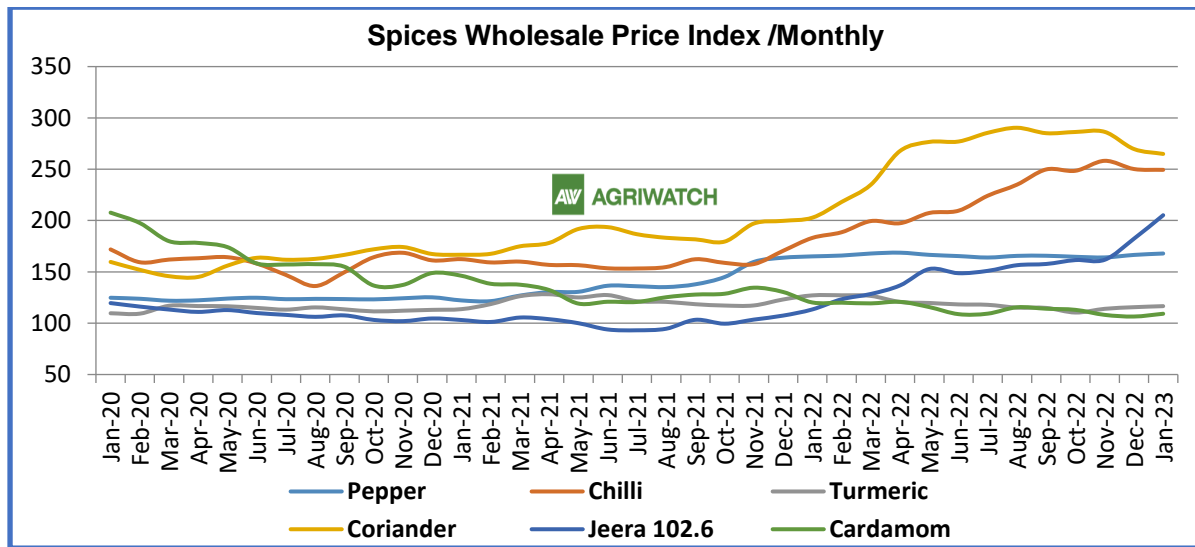

Red Chilli Monthly Research Report

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.

RED CHILLI

Spot Market Recap

- Mostly firm sentiment was witnessed in the Red Chilli spot market during February.
- Coupled with good demand in the export and domestic market prices are trading at higher range with good quality supply in the cash markets.
- Currently Teja variety is being exported to China while 334, 341, DD and other varieties are attracting the domestic masala companies especially in Gujarat and Rajasthan along with Malaysia, Thailand, etc.
- At Guntur market new chilli arrivals reported from Kurnool, Yemmiganur, Prakasham and Bhadrachalam regions. Also, LCA 334 variety Chilli productions in the current season reported lower compared to other varieties and continuously supported the prices in the spot market.
- Currently harvested crops are in the drying process and it is expected that arrivals will increase gradually from coming week onwards.
- Due to a one-month delay in sowing, there has been a delay in supply at the Byadgi mandi in Karnataka and we expect new crop supply will continue till April.

Monthly Red Chilli (Dry) Arrival Scenario

Red Chilli Arrival Scenario: (in Bags)					
State	Market	% Change Over Previous Month	Current Month	Last Month	Previous Year
			Feb.23	Jan.23	Feb.22
Andhra Pradesh	Guntur	34.29	21,15,000	15,75,000	16,50,000
Telangana	Warangal	269.09	6,95,000	1,88,300	4,81,000
Total		59.36	28,10,000	17,63,300	21,31,000

Units – Bags (1 bag = 45 kgs)

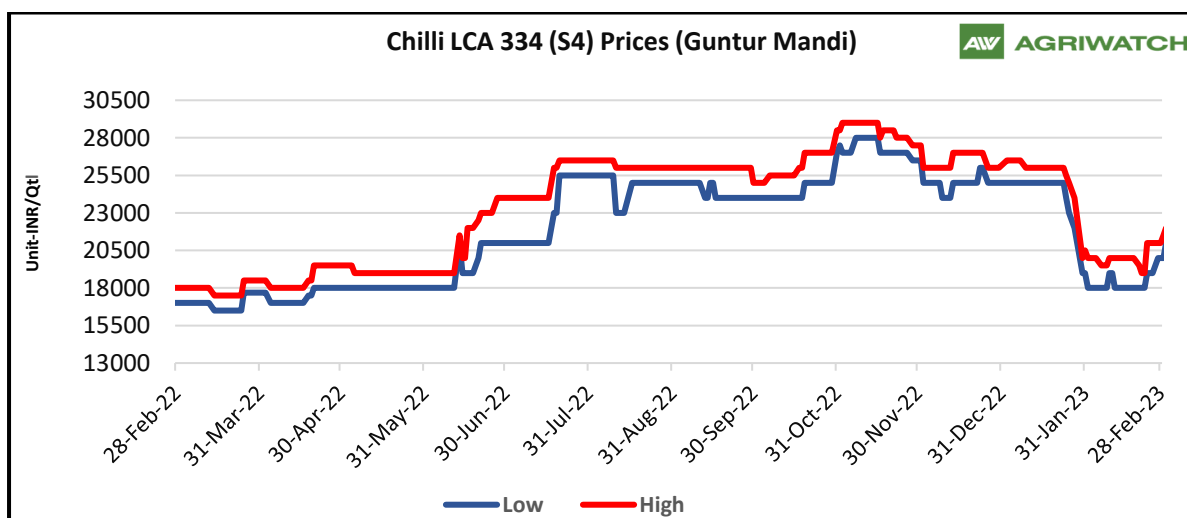
Red Chilli Arrivals Scenario

During the year (1st Jan, 2023 - 28th Feb, 2023) overall supply in the Guntur market reported up by 32.26% to 1,66,050 MT against 1,25,550 MT same period last year due to good export demand. Red Chilli arrivals during the month reported up as farmers and stockists are continuously offloading their stocks on getting higher prices.

AgriWatch expects strong supply pressure during the next month due to higher production with good buying demand of premium quality especially in the export market.

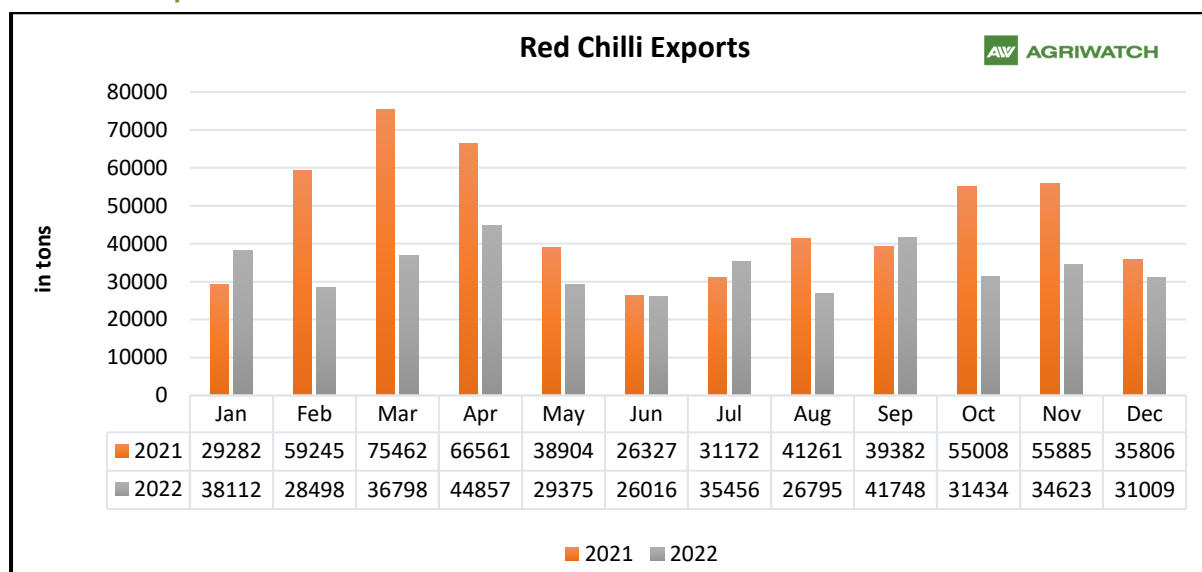
AgriWatch Red Chilli Production Forecast 2023

As per AgriWatch estimates, Red Chilli all India production for 2023 is estimated at 15.56 lakh metric tonne (LMT). Last year's production was 14.07 lakh MT, up by 10.59%.



In the Guntur Spot Market Red Chilli 334 (S4) variety price was INR 20,000 – 21,000 per quintal. Last year it was INR 17,000 – 18,000 per quintal.

Red Chilli Export Scenario



- Red Chilli export demand had declined during the year 2022 due to lower availability of premium quality due to crop damaged (in the season 2021-22) as a result, total exports (Jan 2022 to Dec 2022) was reported at 4.05 lakh mt down by 26.94% from the previous year at 5.54 lakh mt.
- Current year Agriwatch expects, India's total export demand may reach up to 5.70 to 5.90 lakh mt due to higher production of premium quality in AP, Telangana and Karnataka growing regions. Last year India's total Red Chilli export was 4.05 lakh MT due to less availability of premium quality.
- Export demand likely to continue in the coming weeks as well due to high demand of premium quality in the major importing countries (China, Sri Lanka, Thailand, Indonesia, Malaysia and Vietnam).
- Due to the high demand for premium quality, we anticipate that Red chilli exports in January and February 2023 will have been between 0.38 and 0.55 lakh MT.

Red Chilli Price Outlook

Chilli (334 quality) in Guntur market is likely to trade between INR 21,000 – 26,000 per quintal (Low – High), in the next month. Currently normal supply and demand is recorded in the market.

Spot Prices Monthly Change

Red Chilli (Dry) Spot Market Prices: (Rs/Qtl)

State	Centre	Grade	% Change Over Previous Month	Today	Month Ago	Year Ago
				28-Feb-23	31-Jan-23	28-Feb-22
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	5.26	20000	20000	17000
		LCA 334	2.44	21000	21000	18000
		Teja	15.79	22000	22000	18500
		No. 273	10.53	21000	21000	20500
		No. 5	2.27	22500	22500	20000
		Fatki	16.67	14000	14000	10500
		Byadgi	17.39	27000	27000	21500
		US 341	7.32	22000	22000	23000
		Denvor Delux	7.32	22000	22000	23000
		Indam 5	-8.33	22000	22000	17000
Telangana	Warangal	Teja	15.00	20700	20700	18700
		Wonder Hot	-5.71	33000	33000	17400

		341	9.50	21900	21900	20300
		Denvor Delux	9.50	21900	21900	20000
		Paprika	-32.10	55000	55000	28000
		Fatki	Unch	14000	14000	9000
	Khammam	Teja (Cold storage)	--	NA	NA	18200
		Teja (Non-Cold storage)	15.56	20800	20800	Closed
Madhya Pradesh	Bedia	No. 12	16.67	21000	21000	Closed
		Fatki	8.33	13000	13000	10000
		Jhankar	35.71	19000	19000	14000
Delhi	New Delhi	Teja (Khamam)	11.63	24000	24000	21300
Karnataka	Byadgi	2043 Best	6.67	32000	32000	18000
		5531 Best	23.33	18500	18500	12000

RED CHILLI – Technical Outlook

Guntur LCA 334 Spot prices -Monthly time frame

Technical Chart:



Technical Commentary:

- During the week under review, Red Chilli prices closed to 22,000 levels and, market made low of 21,000, high of 22,000.
- Market is currently trading below 9,18,50 DMA while it is above 100 DMA weak sentiment.
- RSI has rebounded from oversold zone and is rising in the neutral zone.
- MACD is diverging from the signal line, indicating weak momentum in prices.

S2	S1	PCP	R1	R2
19000	20000	22000	25000	26000
Call	Entry	T1	T2	SL
Buy	Above 22000	24000	24500	20000

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