

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets remained closed on Saturday.
- Sources however added that spot demand continues to be higher.
- Sources added that markets sentiments remained higher as traders are expecting a shortage of stocks.
- Sources however added that export demand remained weak and could drag the markets lower.
- Red chilli prices gained on fresh buying by stockists as well as exporters amid low stocks.
- 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.

In the short term red chilli prices may move higher supported by lower arrivals in the markets and firm 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 in the overbought region and warranting caution to the bulls.
- 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 spot demand	Bulls
4	Lower fresh arrivals	Bulls
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	05-02-11	04-02-11	Change
Cold Storage		Closed	7450-8250	-
LCA 334 New	Guntur	Closed	7700-8200	-
Teja		Closed	8550-8750	-
Bedki		Closed	8950-9950	-

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

	05-02-11	04-02-11
Arrivals-New	Closed	30000
Arrivals-Old	Closed	30000
Offtake	Closed	60000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	9850-9855	9954	9978	9786	9577	9663	9934	10020	10107

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets moved higher on Saturday as spot demand improved in the markets.
- Arrivals remained lower and may support the uptrend.
- Black pepper market sentiments remain bullish supported by tight stocks following poor supplies.
- Sources added that all market participants are waiting for the Vietnam crop which may start in late February.
- Planters also waiting for higher prices to bring in their stocks.
- IPC says that India may produce 48,000 tonnes lower by 2,000 tonnes compared to last year at 50,000.
- IPC also added that global production is expected to be lower at 309,952 tonnes lower by 6,428 tonnes compared to last year at 316,380 tonnes.

Pepper prices may trade range bound to firm in the short term on shortage of crop this year. 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 above 9 and 18-day EMAs supporting the bullish momentum in short term.
- MACD and RSI are moving down supports bearish sentiments.
- Black Pepper 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	Firm domestic demand	Bulls
2	Lower arrivals	Bulls
3	Lower supplies	Bulls
4	Planters hoarding stocks	Bulls
5	Weak export demand	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	05-02-11	04-02-11	Change
Ungarbled	Kochi	21700	21600	+100
Garbled		22500	22400	+100

Arrivals and Offtake in Tonnes:

	05-02-11	04-02-11
Arrivals	20	20
Offtake	35	20



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	22835-22840	23068	23125	22690	22520	22597	22893	23147	23224

TURMERIC

Market Analysis:

- Erode and Nizam remained closed on Saturday.
- However sentiments remained bearish as arrivals remained higher in both markets this week.
- However the quality of the stock coming in both markets is lower than expected and traders are waiting for the prices to dip.
- Sources however say that demand remained weak and continue to weaken the markets.
- On the other hand this year about 5-10% losses could be seen due to bad weather conditions in the initial sowing period.
- 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 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 flat supports sideways markets.
- RSI is moving up supports bullish markets.
- Turmeric 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 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	05-02-11	04-02-11	Change
Finger-New	Erode	Closed	12200-13200	-
Gattah-New		Closed	11700-12700	-
Nizam-New	Nizamabad	Closed	14200	-

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

	Centre	05-02-11	04-02-11
Arrivals	Erode	Closed	6000-7000
Offtake		Closed	4000-4500
Arrivals	Nizamabad	Closed	5000
Offtake		Closed	5000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	9775-9780	9878	9902	9711	9627	9693	9840	9973	10046

CARDAMOM

Market Analysis:

- Cardamom markets moved lower on Friday amid lower arrivals.
- Export demand continues to be weak and continue to add bearish sentiments in the markets.
- Cardamom cash markets were influenced by weak futures counter which ended lower on Friday.
- However markets may move higher in the long run supported by strong demand in the spot market and lower production expected this year.
- 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 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 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 sentiments.
- 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 export demand	Bears
2	Anticipation of fresh arrivals	Bears
3	Firm domestic demand	Bulls
4	Lower arrivals	Bulls
5	Lower production from India and Guatemala	Bulls

SPOT MARKET PRICES: (Rs/Kg)

Grade	Centre	05-02-11	04-02-11	Change
Small	Max Auction Price	No Trade	1349	-
	Average Auction Price	No Trade	1168.24	-

Arrivals and Offtake in Kgs:

	05-02-11	04-02-11
Arrivals	No Trade	22023
Offtake	No Trade	21927



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1300-1302	1317	1322	1287	1246	1282	1318.4	1342	1366

CUMIN SEED

Market Analysis:

- Unjha cash markets remained steady to firm on Saturday amid higher arrivals.
- Markets fell as demand weakened at higher prices and fresh arrivals improved in the markets.
- This year's production in Gujarat is expected lower at 21 lakh bags compared to previous estimate at 25 lakh bags.
- However certain players say that Gujarat may produce 27 lakh bags higher than the earlier estimates.
- However sources added that adverse weather condition during the sowing period had considerably reduced the acreage under cultivation.
- Sources add that this year Rajasthan could produce between 3-4 lakh bags.
- However sources added that poor export demand is expected to weigh on sentiment after every rise.

We expect Cumin seed prices to trade range bound to on weak demand and fresh arrival expectations. 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 is moving down supports bearish sentiments.
- RSI is moving up supports bullish sentiments.
- Cumin seed prices are likely to remain range bound with a firm bias in next trading session.

Weather:

Dry weather conditions in Gujarat and Rajasthan may assist in further development of the crop.

Price Drivers:

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

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	05-02-11	04-02-11	Change
Loose		12125	12125	-
Machine Cut	Unjha	13600	13600	-
NCDEX		13070-	13070-	-
Quality		13100	13100	-

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

	05-02-11	04-02-11
Arrivals-Old	3000	3000
Arrivals-New	200	150
Offtake	3000-3500	4000

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Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	15150-15155	15307	15337	15056	14932	15017	15221	15391	15493

CORIANDER SEED

Market Analysis:

- Coriander cash markets remained steady on Saturday as arrivals remained lower in Ramganj.
- Markets sentiments remained weak as production estimates remain higher.
- Sources added that markets are in a waiting and watch policy mode are waiting for fresh stocks which are expected to be come by late February.
- Sources however 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 during sowing.
- Markets sentiments remained weak as stockists have offloaded more stocks in the market.
- Weak export and north Indian demand have also pulled the markets down.

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 indecision in the markets.
- Prices are above 9 and 18-day EMAs supporting bullish 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.

Price Drivers:

No.	Pressure Point	Favours
1	Weak export demand	Bears
2	Higher production estimates	Bears
3	Favourable weather over Rajasthan	Bears
4	Crop losses expected	Bulls
5	Lower arrivals	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	05-02-11	04-02-11	Change
Badami	Ramganj	3400-3500	3400-3500	-
Eagle		3500-3600	3500-3600	-

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

	05-02-11	04-02-11
Arrivals	1500	2200
Offtake	1500	2200



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5095-5100	5044	5031	5134	4914	4977	5040	5144	5207

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