

### RED CHILLIES

#### Market Analysis:

- Red chilli prices cash markets were closed on Saturday as demand remained weak at highs.
- Sentiments remained weak on fresh arrivals expectations in Guntur.
- Sources also 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 bearish 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 down supports bearish sentiments.
- 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	29-01-11	28-01-11	Change
Cold Storage		Closed	6950-7750	-
LCA 334 New	Guntur	Closed	7000-7500	-
Teja		Closed	8050-8350	-
Bedki		Closed	8450-9450	-

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

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



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	8900-8905	8993	9016	8842	8736	8816	8976	9076	9156

### BLACK PEPPER

#### Market Analysis:

- Kochi Black pepper physical markets ended lower on Saturday as demand remained weak at highs.
- Markets also declined as arrivals improved slightly in Kochi.
- Black 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 bearish sentiments.
- Prices closed below 9 and 18-day EMA's thus supporting the bearish 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 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	29-01-11	28-01-11	Change
Ungarbled	Kochi	21200	21400	-200
Garbled		22000	22200	-200

#### Arrivals and Offtake in Tonnes:

	29-01-11	28-01-11
Arrivals	20	15
Offtake	15	10

Pepper 1102(NCPEPG1)2011/01/29 - Daily B:22280.00 A:22285.00  
O 22672.00 H 22740.00 L 22201.00 C 22280.00 V 4,086 I 8,667 -437  
EMA(9) 22669 (18) 22769



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	22310-22315	22087	22062	22441	21868	22024	22280	22613	22946

### TURMERIC

#### Market Analysis:

- Erode and Nizam were closed on Saturday.
- Sources however say that demand remained weak.
- 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 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 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	29-01-11	28-01-11	Change
Finger-Old	Erode	Closed	15100-15300	-
Gattah-Old		Closed	15000-15200	-
Finger-New		Closed	12200-13200	-
Gattah-New		Closed	11700-12700	-
Nizam-New	Nizamabad	Closed	13700	-

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

	Centre	29-01-11	28-01-11
Arrivals-Old	Erode	Closed	800
Arrivals-New		Closed	3000
Offtake- Old		Closed	300
Offtake- New		Closed	2000
Arrivals	Nizamabad	Closed	3000
Offtake		Closed	3000



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	9910-9915	9811	9786	9979	9653	9751	9850	9995	10063

### CARDAMOM

#### Market Analysis:

- Cardamom markets witnessed no trade on Saturday.
- 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 is moving down supporting bearish market.
- RSI is moving down in the oversold region and is warranting caution to the bears.
- 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	29-01-11	28-01-11	Change
Small	Max Auction Price	No Trade	1519.5	-
	Average Auction Price	No Trade	1298.78	-

#### Arrivals and Offtake in Kgs:

	29-01-11	28-01-11
Arrivals	No Trade	25949
Offtake	No Trade	24181



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1365-1367	1390	1395	1350	1307	1334	1394	1419	1446



### CUMIN SEED

#### Market Analysis:

- Unjha cash markets moved higher as arrivals declined in the domestic markets.
- Markets sentiments remained bullish as sources revealed that production estimates could be lower.
- 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.
- Carryover stocks are low about 6-8 lakh bags and this may push the markets higher.
- 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 bearish sentiments.
- Prices have closed below the 9 and 18-day EMAs suggests bearish 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 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	29-01-11	28-01-11	Change
Loose		12225	12125	+100
Machine Cut	Unjha	13700	13600	+100
NCDEX		13175-	13075-	+100
Quality		13200	13100	

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

	29-01-11	28-01-11
Arrivals	3500	4000
Offtake	4000	4200

JEERA 1103(NCJEEH1)2011/01/29 - Daily B:15240.00 A:15258.00  
O 15475.00 H 15618.00 L 15190.00 C 15239.00 V 7,149 I 15,867 -221  
EMA(9) 15413 (18) 15296



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	15400-15405	15246	15226	15494	14921	15080	15239	15508	15777

### CORIANDER SEED

#### Market Analysis:

- Coriander cash markets moved higher on Saturday as arrivals declined in Ramganj.
- Markets sentiments remained weak as production estimates remain higher.
- However planters hesitated to bring in stocks which moved the markets higher on Saturday.
- 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 firm on lower arrivals. In the medium to long term price trend may depend on production estimates and demand in the market.***

#### Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- 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 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.
- 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	Planters bringing in les stock	Bulls
4	Unfavourable weather over Rajasthan	Bulls
5	Lower arrivals	Bulls

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

Grade	Centre	29-01-11	28-01-11	Change
Badami	Ramganj	3600	3450	+150
Eagle		3700	3550	+150

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

	29-01-11	28-01-11
Arrivals	1500	2500
Offtake	1500	2500



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	4700-4705	4752	4764	4668	4482	4618	4755	4988	5222

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