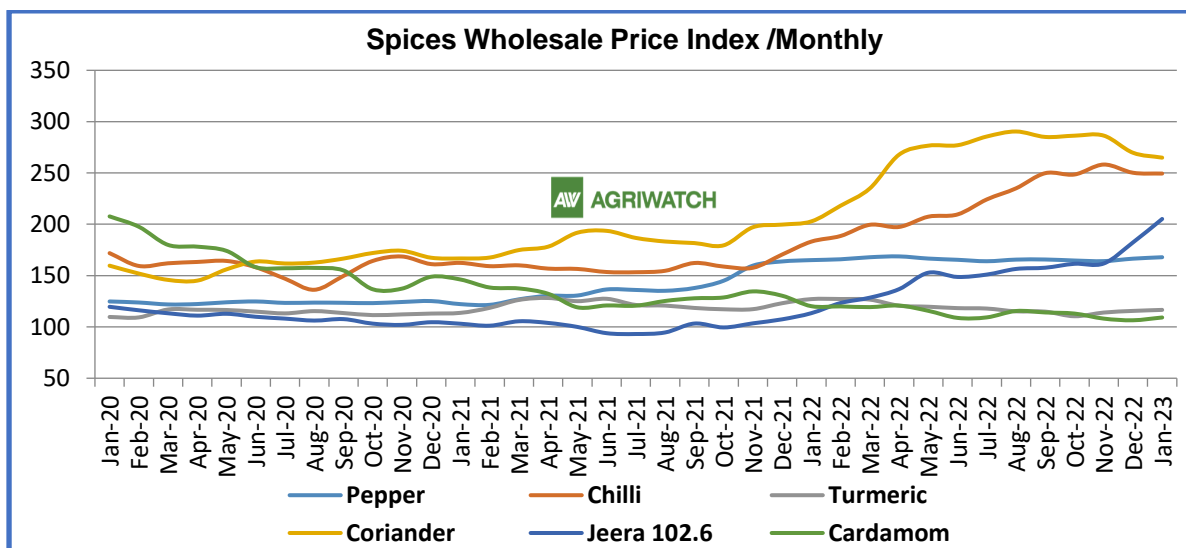


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# Red Chilli Weekly Research Report

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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 in the current year and we expect Coriander prices to correct further while Chilli prices may trade firm due to good export and domestic demand for premium quality. We expect Cardamom and Turmeric to trade in firm trend and Jeera may trade lower due to new crop arrivals pressure in the spot market.

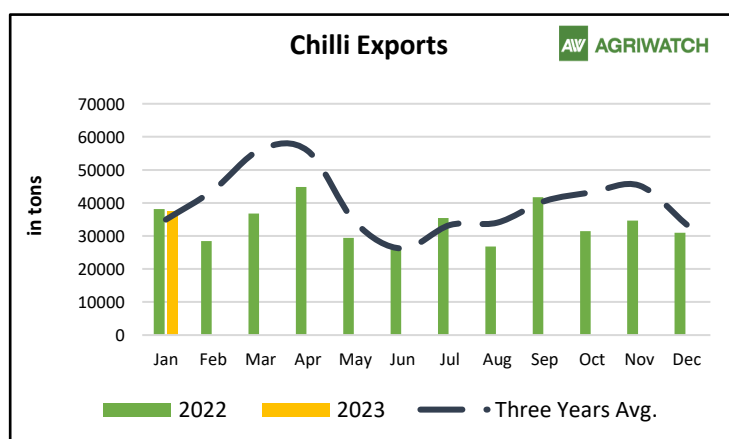
## RED CHILLI

### Spot Market Recap

- Mixed sentiment was witnessed in the Red Chilli spot market during the week under review.
- Currently lower demand reported from Chilli Oleoresin Companies like Synthite, Plant Lipids etc. due to all time high prices. Normally they procure Karnataka chilli variety (due to premium quality) and from markets like Byadgi, Bellary, Hubli etc. As per local trade sources, current year as of now they are waiting for some prices correction to do fresh procurement.
- Due to the all-time high prices and sufficient stocks held by the stockists, prices have begun to correct. As a result, we may see lower prices p over the coming week.
- As of now in AP total around 50 lakh bags (1 bag = 45 kgs) cold storage stocks reported and we expect before summer vacation (which likely to start from 2nd week of May) another 30 to 40 lakh bags more can be store. Current year as per current situation total expected around 80 to 90 lakh bags.
- Recent continuous rainfall in the AP and Telangana regions has caused the Red Chilli crops that were in the drying process to become moist, which may result in a delay in their arrival at the mandi. While not much damage has been reported thus far, the situation may worsen if the expected heavy to moderate rainfall forecasted by the IMD occurs over the next week.
- If this happens, the Chilli crop is at risk of sustaining damage due to increased moisture and the spread of pest disease, which could further lead to an increase in prices.
- 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 Scenario

- In January 2023, Red Chilli exports increased by 20.70% over the previous month as a result of strong demand and increased supply of premium quality, primarily from China, the United States, Bangladesh, and Indonesia. This trend is expected to continue in the months to come.
- Red Chilli exports in January were 37,429 Mt, up from 31,009 MT in December and 38,112 MT at the same period last year.
- February 2023 Red Chilli export likely to be around 0.55 lakh MT due to good demand for premium quality.
- During the current year AgriWatch expects, 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.



## Fundamental Analysis

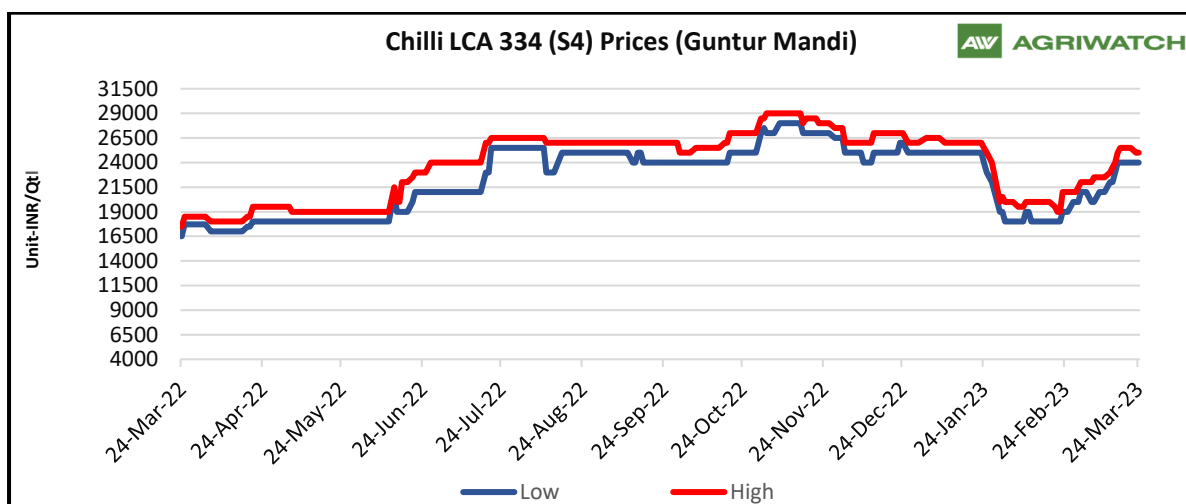
Red Chilli Arrival Scenario: (in Bags)					
State	Market	% Change Over Previous Week	Today	Week Ago	Year Ago
			18th Mar to 24th Mar 2023	11th Mar to 17th Mar 2023	18th Mar to 24th Mar 2022
Andhra Pradesh	Guntur	-33.02	3,55,000	5,30,000	4,00,000
Telangana	Warangal	-47.92	1,25,000	2,40,000	160000
Madhya Pradesh	Bedia	--	Closed	1,500	23000
Karnataka	Byadgi	-10.20	2,20,000	2,45,000	84500
Total		-31.14	7,00,000	10,16,500	6,67,500

During the current year (1<sup>st</sup> Jan, 2023 – 24<sup>th</sup> Mar, 2023) new crop arrivals in the Guntur benchmark market were recorded at 235,800 MT which was 194,625 MT in the same period last year, up by 21.16% on higher production and good demand and it is likely to continue until April 2023.

## AgriWatch Red Chilli Production Forecast 2023

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

## Red Chilli Price Outlook



Red Chilli 334 quality (S4) in Guntur market is likely to move between INR 22,500-26,000 per quintal (Low – High), in the coming days. Currently higher supply and demand is recorded in the market.

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

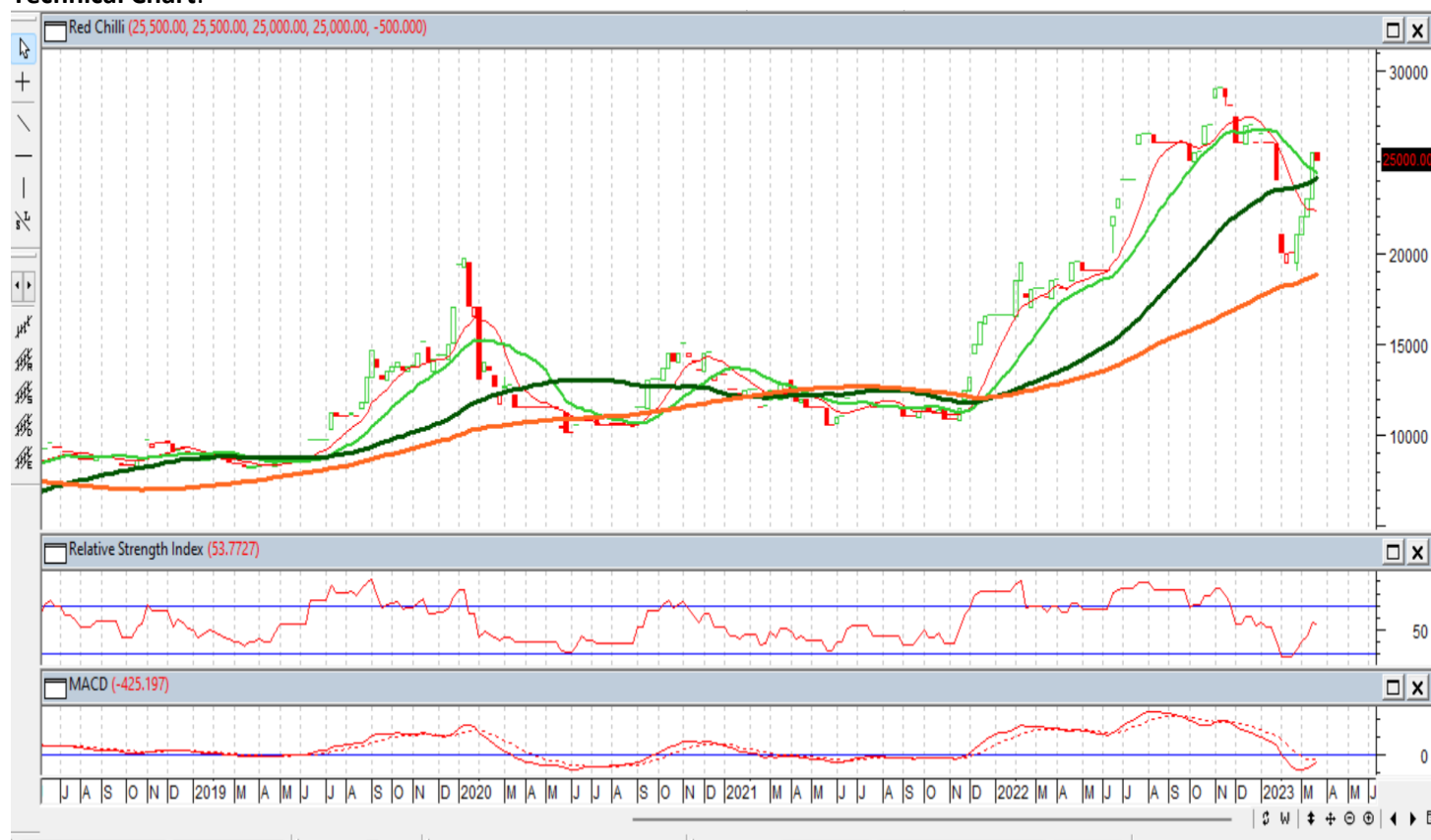
State	Centre	Grade	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
				24-Mar-23	17-Mar-23	24-Feb-23	24-Mar-22
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	Unch	23000	23000	19000	16500
		LCA 334	-1.96	25000	25500	21000	17500
		Teja	2.13	24000	23500	20500	18100
		No. 273	-2.00	24500	25000	20000	20000
		No. 5	-1.96	25000	25500	22000	19500
		Fatki	Unch	16000	16000	13000	10000
		Byadgi	Unch	33000	33000	27000	21000
		US 341	-1.92	25500	26000	21500	24500
		Denvor Delux	-3.70	26000	27000	21500	21000
		Indam 5	Unch	25500	25500	22000	16500
Telangana	Warangal	Teja	-2.08	23500	24000	20000	17600
		Wonder Hot	-1.30	38000	38500	33500	23000
		341	8.16	26500	24500	20100	22600
		Denvor Delux	-1.85	26500	27000	20100	21000

	Khammam	Paprika	-0.67	74500	75000	60000	45000
		Fatki	-2.78	17500	18000	12500	10000
		Teja (Cold storage)	--	NA	NA	NA	NA
		Teja (Non-Cold storage)	-4.35	22000	23000	20000	18100
Madhya Pradesh	Bedia	No. 12	7.41	29000	27000	23000	NA
		Fatki	--	Closed	16500	16000	12000
		Jhankar	5.26	20000	19000	21000	16500
Delhi	New Delhi	Teja(Khammam)	4.00	26000	25000	21000	20500
		LCA 334	Unch	24500	24500	23500	NA
		Fatki	Unch	14000	14000	13000	NA
Karnataka	Byadgi	2043 Best	2.17	47000	46000	32000	20000
		5531 Best	-25.00	18000	24000	17000	17000

## RED CHILLI – Technical Outlook

## Guntur LCA 334 Spot prices -Weekly time frame

### Technical Chart:



### Technical Commentary:

- During the week under review, Red Chilli prices closed to 25,000 levels and, market made low of 25,000, high of 25,500.
- Market is currently trading below 9,18,50 DMA while it is above 100 DMA.
- RSI has rebounded from neutral zone to 53, indicating buying strength.

S2	S1	PCP	R1	R2
22000	23000	25000	26500	27000
Call	Entry	T1	T2	SL
Sell	Below 25000	23500	23000	26000

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