilli prices cash markets remained steady as demand remained weak at highs.
- Sentiments remained firm on arrivals declined in Guntur.
- Sources however added that domestic, stockists and export demand remained weak.
- 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.
- Spices Board said Chilli export was higher by 22% during the period of April-December 2010 at 179,500 tonnes compared 147,250 tonnes shipped out during the period of April-December 2009.

***In the short term red chilli prices may show weakness on fresh 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 flat supports sideways 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 harvesting of the crop.

### Price Drivers:

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

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

Grade	Centre	28-01-11	27-01-11	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)

	28-01-11	27-01-11
Arrivals-New	25000	25000
Arrivals-Old	15000	25000
Offtake	40000	50000



### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	9100-9105	9196	9219	9040	8639	8925	9210	9353	9495

### BLACK PEPPER

#### Market Analysis:

- Kochi Black pepper physical markets moved higher on Friday as demand rebounded from lows.
- Markets also improved as arrivals declined in Kochi.
- However, pepper market sentiments remain bearish as export demand remained weak.
- Sentiments also remained bearish as international buyers are waiting for lower prices.
- Sources added that all market participants are waiting for the Vietnam crop which may start in late February.
- However, sources added that fresh arrivals will only start by February end which may push markets higher.
- Brazilian Pepper Board says that the expected pepper production is below 37,000-40,000 tonnes.
- Spices Board Pepper exports were down by 9% at 14,000 tonnes compared 15,425 tonnes during the period of April-December 2009.

**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 bullish sentiments.
- Prices closed below 9 and 18-day EMA's thus supporting the bearish momentum in short term.
- MACD is moving down supports bearish markets.
- RSI is moving up supports bullish 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 export demand	Bears

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

Grade	Centre	28-01-11	27-01-11	Change
Ungarbled	Kochi	21400	21200	+200
Garbled		22200	22000	+200

#### Arrivals and Offtake in Tonnes:

	28-01-11	27-01-11
Arrivals	15	25
Offtake	10	20

Pepper 1102(NCPEPG1)2011/01/28 - Daily B:22710.00 A:22720.00  
O 22332.00 H 22740.00 L 22227.00 C 22717.00 V 5,320 I 9,006 +357  
EMA(9) 22766 (18) 22827



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	22830-22835	22602	22577	22964	22048	22382	22717	23074	23408

### TURMERIC

#### Market Analysis:

- Erode and Nizam ended lower on Friday amid lower arrivals in both markets.
- Sources however say that demand remained weak pulling the markets lower.
- Market activity remained low as upcountry demand remained weak and 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.
- Spices Board said that Turmeric exports were down by 13% at 35,500 tonnes declined during the period of April-December 2010 compared 40,825 tonnes during the period of April-December 2009.

*In the short-term turmeric prices may trade range bound to weak on lower demand and fresh arrivals 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 below 9 and 18-day EMAs thus supporting the bearish momentum in short term.
- MACD is moving down supports bearish sentiments.
- RSI is flat supports sideways 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 export demand	Bears
4	Weak upcountry demand	Bears
5	Lower carry-over stocks	Bulls

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

Grade	Centre	28-01-11	27-01-11	Change
Finger-Old	Erode	15100-	15200-	-100
Gattah-Old		15300	15400	
Finger-New		15000-	15100-	-100
Gattah-New		15200	15300	
Finger-New	Nizamabad	12200-	12700-	-500
Gattah-New		13200	13700	
Finger-New		11700-	12200-	-500
Gattah-New		12700	13200	
Nizam-New	Nizamabad	13700	14200	-500

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

	Centre	28-01-11	27-01-11
Arrivals-Old	Erode	800	1000
Arrivals-New		3000	4000
Offtake- Old		300	700
Offtake- New		2000	2800
Arrivals	Nizamabad	3000	10000
Offtake		3000	10000



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	9875-9880	9776	9752	9944	9635	9740	9850	10047	10154

### CARDAMOM

#### Market Analysis:

- Cardamom markets fell on Friday amid lower arrivals in the markets.
- Domestic and export demand remained weak and pulled the markets lower.
- Sources however added that the 3<sup>rd</sup> harvest is over however arrivals could slow down due to low production estimates.
- 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.
- Spices Board said that Cardamom Small exports were down by 41% at 700 tonnes compared 1,190 tonnes during the period of April-December 2009.
- They also added that Cardamom Large exports were down by 40% at 400 tonnes compared 670 tonnes during the period of April-December 2009.

***We believe that cash markets may move higher following lower production estimates. 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 and 18-day EMAs supporting bearish momentum in the short term.
- MACD and RSI are moving down supporting bearish market.
- Cardamom 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 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	28-01-11	27-01-11	Change
Small	Max Auction Price	1519.5	1464.5-1587.5	-68
	Average Auction Price	1298.78	1321.38-1358.56	-59.78

#### Arrivals and Offtake in Kgs:

	28-01-11	27-01-11
Arrivals	25949	34164
Offtake	24181	33586



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	SELL	1458-1460	1438	1433	1473.5	1411	1429	1446.9	1482	1518



### CUMIN SEED

#### Market Analysis:

- Unjha cash markets continued its weakness on Friday as demand remained weak.
- Markets also moved lower as arrivals continued to be higher in the markets.
- Carryover stocks are low about 6-8 lakh bags and this may 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.
- However sources add that this year Rajasthan could make for the loss in Gujarat and produce between 3-4 lakh bags.
- Spices Board said Cumin Seed exports were down by 37% at 24,250 tonnes declined during the period of April-December 2010 compared 38,300 tonnes during the period of April-December 2009.

**We expect Cumin seed prices to trade range bound to weak demand remains weak. 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 bullish sentiments.
- Prices have closed above the 9 and 18-day EMAs suggests bullish trend in short term.
- MACD and RSI are moving up supports bullish sentiments.
- Cumin seed prices are likely to remain range bound with a weak bias in next trading session.

#### Weather:

- Dry weather conditions in Gujarat may assist in further development of the crop.
- However isolated thundershowers over North Rajasthan may hinder crop development.

#### Price Drivers:

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

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

Grade	Centre	28-01-11	27-01-11	Change
Loose		12125	12275	-150
Machine Cut	Unjha	13600	13750	-150
NCDEX		13075-	13225-	-150
Quality		13100	13250	

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

	28-01-11	27-01-11
Arrivals	4000	4000-4500
Offtake	4200	3000-4000

JEERA 1103(NCJEEH1)2011/01/28 - Daily B:15437.00 A:15459.00  
O 15129.00 H 15547.00 L 15020.00 C 15460.00 V 8,331 I 15,858 +330  
EMA(9) 15457 (18) 15303



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	15600-15605	15444	15419	15698	14815	15137	15460	15664	15869

## SPICES

DATE: 29-01-2011

### CORIANDER SEED

#### Market Analysis:

- Coriander cash markets remained steady on Friday as demand remained weak.
- Markets sentiments remained weak as production estimates remain higher.
- 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.
- Spices Board said Coriander Seed exports were down by 2% at 32,500 tonnes declined during the period of April-December 2010 compared 33,000 tonnes during the period of April-December 2009.

***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 below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD is moving down supports bearish markets.
- RSI is moving up supports bullish 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.
- However isolated thundershowers over North Rajasthan may hinder crop development.

#### Price Drivers:

No.	Pressure Point	Favours
1	Weak export 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	28-01-11	27-01-11	Change
Badami	Ramganj	3500	3500	-
Eagle		3600	3600	-

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

	28-01-11	27-01-11
Arrivals	2500	2500
Offtake	2500	2500



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	4940-4945	4891	4881	4977	4633	4767	4902	4989	5037

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