

### RED CHILLIES

#### Market Analysis:

- Red chilli prices cash markets remained steady to firm on Thursday as arrivals remain lower.
- Sentiments also remained steady to firm as spot demand remained firm.
- Sources added that sentiments are expected to remain firm as production estimates this year is expected to be well below earlier estimates of 1.5 crore bags.
- 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 upto 50% could be seen in A.P due to untimely rains during sowing.
- However short-term sentiments remained bearish as stockists continued to offload stocks at higher levels of the market.

*In the short-term red chilli prices may fall on higher fresh crop arrivals in the markets and weak spot demand. In the long term market trend may depend on weather conditions, export demand and production of the crop.*

#### Technical Analysis:

- Candlestick formation hints at negative trend.
- Prices closed below 9-day EMA's thus supporting the bearish momentum in the short term.
- MACD and RSI are moving down supports bearish sentiments.
- Red Chilli futures are likely to trade range bound with a weak bias in next trading session.

#### Weather:

- Scattered rainfall would occur over Telengana, Coastal Andhra Pradesh, Rayalaseema and south interior Karnataka, Tamilnadu and Kerala during next 3 days.
- This may disrupt harvesting of the crop.

#### Price Drivers:

| No. | Pressure Point             | Favours |
|-----|----------------------------|---------|
| 1   | Lower production estimates | Bulls   |
| 2   | Crop losses expected       | Bulls   |
| 3   | Decline of fresh arrivals  | Bulls   |
| 4   | Firm spot demand           | Bulls   |
| 5   | Offloading of stocks       | Bears   |

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

| Grade   | Centre | 24-02-11  | 23-02-11  | Change |
|---------|--------|-----------|-----------|--------|
| LCA 334 | Guntur | 6500-8000 | 6500-8000 | -      |
| Bedki   |        | 8500-9000 | 8500-9000 | -      |

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

|              | 24-02-11 | 23-02-11 |
|--------------|----------|----------|
| Arrivals-New | 40000    | 40000    |
| Offtake      | 40000    | 40000    |



#### Trade Recommendation

| Contract  | Call | Entry       | T1    | T2    | SL    | S2    | S1    | PCP   | R1    | R2    |
|-----------|------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|
| NCDEX-Apr | SELL | 10850-10855 | 10745 | 10714 | 10925 | 10389 | 10546 | 10704 | 10932 | 11121 |

### BLACK PEPPER:

#### Market Analysis:

- Kochi Black pepper physical markets continued its downtrend on Thursday as stockists offloaded stocks in the market.
- Markets also fell as fresh arrivals in Kochi pulled the markets lower.
- Weak export demand has pulled markets lower as Vietnam is offering lower rates than India.
- Vietnam is currently priced at \$4195/tonne which lower compared to India which is between \$5000-5300/tonne.
- Sources also added that arrivals have started in Vietnam and this may pull the markets lower.
- Markets however may move higher as arrivals may decline due to expected lower arrivals in local markets due to untimely rains expected this week.
- Sources added that depleting domestic stocks and lower availability in major producing countries may push the markets higher.

**Pepper prices may trade weak in the short term on weak demand in the market. In the medium and long term price trend will depend on the availability of stocks and global production estimates.**

#### Technical Analysis:

- Candlestick formation hints negative trend.
- Prices closed below 9 and 18-day EMAs supporting the bearish momentum in short term.
- MACD and RSI are moving down supports the bearish sentiments.
- **Black Pepper futures are likely to trade range bound with a weak bias in next trading session.**

#### Weather:

- Scattered rainfall would occur over south interior Karnataka, Tamilnadu and Kerala during next 3 days.
- This may disrupt harvesting of the crop.

#### Price Drivers:

| No. | Pressure Point                           | Favours |
|-----|--|---------|
| 1   | Harvesting delayed due to untimely rains | Bulls   |
| 2   | Lower supplies                           | Bulls   |
| 3   | Firm spot demand                         | Bulls   |
| 4   | Stockists offloaded stocks               | Bears   |
| 5   | Higher production from Vietnam           | Bears   |

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

| Grade     | Centre | 24-02-11 | 23-02-11 | Change |
|-----------|--------|----------|----------|--------|
| Ungarbled | Kochi  | 22000    | 22100    | -100   |
| Garbled   |        | 22800    | 22900    | -100   |

#### Arrivals and Offtake in Tonnes:

|          | 24-02-11 | 23-02-11 |
|----------|----------|----------|
| Arrivals | 30       | 12       |
| Offtake  | 40       | 16       |



#### Trade Recommendation

| Contract  | Call | Entry       | T1    | T2    | SL    | S2    | S1    | PCP   | R1    | R2    |
|-----------|------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|
| NCDEX-Mar | SELL | 22730-22735 | 22503 | 22490 | 22857 | 22010 | 22340 | 22670 | 23005 | 23340 |

### TURMERIC

#### Market Analysis:

- Nizam surged higher amid higher arrivals.
- Markets moved higher as spot demand remained firm.
- Erode remained steady as demand remained firm in the markets.
- Sources added that firm spot demand for the commodity will continue the current uptrend in the markets.
- Markets may move higher as arrivals may decline due to expected lower arrivals in local markets due to untimely rains expected this week.
- Sources however added that both markets could see some arrivals in the coming weeks and this may pull the markets lower in the short run.
- Production estimates for this year ranges from 50-60 lakh bags all over India compared to 40-45 lakh bags during the previous year.
- On the other hand this year about 5-10% losses could be seen due to bad weather conditions in the initial sowing period.

*In the short-term turmeric prices may trade range bound to firm on lower fresh arrivals and firm spot demand 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 hints at negative trend.
- Prices closed above 9 and 18-day EMAs thus supporting the bullish momentum in short term.
- MACD is moving up supports bullish trend in the markets.
- RSI is moving down supports bearish trend in the markets.
- **Turmeric futures are likely to trade range bound with a firm bias in next trading session.**

#### Weather:

- Scattered rainfall would occur over Telengana, Coastal Andhra Pradesh, Rayalaseema and south interior Karnataka, during next 3 days.
- This may disrupt harvesting of the crop.

#### Price Drivers:

| No. | Pressure Point                     | Favours |
|-----|------------------------------------|---------|
| 1   | Higher output estimation           | Bears   |
| 2   | Higher acreage estimates           | Bears   |
| 4   | Firm spot demand                   | Bulls   |
| 2   | Lower fresh arrivals               | Bulls   |
| 5   | Untimely rains may disrupt harvest | Bulls   |

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

| Grade      | Centre    | 24-02-11    | 23-02-11    | Change |
|------------|-----------|-------------|-------------|--------|
| Finger-New | Erode     | 12200-13200 | 12200-13200 | -      |
| Gattah-New |           | 11700-12700 | 11700-12700 | -      |
| Nizam-New  | Nizamabad | 11700       | Closed      | +500   |

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

|          | Centre    | 24-02-11   | 23-02-11 |
|----------|-----------|------------|----------|
| Arrivals | Erode     | 8000-10000 | 6000     |
| Offtake  |           | 6400-8000  | 5000     |
| Arrivals | Nizamabad | 15000      | Closed   |
| Offtake  |           | 15000      | Closed   |



#### Trade Recommendation

| Contract  | Call | Entry       | T1    | T2    | SL   | S2   | S1   | PCP   | R1    | R2    |
|-----------|------|-------------|-------|-------|------|------|------|-------|-------|-------|
| NCDEX-Apr | BUY  | 10000-10005 | 10105 | 10130 | 9935 | 9756 | 9900 | 10044 | 10238 | 10432 |

### CARDAMOM

#### Market Analysis:

- Cardamom markets fell on Thursday as arrivals improve in the domestic markets.
- Sources however added that spot demand remained weak and may pull the markets lower.
- Markets sentiments remained weak as weak futures counter on Wednesday partially influenced selling in the cash markets.
- However markets sentiments in the long run may remain firm as arrivals may decline due to expected lower production in India.
- Projections of lower output in Guatemala have raised the concerns of supply crunch in the domestic markets in near term and this might further support bullish momentum.
- India and Guatemala (jointly) are expected to produce 30,000 tonnes compared to 33,000 tonnes producing during last year.

***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 hints negative trend.
- Prices are below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD is flat and support sideways markets.
- RSI is moving down in the oversold region and is warranting caution to the bears.
- Cardamom futures are likely to trade range-bound with a firm bias in next trading session.**

#### Weather:

- Scattered rainfall would occur over south interior Karnataka, Tamilnadu and Kerala during next 3 days.
- This may disrupt harvesting of the crop.

#### Price Drivers:

| No. | Pressure Point                            | Favours |
|-----|---|---------|
| 1   | Weak spot demand                          | Bears   |
| 2   | Lower export demand                       | Bears   |
| 3   | Lower arrivals                            | Bulls   |
| 4   | Firm futures counter                      | Bulls   |
| 5   | Lower production from India and Guatemala | Bulls   |

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

| Grade | Centre                | 24-02-11      | 23-02-11 | Change |
|-------|-----------------------|---------------|----------|--------|
| Small | Max Auction Price     | 1102.5-1175   | 1300     | -125   |
|       | Average Auction Price | 915.74-960.55 | 998.37   | -37.82 |

#### Arrivals and Offtake in Kgs:

|          | 24-02-11 | 23-02-11 |
|----------|----------|----------|
| Arrivals | 43124    | 31913    |
| Offtake  | 38506    | 30680    |



#### Trade Recommendation

| Contract | Call | Entry     | T1   | T2   | SL   | S2   | S1   | PCP  | R1   | R2   |
|----------|------|-----------|------|------|------|------|------|------|------|------|
| MCX-Mar  | BUY  | 1090-1092 | 1107 | 1112 | 1079 | 1057 | 1075 | 1100 | 1120 | 1143 |



### CUMIN SEED

#### Market Analysis:

- Unjha cash markets fell heavily on Thursday as fresh arrivals in the markets.
- Markets moved lower due to weak upcountry and export demand.
- Markets also moved lower partially influenced by weak futures counter on Thursday.
- Sentiments remained firm as sources say that market participants are buying hurriedly fearing a shortage of stocks.
- Sentiments remained firm as sources said that lower production this year could lead to shortage of stocks.
- The production estimates in Gujarat is expected lower at 21 lakh bags compared to previous estimate at 25 lakh bags.
- Sources add that this year Rajasthan could produce between 3-4 lakh bags lower compared to previous year production at 7-8 lakh bags.

***We expect Cumin seed prices to trade steady to firm on shortage of stocks and lower arrivals. Price trend in the medium to long term may depend on production estimates and export demand.***

#### Technical Analysis:

- Candlestick formation hints at positive trend.
- Prices have closed above the 9 and 18-day EMAs suggests bullish trend in short term.
- MACD is moving up supports bullish markets.
- RSI is moving up in the overbought region and is warranting caution to the bulls.
- Cumin seed futures are likely to trade range bound with a weak bias in next trading session.

#### Weather:

- Dry weather conditions in Gujarat may assist in further development of the crop and assist in harvest.
- Isolated thundershowers would occur over west Rajasthan in the next 24 hours and will increase thereafter in many parts of Rajasthan and may disrupt harvest.

#### Price Drivers:

| No. | Pressure Point                    | Favours |
|-----|-----------------------------------|---------|
| 1   | Weak upcountry and export demand  | Bears   |
| 2   | Fresh arrivals                    | Bears   |
| 3   | Weak futures counter              | Bears   |
| 4   | Market participants fear shortage | Bulls   |
| 5   | Lower productions estimates       | Bulls   |

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

| Grade       | Centre | 24-02-11 | 23-02-11 | Change |
|-------------|--------|----------|----------|--------|
| Loose       | Unjha  | 13625    | 14025    | -400   |
| Machine Cut |        | 15100    | 15500    | -400   |
| NCDEX       |        | 14575-   | 14975-   | -400   |
| Quality     |        | 14600    | 15000    |        |

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

|              | 24-02-11 | 23-02-11 |
|--------------|----------|----------|
| Arrivals-Old | 500      | 4000     |
| Arrivals-New | 5500     | 2000     |
| Offtake      | 4000     | 4500     |



#### Trade Recommendation

| Contract  | Call | Entry       | T1    | T2    | SL    | S2    | S1    | PCP   | R1    | R2    |
|-----------|------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|
| NCDEX-Apr | SELL | 17700-17710 | 17523 | 17498 | 17816 | 16856 | 17239 | 17623 | 17867 | 18112 |

## SPICES

DATE: 25-02-2011

### CORIANDER SEED

#### Market Analysis:

- Coriander cash markets cash remained steady on Thursday amid higher arrivals in the market.
- Sources however added that sentiments remained weak as spot demand remained weak.
- However markets may move higher as arrivals may decline due to expected lower arrivals in local markets due to untimely rains expected this week.
- However the stocks are still wet and traders may wait for the dry crop which may start in 2 weeks.
- Sources added that production estimates remain high and this will bring markets down in the long run.
- India is expected to produce 1 crore bags this year.
- Markets are closed on Friday on the account of a local festival in Ramganj.

***We expect coriander prices to remain range bound to weak on weak demand and fresh crop arrivals. In the medium to long term price trend may depend on production estimates and demand in the market.***

#### Technical Analysis:

- Candlestick formation hints at negative trend.
- 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 down in the overbought region and is warranting caution to the bears.
- Coriander seed futures are likely to trade range-bound with weak bias in next trading session.

#### Weather:

- Scattered rainfall would occur over south interior Karnataka, Tamilnadu and Kerala during next 3 days.
- Isolated thundershowers would occur over west Rajasthan in the next 24 hours and will increase thereafter in many parts of Rajasthan.
- This may disrupt harvest.

#### Trade Recommendation

| Contract  | Call | Entry     | T1   | T2   | SL   | S2   | S1   | PCP  | R1   | R2   |
|-----------|------|-----------|------|------|------|------|------|------|------|------|
| NCDEX-Apr | SELL | 4910-4915 | 4861 | 4849 | 4948 | 4685 | 4775 | 4864 | 5022 | 5179 |

#### Price Drivers:

| No. | Pressure Point              | Favours |
|-----|-----------------------------|---------|
| 1   | Weak spot demand            | Bears   |
| 2   | Higher production estimates | Bears   |
| 3   | Fresh crop arrivals         | Bears   |
| 4   | Weak futures                | Bears   |
| 5   | Arrivals are wet            | Bulls   |

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

| Grade      | Centre  | 24-02-11  | 23-02-11 | Change |
|------------|---------|-----------|----------|--------|
| Badami-Old | Ramganj | 3500      | Closed   | -50    |
| Eagle-Old  |         | 3600-3650 | Closed   | -      |
| Badami-New |         | 2500-3000 | Closed   | -      |
| Eagle-New  |         | 3000-4500 | Closed   | -      |

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

|              | 24-02-11  | 23-02-11 |
|--------------|-----------|----------|
| Arrivals-New | 4000-4500 | Closed   |
| Arrivals-Old | 1500      | Closed   |
| Offtake      | 6000      | Closed   |



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