
Red Chilli Weekly Research Report

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RED CHILLI

Spot Market Recap

- Mostly weak sentiment witnessed in the Red Chilli spot market during the week under review.
- Despite of good export demand from China, Malaysia and other exporting countries, mostly prices reported down in the cash markets due to increased pressure from supply side as farmers and stockists are continuously releasing their stocks in the fear of further decline in prices in the coming weeks.
- As we expected earlier that prices will decline due to increased supplies in the cash markets and this is what happening in most of the Red Chilli mandis and as per reports, new crop supply likely to increase from the coming week onwards due to which prices will further go down by INR 1,000-3,000 per quintal.
- 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%.
- We suggest stockists and masala millers are likely to wait for price correction for fresh procurement.

Fundamental Analysis

Red Chilli Arrival Scenario: (in Bags)					
State	Market	% Change Over Previous Week	Today	Week Ago	Year Ago
			7th Jan to 13th Jan 2023	31st Dec to 6th Jan 2022	7th Jan to 13th Jan 2022
Andhra Pradesh	Guntur	56.25	3,75,000	2,40,000	2,30,000
Telangana	Warangal	298.37	49,000	12,300	46000
Total		68.05	4,24,000	2,52,300	2,76,000

During the current year (1st Jan, 2023 - 13th Jan, 2023) new crop arrivals in the Guntur market were recorded at 27,675 MT which is up by 23.00% from the same period last year on higher production and good demand in the market. AgriWatch expects, farmers and stockists may release their stocks in bulk quantities due to higher production and good demand of premium quality in the market.

During the year 2022 (1st January 2022 to 31st December 2022), Red Chilli supply in the Guntur market remained around 593,010 MT as compared to 740,970 MT same period last year, down by 19.97% due to high demand and lower availability of premium quality during the last season.

Red Chilli Export Scenario

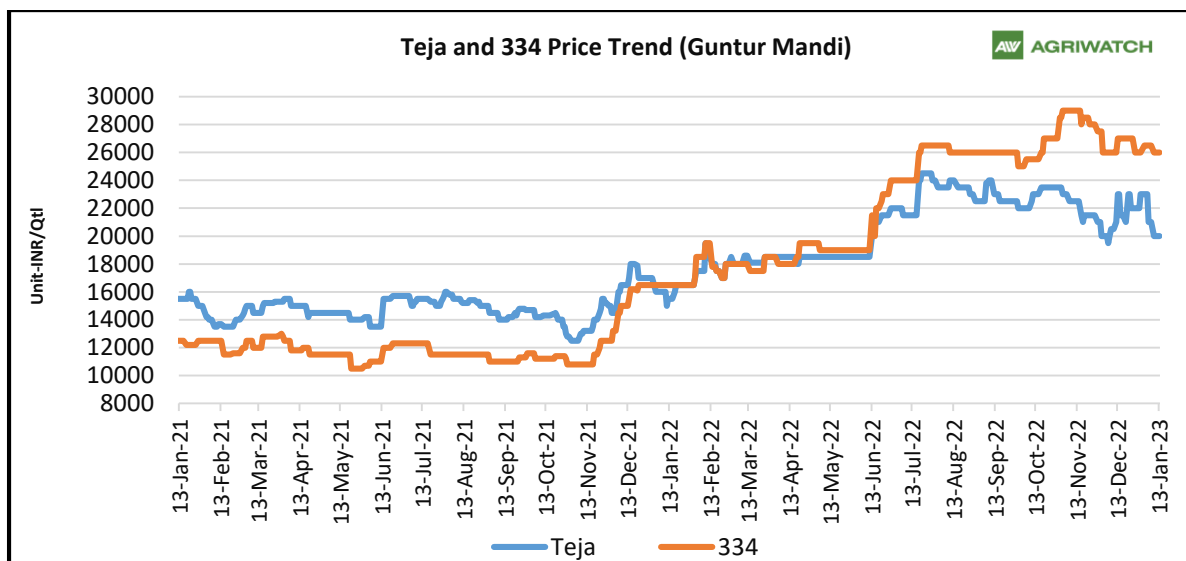
In the Red Chilli (including Dry, Powder, and Crushed) around 34,623 MT exports were reported in the Nov, 2022 up by 10.15% from the previous month on good demand from major exporting countries during the past month.

Overall exports (from Jan, 2022 to Nov, 2022) reported at 373,712 MT down by 32.58% from the same period last year due to lower availability and high prices of premium quality during the season 2021-22.

AgriWatch Red Chilli Production Forecast 2023

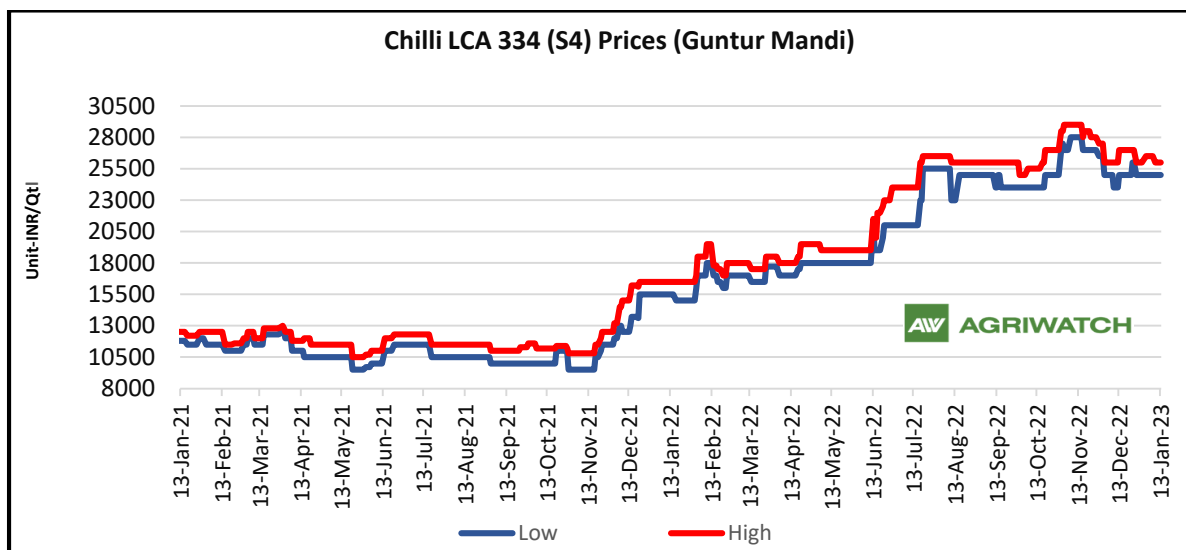
AgriWatch estimates, all India Red Chilli production for 2023 at 15.56 lakh metric tonne (LMT) Vs last year's 14.07 lakh MT, up by 10.59%.

Red Chilli Price Trend



During the past week (as on 13th Jan, 2023), Teja variety prices were trading at INR 18,000-20,000 per quintal down by INR 1,600-1,000 (Low-High) while 334 variety prices were recorded at INR 25,000-26,000 per quintal, down by INR 500 per quintal at higher levels. This is mainly because of higher supply of Teja variety as compare to 334 and other variety prices in the market.

Red Chilli Price Outlook



Chilli (334 quality) in Guntur market is likely to trade between INR 23,500 – 25,500 per quintal (Low – High), in the coming days. Currently normal supply and demand is recorded in the market. AgriWatch expects, prices likely to decline in coming weeks on the start of new crops at faster rate.

Red Chilli Spot Prices Weekly Change, Loose Prices (Rs/Qtl)

State	Centre	Grade	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
				13-Jan-23	06-Jan-23	13-Dec-22	13-Jan-22
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	-4.00	24000	25000	24000	15500
		LCA 334	-1.89	26000	26500	27000	16500
		Teja	-4.76	20000	21000	23000	15500
		No. 273	-8.70	21000	23000	24000	16000
		No. 5	Unch	26000	26000	26000	16500

		Fatki	-7.69	12000	13000	14000	10100
		Byadgi	Unch	30000	30000	27000	20000
		US 341	-15.38	22000	26000	26000	17000
		Denvor Delux	-10.20	22000	24500	25500	17000
		Indam 5	Unch	26000	26000	26000	16500
Telangana	Warangal	Teja	-6.67	19600	21000	20800	17500
		Wonder Hot	-2.82	34500	35500	36800	16000
		341	-3.02	25700	26500	23800	15900
		Denvor Delux	4.17	25000	24000	22800	15900
		Fatki	3.13	16500	16000	15800	8400
	Khammam	Teja (Cold storage)	--	NA	NA	19000	15500
		Teja (Non-Cold storage)	-6.67	19600	21000	NA	NA
Madhya Pradesh	Bedia	No. 12	-11.90	18500	21000	20000	NA
		Fatki	-12.00	11000	12500	9000	9500
		Jhankar	-6.25	15000	16000	16000	13500
Delhi	New Delhi	Teja(Khammam)	-6.12	23000	24500	22000	17000
		LCA 334	Unch	25200	25200	25000	NA
		Fatki	Unch	15000	15000	13000	NA
Karnataka	Byadgi	2043 Best	3.45	30000	29000	32000	16000
		5531 Best	Unch	21000	21000	20000	12000

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