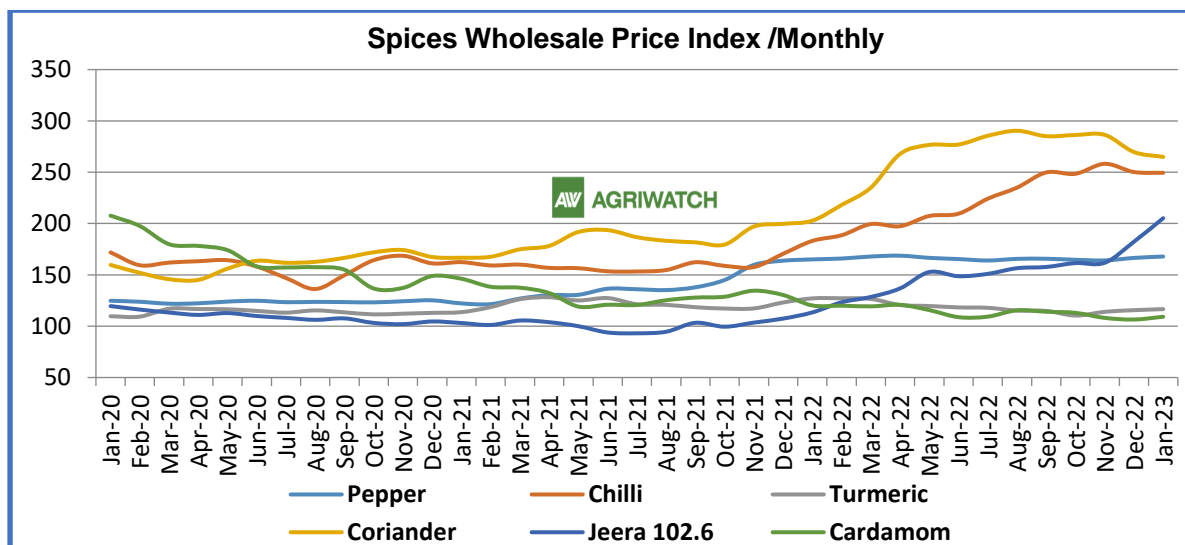




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# Black Pepper Monthly Research Report

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Spices Wholesale Price Index /Monthly

| Months                     | Pepper | Chilli | Turmeric | Coriander | Jeera | Cardamom |
|----------------------------|--------|--------|----------|-----------|-------|----------|
| Nov-22                     | 164.1  | 258.2  | 114      | 286.4     | 161.8 | 108.1    |
| Dec-22                     | 166.5  | 250.2  | 115.6    | 269.7     | 182.3 | 106.5    |
| Jan-23                     | 167.9  | 249.4  | 116.6    | 264.9     | 205.2 | 109.2    |
| Change Over Previous Month | 1.4    | -0.8   | 1.0      | -4.8      | 22.9  | 2.7      |

As we have seen Chilli and Coriander wholesale prices reported down during last month on expectations of higher production current year and we expect Coriander prices likely to correct further and Chilli prices may trade firm due to good export and domestic demand for premium quality. We expect Cardamom and Turmeric prices likely to trade in firm trend and Jeera may trade lower due to new crop arrivals pressure in the spot market.

**BLACK PEPPER****Spot Market Recap**

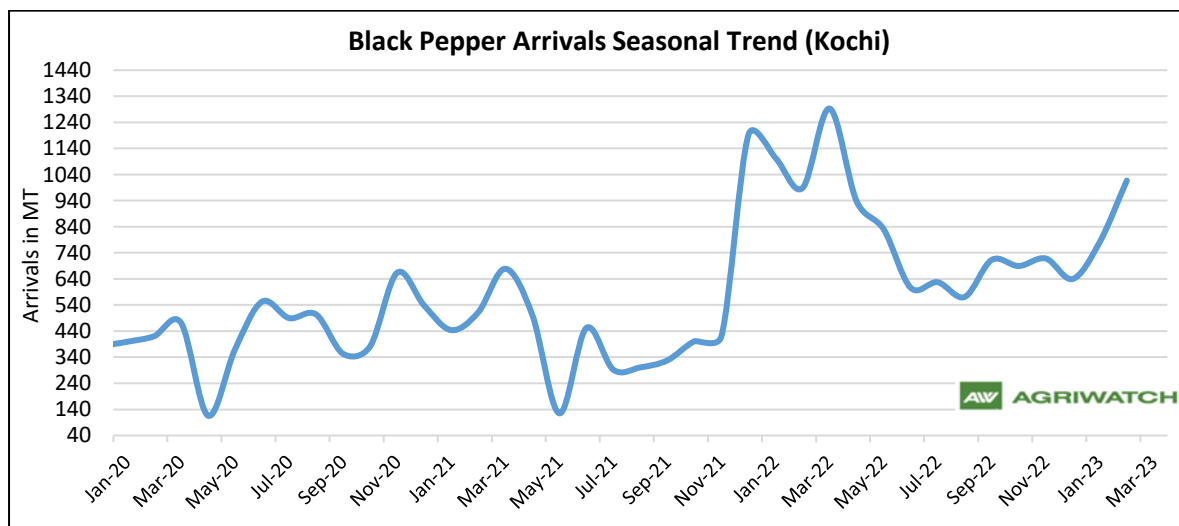
- Steady to weak sentiment was witnessed in the pepper spot market during February.
- Increased pepper supply reported in the spot market put cap on prices. Stockists and Planters were releasing some quantity of stocks due to fear of further correction in prices. Black pepper Garbled prices as on 28<sup>th</sup> Feb 2023 traded at INR 50,500 per quintal down by INR 3,400 per quintal compared to same period last year.
- However, we expect current year lower production in India likely to support the domestic prices. As per trade sources production down by around 10% compared to last year.
- As per current situation, AgriWatch expects India's pepper production for 2022-23 likely to be around 52,000 to 53,000 MT. Last year production was 57,000 to 58,000 MT.

**Monthly Black Pepper Arrival Scenario**

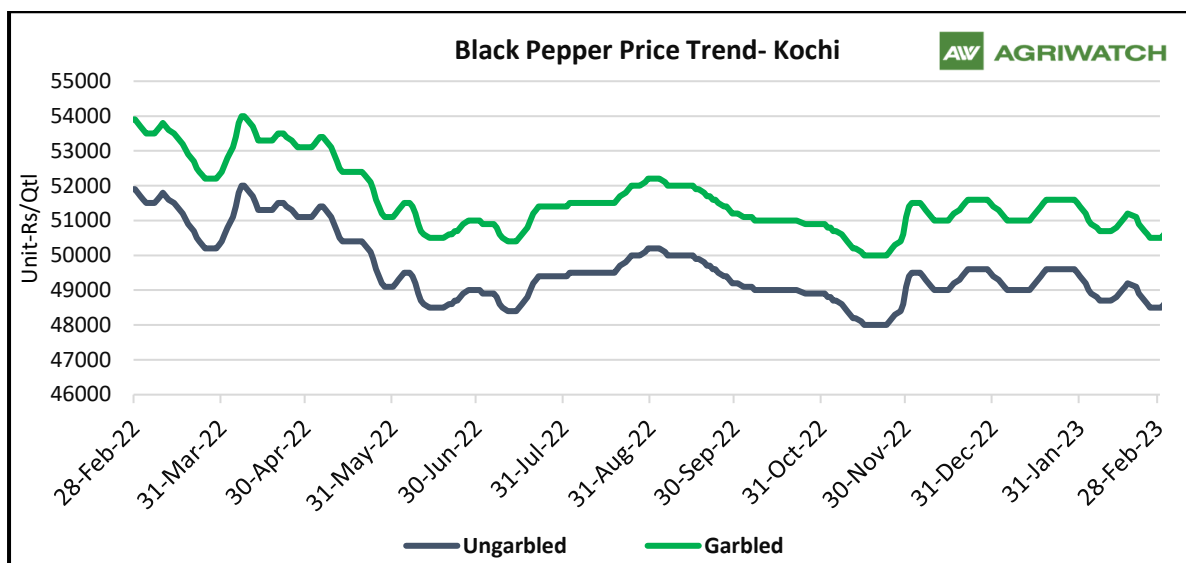
| Black Pepper Arrival Scenario: (in Tons) |        |                              |               |            |               |
|--|--------|------------------------------|---------------|------------|---------------|
| State                                    | Market | % Change Over Previous Month | Current Month | Last Month | Previous Year |
|  |        |                              | Feb.23        | Jan.23     | Feb.22        |
| Kerala                                   | Kochi  | 30.08                        | 1017          | 781.8      | 988.5         |
| Total                                    |        | 30.08                        | 1017          | 781.8      | 988.5         |

Unit – Ton

Black Pepper overall supply (1<sup>st</sup> Jan 2023 to 28<sup>th</sup> Feb 2023) reported down by 14.01% at 1,799 MT in Kochi spot market during this year compared to the previous month at 2,092 MT due to correction in prices. Stockists and Planters may not release their produce in coming days if prices go down further.



Black Pepper supply during the month reported up by 30.08% from the previous month.



AgriWatch expects Black Pepper (Garbled) likely to trade in a range between INR 50,200 – 52,500 per quintal for next month.

### International Scenario

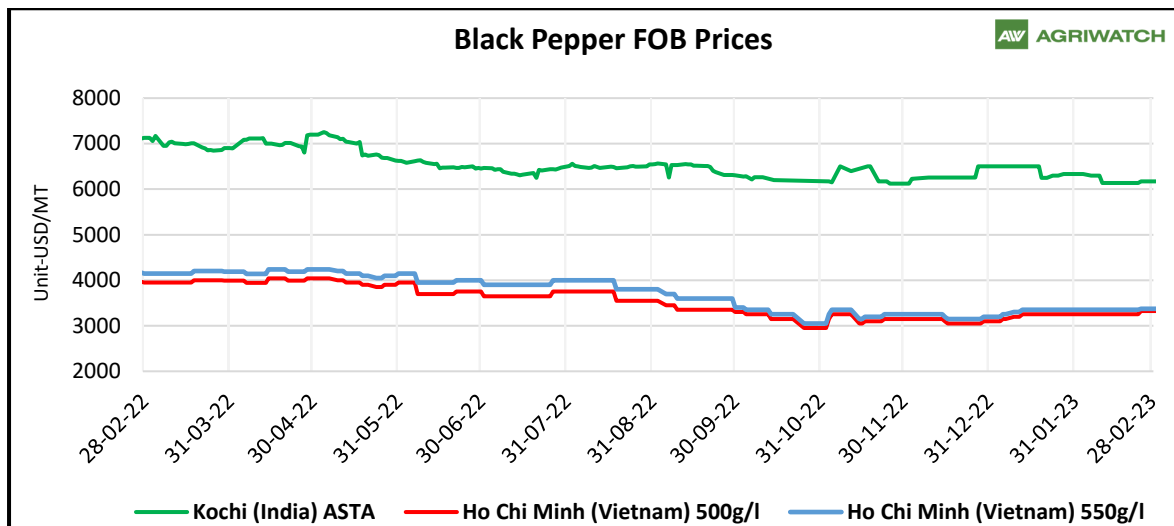
**Vietnam Prices and Exports Update:** - As of March 6th, the price of pepper in Vietnam experienced a slight decrease of 500 VND/kg in Ba Ria - Vung Tau, while remaining flat in other localities. Currently, the domestic market is seeing pepper prices fluctuate within the range of 61,500 - 64,000 VND/kg. Gia Lai and Dong Nai provinces reported prices of 61,500 VND/kg and 62,000 VND/kg respectively, which remained unchanged from the previous day.

Meanwhile, in Dak Lak and Dak Nong, the price of pepper was traded at 62,500 VND/kg. Similarly, in Binh Phuoc, the price remained stable at 63,500 VND/kg compared to the previous day. However, in Ba Ria - Vung Tau, the price experienced a slight decrease of 500 VND/kg, and is currently trading at 64,000 VND/kg.

The General Department of Customs Vietnam has reported that in February 2023, the country's pepper exports reached approximately 28,000 tons, indicating a significant increase of 123.1% in volume compared to the previous month, and a 31% increase compared to the same period in 2022. During the first two months of 2023, Vietnam's pepper exports amounted to 41,000 tons, indicating a 35% increase in volume compared to the same period in the previous year.

In February 2023, the average export price of Vietnam's pepper was estimated at 3,059 USD/ton, marking a decline of 11.1% compared to the previous month and a drop of 32.8% compared to February 2022. For the first two months of 2023, the average export price of Vietnam's pepper is estimated to be 3,177 USD/ton, indicating a 31.4% decrease in price compared to the same period in 2022. These findings highlight the current trends in Vietnam's pepper market.

**Indonesia Black Pepper Update:** - Black Pepper harvest season in Indonesia is witnessed between July and October each year. Adverse weather conditions have impacted the yield and quality of pepper in Indonesia. Indonesia's crop production in 2023 is anticipated to be around 48,000 tonnes, which is lower than the previous year's production of 52,000 tonnes. This may keep pepper prices internationally elevated.



During the past month Ho Chi Minh (Vietnam) 500g/l opening price were reported 3,250 USD/MT while its closing price during the month is reported at 3,325 USD/MT. While Ho Chi Minh (Vietnam) 550g/l opening price reported at 3,350 USD/MT and it reported closed at 3,375 USD/MT.

However, Kochi (India) prices were moving at 6,300 USD/MT during the start of February while it get closed at 6,170 USD/MT.

As per trade sources, availability of higher imported pepper in Indian domestic market put cap on domestic prices.

#### Spot Prices Monthly Change

| Black Pepper Spot Market Prices: (Rs/Qtl) |                                  |             |                              |           |           |           |
|---|----------------------------------|-------------|------------------------------|-----------|-----------|-----------|
| State                                     | Centre                           | Grade       | % Change Over Previous Month | Today     | Week Ago  | Month Ago |
|   |                                  |             |                              | 28-Feb-23 | 31-Jan-23 | 28-Feb-22 |
| Kerala                                    | Kochi<br><b>Benchmark market</b> | Ungarbled   | -1.82                        | 48500     | 49400     | 51900     |
|   |                                  | Garbled     | -1.75                        | 50500     | 51400     | 53900     |
| Karnataka                                 | Chikkamagaluru                   | Ungarbled   | -2.00                        | 49000     | 50000     | 53800     |
| Delhi                                     | New Delhi                        | Unpolished  | Unch                         | 55000     | 55000     | 56000     |
|   |                                  | 550 GL      | Unch                         | 54500     | 54500     | 58500     |
|   |                                  | Number 11.5 | Unch                         | 58500     | 58500     | 58500     |

| Black Pepper FOB Prices (USD/MT) |                 |                    |                              |                                  |                              |                    |
|----------------------------------|-----------------|--------------------|------------------------------|----------------------------------|------------------------------|--------------------|
| Date (W-o-W)                     | Brazil ASTA 570 | Kochi (India) ASTA | Lampung (Indonesia) ASTA 570 | Kuching (Sarawak, Malaysia) ASTA | Ho Chi Minh (Vietnam) 500g/l | Ho Chi Minh 550g/l |
| 06/02/23                         | 2900            | 6300               | 3671                         | 4900                             | 3250                         | 3350               |
| 13/02/23                         | 2900            | 6140               | 3531                         | 4900                             | 3250                         | 3350               |
| 20/02/23                         | 2950            | 6134               | 3617                         | 4900                             | 3250                         | 3350               |
| 27/02/23                         | 2950            | 6170               | 3592                         | 4900                             | 3325                         | 3375               |
| 06/03/23                         | 3000            | 6170               | 3511                         | 4900                             | 3325                         | 3375               |



### Black Pepper – Technical Outlook

### Kochi Garbled Spot Prices - Monthly time frame

#### Technical Chart:



#### Technical Commentary:

- During the week under review, Black Pepper prices closed to 50,500 levels and high of 50,700.
- Market is currently trading below 9,18,50 DMA while it is above 100 DMA depicting weak sentiment.
- RSI at 46 indicating bearish sentiment.
- MACD has reached the signal line indicating weak momentum in the market.

| S2    | S1          | PCP   | R1    | R2    |
|-------|-------------|-------|-------|-------|
| 50000 | 50200       | 50500 | 52000 | 52500 |
| Call  | Entry       | T1    | T2    | SL    |
| Buy   | Above 50500 | 51500 | 51800 | 50200 |

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