



## BLACK PEPPER

- Kochi Black Pepper physical market remained higher this fortnight on rebounding spot demand.
- Cumulative arrivals for this fortnight were 245 Tonnes. Cumulative offtake for this fortnight were 220 Tonnes.
- Initially, 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.
- 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.
- 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.
- However, towards the end of the fortnight sentiments remain bullish supported by tight stocks following poor supplies.
- Sources added that consumption is expected to decline as consumer cannot afford to pay such high price for Black pepper and may use other substitute or cheaper products.
- 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.
- Spices Board added that the target for 2010-11 for Pepper is 20,000 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.**

Rs/Qtl	January 22 <sup>nd</sup> 2011	February 05 <sup>th</sup> 2011	Change
Ungarbled	21600	21700	+100
Garbled	22400	22500	+100

## Technical Analysis - NCDEX – February Futures



- Prices have closed above 9 and 18-day EMAs thus supporting the bullish momentum in short term.
- MACD is moving down supports bearish market.
- RSI is moving up in the neutral region and is supporting bullish sentiments.
- Key support levels are at Rs 21590/ql and then Rs 22222/ql.
- Key resistance levels are at Rs 23340/ql and then Rs 23826/ql.



## CARDAMOM

- Cardamom market remains mixed this fortnight amid weak domestic and export demand.
- Export demand continues to be weak and continue to add bearish sentiments in the markets.
- Cardamom cash markets were influenced by weak futures counter throughout the fortnight.
- Cumulative arrivals for this fortnight were higher at 278,180 kgs. Cumulative offtake for this fortnight were 269,729 kgs.
- 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.
- Spices Board also added Cardamom Large exports were down by 40% at 400 tonnes compared 670 tonnes during the period of April-December 2009.
- Spices Board added that the target for 2010-11 for Cardamom (Small and Large) is 1,000 tonnes.
- On the other hand, weak production in India and Guatemala is however likely to support any uptrend in the market.
- 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.
- Sources added that the 3<sup>rd</sup> harvest is over however arrivals could slow down due to low production estimates.
- Sources however added that markets may see some firmness as weather has become bad again and arrivals could decline.

***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.***

Rs/Kg	January 22 <sup>nd</sup> 2011	February 04 <sup>th</sup> 2011	Change
Max Auction Price	1502	1349	-153
Average Auction Price	1282.86	1168.24	+114.62

## Technical Analysis - MCX – February Futures



- Prices have closed below 9 and 18-day EMAs thus supporting the bearish momentum in the short term.
- MACD is moving down in the negative zone reveals increase in bearish momentum.
- RSI is moving up in the neutral zone supports bullish momentum.
- Key supports appear to be at Rs 1103/Kg and then Rs 1211/Kg.
- Key resistances appear to be at Rs 1485/Kg and then Rs 1651/Kg.



## TURMERIC

- Turmeric physical market in Erode and Nizam fell heavily this fortnight on fresh crop arrivals in the markets.
- However market activity remained low as upcountry demand remained weak due to cold weather.
- Sources added that that upcountry demand is expected to be weak till last week of February.
- Cumulative arrivals at Erode for this fortnight were at 35,000 quintals. Cumulative offtake for this fortnight were at 26,600 quintals.
- Cumulative arrivals at Nizam for this fortnight were at 52,000 quintals and were completely sold.
- Farmers seeing that markets have declined a lot they are hesitating to bring in stocks in Erode and Nizam.
- Sources however added that 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.
- 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.
- Spices Board added that the target for 2010-11 for Turmeric is 50,000 tonnes.

***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.***

Rs/Qtl	January 21 <sup>st</sup> 2011	February 04 <sup>th</sup> 2011	Change
Finger – Erode-New	13200-14200	12200-13200	-1000
Gattah – Erode-New	12700-13700	11700-12700	-100
Nizam Quality-New	15000	14200	-800

## Technical Analysis - NCDEX – April Futures



- Price has closed below 9 and 18-day EMAs supporting the bearish momentum in short term.
- MACD is flat supporting the sideways market.
- RSI is moving up in the neutral region and is supporting the bullish momentum.
- Key supports are visible at Rs 9487/qtl and then at Rs 9651/qtl.
- Key resistance are visible at Rs 10039/qtl and then at Rs 10262/qtl.



## CUMIN SEED

- Unjha Cumin Seed physical market ended lower this fortnight as fresh arrivals in the markets brought the markets lower.
- Cumulative arrivals at Unjha for this fortnight were at 39,480 quintals. Cumulative offtake for this fortnight were at 45,200 quintals.
- Initially markets were firm after Markets also moved higher amid higher arrivals in the markets.
- Markets sentiments remained firm as the hedgers were buying in the cash markets against the futures counter this fortnight.
- However in the latter stages of the fortnight markets sentiments remained weak as stockists demand remained weak.
- All market participants are waiting for fresh crop which has started.
- India's production this year could be lower compared to last year due to untimely rainfall in Gujarat and Rajasthan.
- Gujarat is expected to produce 30% less compared to last year. Traders say that Gujarat may produce 21-22 lakh bags this year. Initially, the figure was between 25-26 lakh bags.
- Rajasthan is expected to produce 3-4 lakh bags this year.
- Sources added that adverse weather condition during the sowing period had considerably reduced the acreage under cultivation.
- Markets also fell after traders added that ample carry forward stocks in Unjha could be enough till the fresh crops arrive in the market.
- Spices Board said that 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.
- Spices Board added that the target for 2010-11 for Cumin Seed is 40,000 tonnes.

***We expect Cumin seed prices to trade range bound to on firm on firm spot demand and lower fresh arrivals. Price trend in the medium to long term may depend on production estimates and export demand.***

Rs/Qtl- Unjha	January 22 <sup>nd</sup> 2011	February 05 <sup>th</sup> 2011	Change
Loose	12375	12125	-250
NCDEX	13325-13350	13075-13100	-250
Poojari	13850	13600	-250

## Technical Analysis - NCDEX – March Futures



- Prices have closed above 9 and 18-day EMAs thus supporting the bullish momentum in the short term.
- MACD is moving down supporting the bearish momentum.
- RSI is moving up supporting the bullish momentum.
- Key support levels are at Rs 14186/qtl and then Rs 14708/qtl.
- Key resistance levels are at Rs 15911/qtl and then Rs 16592/qtl.





## Red Chilli

- Red Chillies physical market surged higher in Guntur this fortnight as traders have reported crop losses in A.P due to untimely weather.
- Markets also moved higher as stockists demand improved in Guntur.
- Spot demand also remained firm as traders will continue to buy due to lower production estimates.
- Markets also moved higher partially influenced by firm futures counter this fortnight.
- Sources added that markets remained higher as participants this year are expecting a shortage of stocks.
- 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 remaining crop.
- Cumulative arrivals at Guntur for this fortnight were at 520,000 quintals, out of which 295,000 quintals are new crop arrivals and 225,000 quintals are new crop arrivals.
- Cumulative offtake for this fortnight were at 540,000 quintals.
- Spices Board said that export of Chilli during the period of April-December 2010 at 179,500 tonnes compared 147,250 tonnes shipped out during the period of April-December 2009, higher by 22%.
- Spices Board added that the target for 2010-11 for Chilli is 200,000 tonnes.

***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.***

Rs/Qtl - Guntur	January 22 <sup>nd</sup> 2011	February 05 <sup>th</sup> 2011	Change
Cold storage	6950-7750	7450-8250	+500
LCA 334-New	7000-7500	7700-8200	+700
Teja	8050-8350	8550-8850	+500
Bedki	8450-9450	8950-9950	+500

## Technical Analysis - NCDEX – February Futures



- Prices have closed above 9 and 18-day EMA thus supporting the bullish momentum in the short term.
- MACD is moving up supporting bullish sentiments.
- RSI is moving up in the overbought region and is warranting caution to the bulls.
- Key support levels are at Rs 8207/ql and then Rs 9067/ql.
- Key resistance levels are at Rs 10378/ql and then Rs 10831/ql.



## Coriander Seed

- Coriander seed physical market fell in Ramganj this fortnight as demand remained weak.
- Cumulative arrivals at Ramganj for this fortnight were at 25,200 quintals and were completely sold.
- Markets moved lower as sources said that the cash markets were influenced by the futures counter which remained weak.
- Markets sentiments remained weak as production estimates remained higher.
- Sources say that market participants are in a waiting and watch policy mode are waiting for fresh stocks which are expected to be come by late February.
- Sources however reported of crops losses expected in Rajasthan, M.P and A.P. 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.
- Spices Board said that 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.
- Spices Board added that the target for 2010-11 for Coriander Seed is 35,000 tonnes.

***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.***

Rs/Qtl - Ramganj	January 22 <sup>nd</sup> 2011	February 05 <sup>th</sup> 2011	Change
Badami	3500-3700	3400-3500	-200
Eagle	3800-3900	3500-3600	-300

## Technical Analysis - NCDEX – March Futures

CORIANDER 1103(NCCODH1)2011/02/05 - Daily B:4925.00 A:5098.00  
O 5007.00 H 5081.00 L 4966.00 C 5059.00 V 3,870 I 13,100 +110  
EMA(9) 4963.1 (18) 4996.6



- Prices have closed above 9 and 18-day EMA thus supporting the bullish momentum in the short term.
- MACD is moving down supporting bearish sentiments.
- RSI is moving up in the neutral region supporting bullish sentiments.
- Key support levels are at Rs 4316/qtl and then Rs 4687/qtl.
- Key resistance levels are at Rs 5384/qtl and then Rs 5710/qtl.

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