

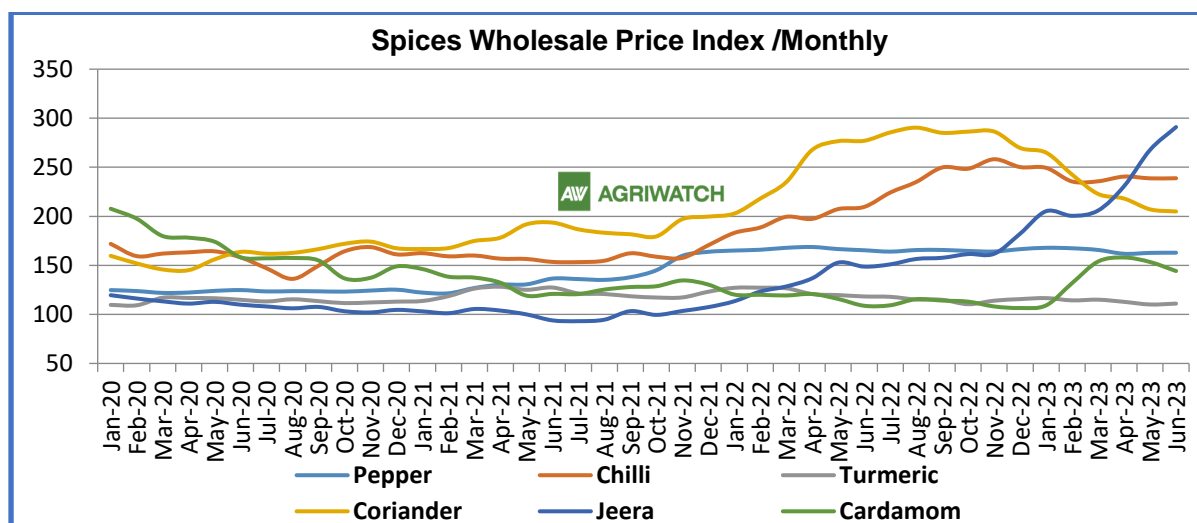
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# Red Chilli Weekly Research Report

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AGRIWATCH

### Spices Wholesale Price Index /Monthly

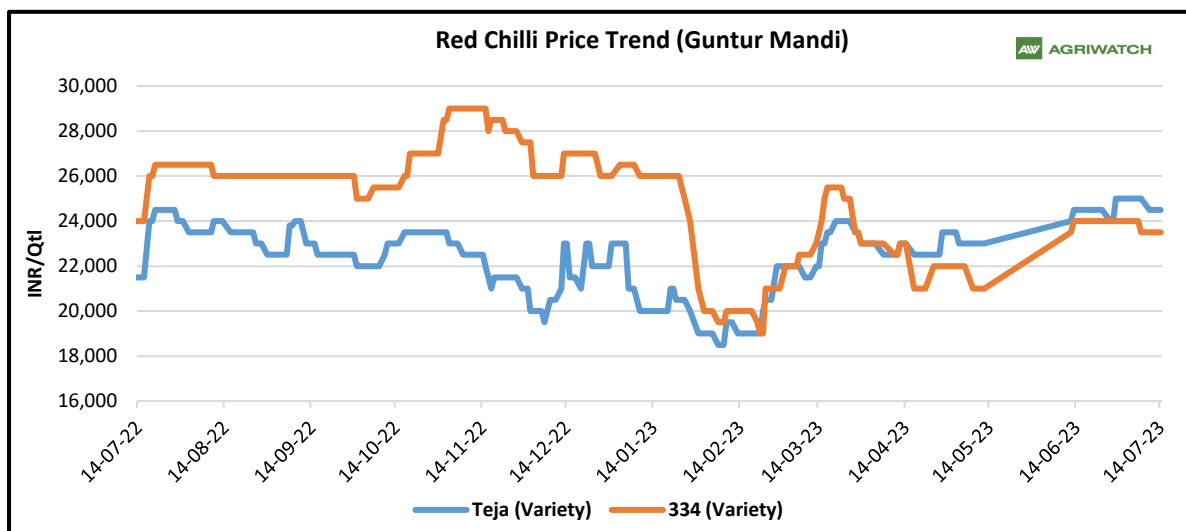


Months	Pepper	Chilli	Turmeric	Coriander	Jeera	Cardamom
Apr-23	161.8	240.5	112.8	218.1	230.7	158
May-23	162.7	238.7	110.1	207.1	267.7	153.4
Jun-23	162.9	238.8	111	204.9	291	144.2
Change Over Previous Month	0.2	0.1	0.9	-2.2	23.3	-9.2

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

## **FUNDAMENTAL ANALYSIS**

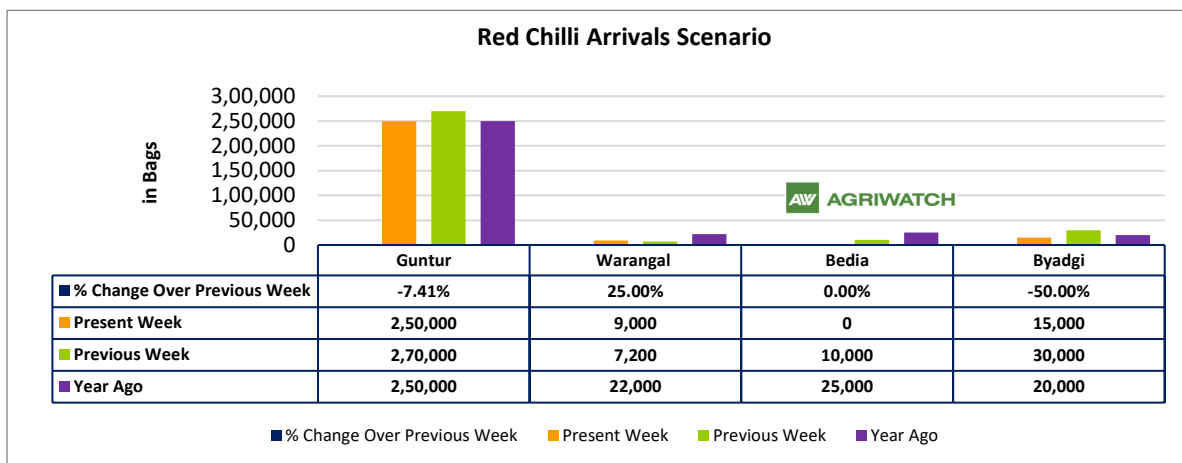
### **RED CHILLI**



- Mixed sentiment was witnessed in the Red Chilli spot market during the week under review.
- Arrival of monsoon in most parts of the country, has raised hopes for sowing to commence in earnest soon.
- In certain regions of Andhra Pradesh and Telangana, the sowing has commenced gradually due to the improved weather conditions. Nursery preparation has been successfully completed in these states. However, farmers are eagerly waiting for more monsoon showers before accelerating their sowing activities.
- On the other hand, in the growing regions of Madhya Pradesh, sowing is nearing completion, with very few farmers still in the process of sowing. The overall sowing situation will become clearer by the end of this month once all the farmers have completed their sowing activities.
- AgriWatch anticipates that Red Chilli prices will remain within a comfortable range this month. However, as sowing activities accelerate, arrivals will increase impacting the prices and which are likely to decline starting from August onwards.

### **AgriWatch Red Chilli Sowing Intention 2023 (Kharif Season)**

According to AgriWatch estimates, the kharif acreage under 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, 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.



- As expected, fearing decline in prices when sowing begins and acreage is shown to increase, farmers and stockists are continuously offloading their stocks due to which strong supply pressure was reported last week. However, bad weather has impacted the sowing activity.
- AgriWatch expects, increased supply in the upcoming week on profit booking.

## AgriWatch Red Chilli Production Estimates 2023

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

## Red Chilli Price Outlook

Chilli (334 quality) in Guntur market is likely to trade between INR 20,000 – 24,500 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
				14-Jul-23	07-Jul-23	14-Jun-23	14-Jul-22
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	-4.55	21000	22000	22000	21000
		LCA 334	Unch	23500	23500	24000	24000
		Teja	-2.00	24500	25000	24500	21500
		No. 273	Unch	22000	22000	22000	23500
		No. 5	-2.04	24000	24500	25000	24500
		Fatki	-3.03	16000	16500	15000	12000
		Byadgi	Unch	26000	26000	27500	26000
		US 341	Unch	23500	23500	24000	28000
		Denvor Delux	Unch	22000	22000	23000	26500
Telangana	Warangal	Indam 5	-4.00	24000	25000	25000	24500
		Teja	-3.20	24200	25000	21000	22000
		Wonder Hot	6.06	35000	33000	35000	27500
		341	4.26	24500	23500	21500	26500
		Denvor Delux	4.26	24500	23500	21500	26000
		Paprika	--	NA	NA	Closed	NA
		Fatki	7.14	15000	14000	14000	13000
	Khammam	Teja (Cold storage)	-0.61	24500	24650	24400	22000
		Teja (Non-Cold storage)	--	NA	NA	22000	Closed
Madhya Pradesh	Bedia	No. 12	Unch	27000	27000	Closed	22000
		Fatki	Unch	16000	16000	Closed	12500
		Jhankar	10.00	22000	20000	Closed	16500

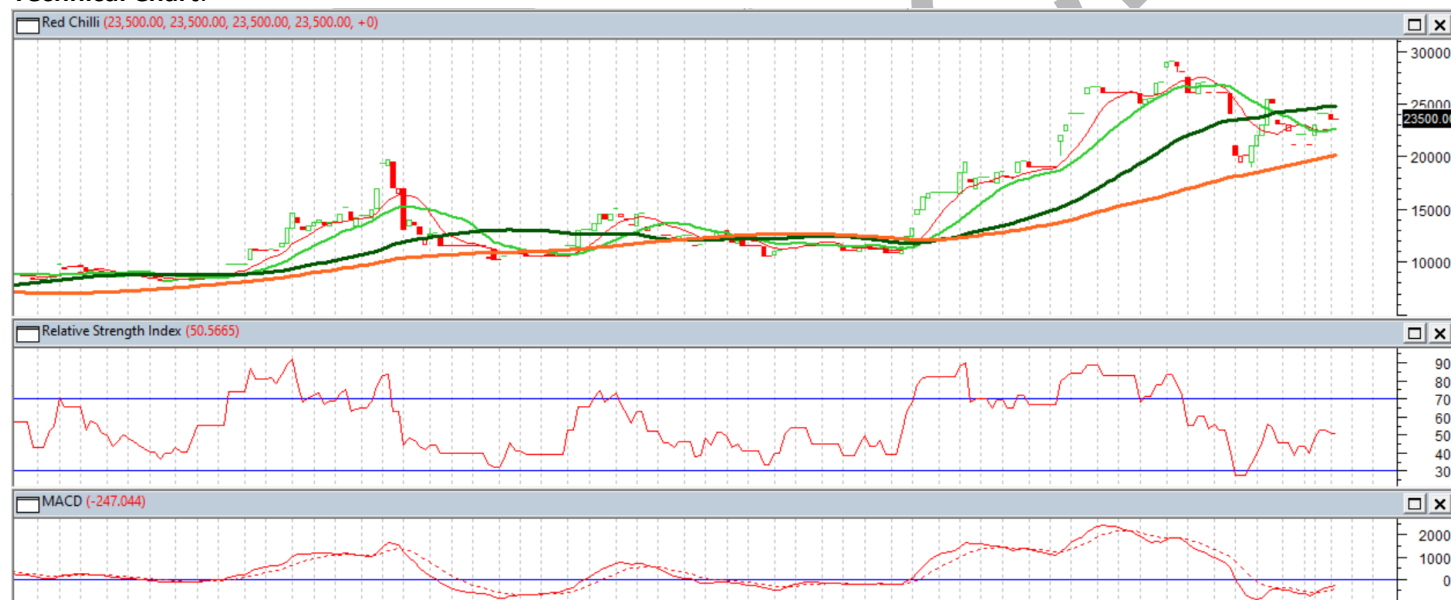
Delhi	New Delhi	Teja(Khamam)	Unch	26500	26500	25000	25000
		LCA 334	1.92	26500	26500	23500	20500
		Fatki	11.11	15000	15000	12500	8500
Karnataka	Byadgi	2043 Best	-10.53	34000	25000	25000	28000
		5531 Best	6.98	23000	13000	16000	26500
		Dabbi Dlx Local	--	NA	NA	NA	39500
		KDL Best(Local)	-2.00	49000	50000	35000	34000
		KDL Fatki	Unch	9000	9000	9000	3700
		Dabbi Medium Best (Local)	Unch	49000	49000	49000	NA
		KDL Medium	Unch	12500	12500	NA	NA
		2043	-9.09	40000	44000	49000	33500

## 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 steady and last traded at INR 23,500.
- RSI is currently at neutral zone at 50 levels, indicating sideways movement in the market.
- Meanwhile, currently, MACD oscillator is trading below the zero line indicating downside momentum in the market.

Strategy: Sell	S2	S1	PCP	R1	R2
July	20000	21000	23500	2500	25500
Weekly Trade Call	Call	Entry	T1	T2	SL
July	Sell	Below 23500	22000	21000	25000

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