

### RED CHILLIES

#### Market Analysis:

- Red chilli prices cash markets remained steady on Tuesday amid lower arrivals in the market.
- Sources said that spot demand continues to be higher and will continue to support the uptrend.
- Markets also moved higher partially influenced by firm futures counter on Tuesday which ended with a 4% upper circuit.
- Sources added that markets remained higher as participants this year are expecting a shortage of stocks due to lower production.
- Last year production was 1.5 crore bags and this year production could decline to lower than 1 crore bags.
- Sources have reported crop losses and upto 50-60% in A.P due to untimely weather.

***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:

- Red Chilli chart is moving up into uncharted territories.
- 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 moving up supports bullish 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	08-02-11	07-02-11	Change
Cold Storage		7650-8450	7650-8450	-
LCA 334 New	Guntur	7900-8400	7900-8400	-
Teja		8750-9050	8750-9050	-
Bedki		9150-10050	9150-10050	-

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

	08-02-11	07-02-11
Arrivals-New	20000	70000
Arrivals-Old	20000	30000
Offtake	40000	100000



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	10650-10655	10762	10788	10581	10187	10462	10738	10875	11013

### BLACK PEPPER

#### Market Analysis:

- Kochi Black pepper physical markets witnessed offloading of stocks on Tuesday as spot demand remained weak.
- Black pepper sentiments remain bullish supported by strong demand against the shortage of the commodity.
- Markets also moved higher amid fresh arrivals in smaller quantities.
- Sources added that pepper arrivals from Vietnam will begin in next week and participants may start buying at lows.
- Vietnam is expected to produce 100,000 tonnes higher by 5,000 tonnes compared to last year at 95,000 tonnes.
- Arrivals remained on the lower side in Kerala as harvesting got delayed due to due to untimely rains.
- IPC says that Indonesia may produce 37,000 tonnes lower by 15,000 tonnes compared to last year at 52,000 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.**

#### Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- Prices closed above 9 and 18-day EMAs supporting the bullish momentum in short term.
- MACD is moving up supports the bullish sentiments.
- RSI is moving down supports the 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	Harvesting delayed due to untimely rains	Bulls
2	Lower production from Indonesia	Bulls
3	Lower supplies	Bulls
4	Stockists offloading stocks	Bears
5	Weak export demand	Bears

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

Grade	Centre	08-02-11	07-02-11	Change
Ungarbled	Kochi	21900	22200	-100
Garbled		22700	22800	-100

#### Arrivals and Offtake in Tonnes:

	08-02-11	07-02-11
Arrivals	20	30
Offtake	10	45



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	22955-22960	23190	23247	22809	22458	22755	23158	23454	23751

### TURMERIC

#### Market Analysis:

- Nizam remained steady on Tuesday as arrivals decline, Erode markets fell heavily as arrivals improved on Tuesday.
- Sentiments remained bearish as arrivals will improve in the coming weeks in both markets.
- However traders are waiting for the prices to dip further and this slowness in activity may take the markets lower.
- Demand remained weak and will 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 bearish sentiments.
- 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 down in the overbought region and is warranting caution to the bulls.
- 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	08-02-11	07-02-11	Change
Finger-New	Erode	11900-	12200-	-300
Gattah-New		12900	13200	
	Nizamabad	11400-	11700-	-300
		12400	12700	
Nizam-New	Nizamabad	13700	13700	-

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

	Centre	08-02-11	07-02-11
Arrivals	Erode	6000-6500	3000-3500
Offtake		3500-4000	2500
Arrivals	Nizamabad	5000	15000
Offtake		5000	15000



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	9360-9365	9459	9482	9299	9093	9243	9392	9531	9669

### CARDAMOM

#### Market Analysis:

- Cardamom markets edged higher on Tuesday amid higher arrivals.
- Export demand continues to be weak and continue to add bearish sentiments in the markets.
- Cardamom cash markets initially were influenced by weak futures counter which ended lower on Tuesday.
- 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 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 overbought region and is warranting caution to the bulls.
- 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	08-02-11	07-02-11	Change
Small	Max Auction Price	1296.5	1236-1292	+4.5
	Average Auction Price	1172.95	1114.22-1160.08	+12.87

#### Arrivals and Offtake in Kgs:

	08-02-11	07-02-11
Arrivals	27055	10509
Offtake	26957	9590



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1230-1232	1247	1252	1219	1183	1212	1260.7	1290	1319



### CUMIN SEED

#### Market Analysis:

- Unjha cash markets remained closed on Tuesday on account of Vasant Panchami.
- Markets sentiments remained firm as spot demand remained firm.
- 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.
- Unjha markets will remained closed on Wednesday-09<sup>th</sup> due APMC elections.

***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.***

#### Technical Analysis:

- Candlestick formation reveals indecision in the markets.
- 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 flat supports sideways markets.
- 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	Favourable weather over Gujarat	Bears
2	Fresh arrivals	Bears
3	Lower carry over	Bulls
4	Firm spot demand	Bulls
5	Lower productions estimates	Bulls

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

Grade	Centre	08-02-11	07-02-11	Change
Loose		Closed	12275	-
Machine Cut	Unjha	Closed	13750	-
NCDEX Quality		Closed	13225-13250	-

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

	08-02-11	07-02-11
Arrivals-Old	Closed	4000
Arrivals-New	Closed	150
Offtake	Closed	5000

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#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	15250-15255	15408	15446	15152	14850	15026	15390	15566	15742

### CORIANDER SEED

#### Market Analysis:

- Coriander cash markets remained closed on Tuesday on account of Vasant Panchami.
- Markets sentiments remained weak as production estimates remain 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 added 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.
- Sentiments remained weak as spot demand remained weak.

***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 above 9 and 18-day EMAs supporting bullish 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 spot 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	08-02-11	07-02-11	Change
Badami	Ramganj	Closed	3400-3500	-
Eagle		Closed	3500-3600	-

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

	08-02-11	07-02-11
Arrivals	Closed	4000
Offtake	Closed	4000



#### Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5165-5170	5113	5100	5205	4925	5037	5148	5255	5361

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