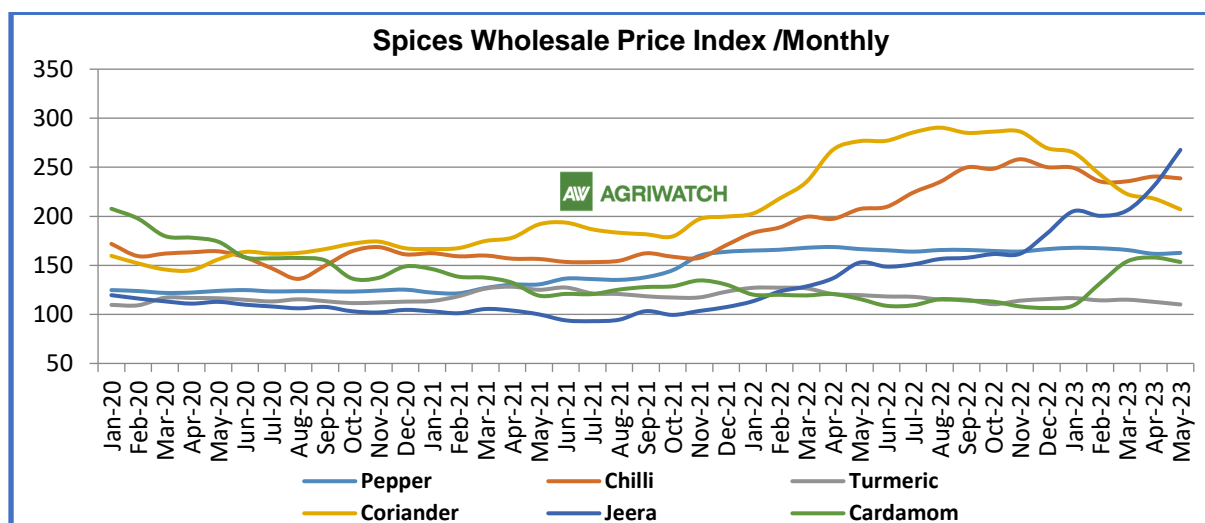

Red Chilli Weekly Research Report

AGRIWATCH

Spices Wholesale Price Index /Monthly



Months	Pepper	Chilli	Turmeric	Coriander	Jeera	Cardamom
Mar-23	165.7	235.7	115	222.8	205.9	153.9
Apr-23	161.8	240.5	112.8	218.1	230.7	158
May-23	162.7	238.7	110.1	207.1	267.7	153.4
Change Over Previous Month	0.9	-1.8	-2.7	-11.0	37.0	-4.6

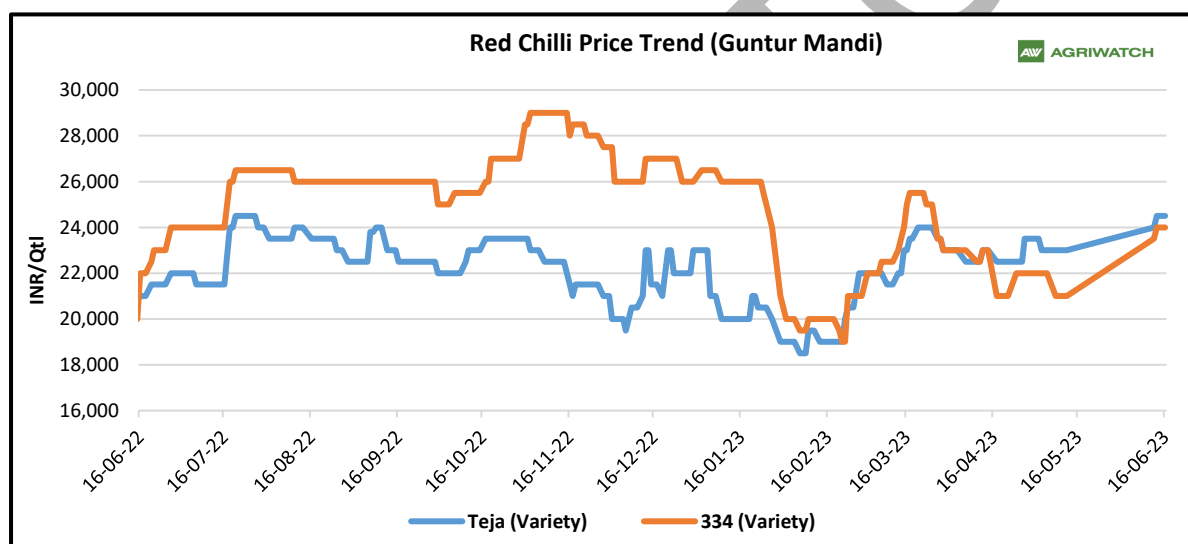
Source - MINISTRY OF COMMERCE & INDUSTRY. Base year – 2011-12

KHARIF SOWING UPDATE

- Due to a shortfall in rainfall during the month, the sowing of Red Chilli and Turmeric has been delayed by a period of 15-20 days. At present, farmers are awaiting 2-3 monsoon showers before commencing the sowing process.
- The onset of southwest monsoon 2023 was delayed by one week over Kerala.
- Westerly and South West flow of winds from the Arabian Sea has intensified leading to increase rain activities over South Peninsula. There will be a significant increase in rain over Kerala, Karnataka, Tamil Nadu, Rayalaseema, and parts of South Telangana which will be favourable for the Kharif sowing.
- Almost all the Meteorological divisions of South India are rain deficient to large rain deficient except Andaman and Nicobar Islands and the situation will improve gradually with the active conditions of monsoon. *(Source IMD and Skymet)*

FUNDAMENTAL ANALYSIS

RED CHILLI



- Mixed sentiment was reported in the Red Chilli spot markets during the week under review.
- Currently, buyers in the global and domestic market are refraining themselves from bulk purchase in the wait for increase in premium quality supply.
- As per trade sources, export demand from China, Malaysia, Bangladesh, Indonesia and other countries, as well as from Oleoresin companies and masala companies are likely to improve in the coming days.
- Therefore, AgriWatch expects, buyers to get active in the medium term (July-August) due to which Red Chilli prices are expected to maintain a bullish sentiment. However, in the long term, particularly from September onwards, prices are likely to decrease due to higher stock availability.
- Currently, farmers and stockists are holding back their stocks, anticipating the commencement of the sowing season to gain clarity on the production scenario.
- After the reopening of the Guntur market, as AgriWatch expected, there has been a significant increase in Red Chilli prices. The NCDEX Quality prices have risen from INR 17,000-18,000 per quintal to INR 20,000-22,000 per quintal. Similarly, the LCA 334 and Teja varieties are now priced at INR 22,000-24,000 per quintal and INR 20,000-24,500 per quintal, respectively. These prices

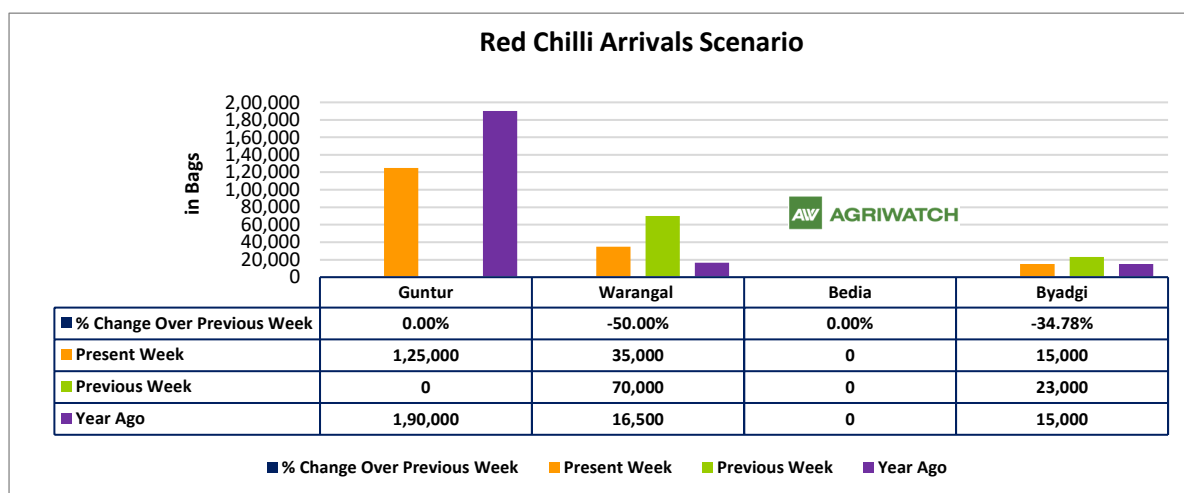
were at INR 19,000-21,000 per quintal for LCA 334 and INR 19,000-23,000 per quintal for Teja, previously, before the markets closed.

- AgriWatch expects, supply pressure will increase gradually from the first week of July with bullish sentiment due to improved demand from China, Bangladesh, Malaysia, and Indonesia. Additionally, demand from masala companies will further contribute to the rising arrivals.
- Prices in the Karnataka cash markets will remain stable and comfortable despite increased arrivals due to continuous demand from major importers, especially China, Bangladesh, and Sri Lanka. Meanwhile, price stability will depend on current weather conditions and clarity regarding the upcoming sowing expectations.

Guntur Red Chilli Spot Price Change, Before and After the start of Cold Storage Supply (Rs/Qtl)					
State	Centre	Grade	% Change	After Cold-Storage Supply	Before Cold-Storage Supply
Andhra Pradesh	Guntur	NCDEX Quality	22.22	22000	18000
		LCA 334	14.29	24000	21000
		Teja	6.52	24500	23000
		No. 273	4.76	22000	21000
		No. 5	13.64	25000	22000
		Fatki	Unch	15000	15000
		Byadgi	1.85	27500	27000
		US 341	9.09	24000	22000
		Denvor Delux	4.55	23000	22000
		Indam 5	13.64	25000	22000

AgriWatch Red Chilli Pre-Sowing Intention 2023-24

According to AgriWatch estimates, the kharif sowing acreage of Red Chilli is expected to increase during the current season. This growth is primarily driven by farmers witnessing a realization that is nearly 250% higher than the cost of cultivation. In Telangana and Andhra Pradesh, the sowing area is projected to increase by 15%-20%. Similarly, in Karnataka, where prices are comparatively higher, the acreage is expected to grow by 25%-30% compared to the previous season. However, sowing is likely start by the end of June. While in MP it is expected to decline by 10% -15% from the previous season as farmers may opt for cotton crop instead, which offers higher returns.



- Guntur market cold-storage supply has started this week with comparatively lower arrivals from the previous year despite of higher stocks in the warehouse. This is mainly because farmers and stockists are currently concern about the delay in sowing progress caused by late monsoon conditions. As a result, they are refraining from releasing their stocks in large quantities until there is clarity regarding the progress of sowing.

- According to AgriWatch, the supply is projected to remain normal in the coming week unless there is a significant increase in demand from the export and import markets.

Red Chilli Price Outlook

Chilli (334 quality) in Guntur market is likely to trade between INR 22,500 – 25,000 per quintal (Low – High), in the next month. Currently normal supply and demand is recorded in the market.

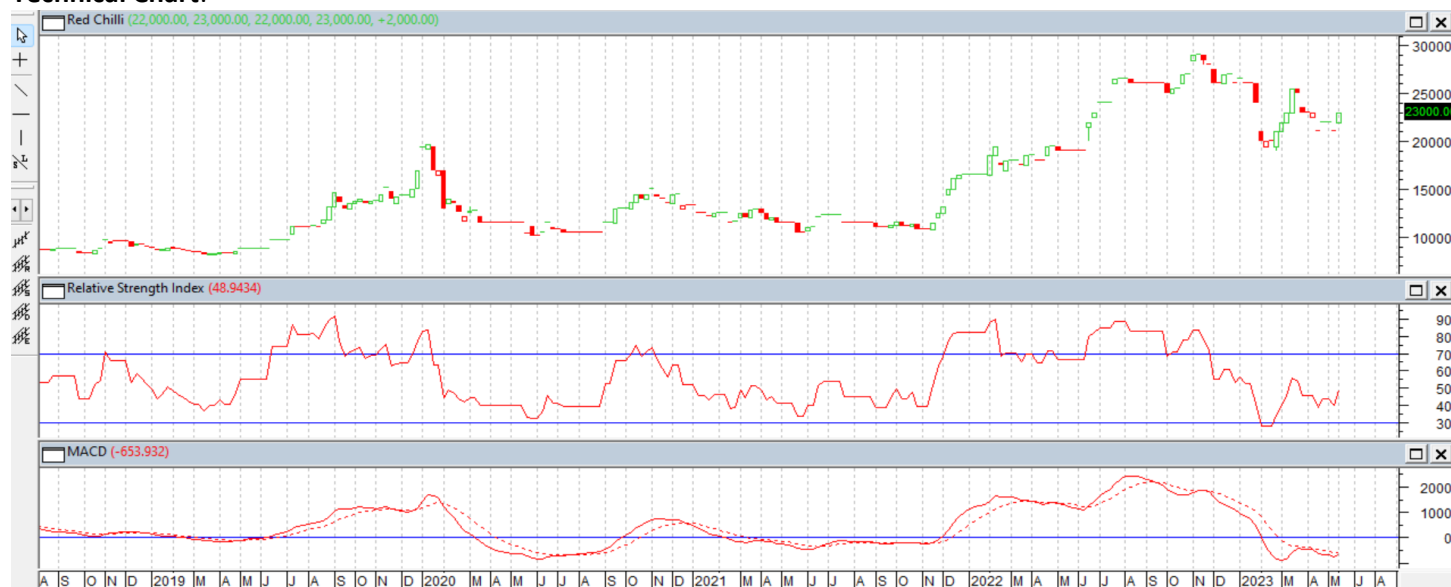
Red Chilli Spot Prices Weekly Change, Loose Prices (Rs/Qtl)							
State	Centre	Grade	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
				16-Jun-23	09-Jun-23	16-May-23	16-Jun-22
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	--	22000	Closed	18000	19500
		LCA 334	--	24000	Closed	21000	22000
		Teja	--	24500	Closed	23000	21000
		No. 273	--	22000	Closed	21000	22000
		No. 5	--	25000	Closed	22000	23500
		Fatki	--	15000	Closed	15000	12000
		Byadgi	--	27500	Closed	27000	24000
		US 341	--	24000	Closed	22000	26000
		Denvor Delux	--	23000	Closed	22000	24500
Telangana	Warangal	Indam 5	--	25000	Closed	22000	24000
		Teja	Unch	21000	21000	21500	17000
		Wonder Hot	Unch	35000	35000	33000	25000
		341	Unch	21500	21500	22000	24500
		Denvor Delux	Unch	21500	21500	21000	23000
		Paprika	--	NA	NA	NA	52000
	Khammam	Fatki	Unch	14000	14000	12500	11000
		Teja (Cold storage)	1.25	24300	24000	Closed	20000
		Teja (Non-Cold storage)	5.26	20000	19000	23000	17000
Madhya Pradesh	Bedia	No. 12	--	Closed	Closed	28000	21000
		Fatki	--	Closed	Closed	17000	11000
		Jhankar	--	Closed	Closed	18000	16500
Delhi	New Delhi	Teja(Khamam)	-5.66	25000	26500	25500	22000
		LCA 334	-4.00	24000	25000	24500	18500
		Fatki	-10.71	12500	14000	13000	7500
Karnataka	Byadgi	2043 Best	-16.67	25000	30000	35000	27000
		5531 Best	Unch	13000	13000	14000	19500
		Dabbi Dlx Local	--	59000	59000	49000	39000
		KDL Best(Local)	-10.26	35000	39000	44000	30000
		KDL Fatki	Unch	9000	9000	10000	3700

TECHNICAL ANALYSIS

RED CHILLI – Technical Outlook

Guntur LCA 334 Spot prices -Weekly time frame

Technical Chart:



Technical Commentary:

- During the week under review Red Chilli market reported bullish sentiment in which market reported low at INR 22,000 and closed at INR 23,000.
- However, market is currently trading below 9,18,50 DMA while it is above 100 DMA.
- RSI at 48, indicating a bullish signal in the market.

Strategy: Buy	S2	S1	PCP	R1	R2
Jun	21000	22000	23000	25000	25500
Weekly Trade Call	Call	Entry	T1	T2	SL
Jun	Buy	Above 23000	24000	24500	22000

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