



JANUARY 31, 2011

## SPICES

TECHNICAL RECOMMENDATIONS									
Commodity	Contract	S3	S2	S1	CLOSE	R1	R2	R3	Recommendations*
Pepper NCDEX	Feb-10	21554	21877	22093	22308	22632	22955	23171	Sell 22400 TP 22150 SL 22520
Turmeric NCDEX	Apr-10	9590	9650	9746	9842	9902	9962	10058	Sideways
Jeera NCDEX	Feb-10	14272	14542	14709	14877	15146	15416	15583	Sell 14960 TP 14750 SL 15080
Chilli NCDEX	Feb-11	8031	8285	8467	8648	8903	9157	9339	Sideways
Cardamom MCX	Feb-11	1334	1363	1379	1394	1423	1452	1467.6	Sell 1407 TP 1380 SL 1422

## PEPPER

### Review

The pepper futures washed out all the gains and traded down on Saturday. Futures started the day on positive note on extended short covering. However, prices failed to sustain the gains and fell drastically on selling at higher levels. Higher arrivals at spot market and poor export demand pulled down the prices and futures ended the day in red.

### Outlook

The pepper futures are expected to slightly lower on active selling on Monday. Continued selling pressure on good arrivals may pressurize the prices. However, prices might witness good recovery on short covering during the day. Average daily prices at spot market of Kochi were down to ₹21,400 for ungarbled and ₹22,200 for MG-1. As per trade sources, exporters are not activity buying in market as they are waiting for Vietnam crop to hit the market which may cool down the prices here also. According to data released by Spices Board, pepper export during April- December was around 14,000 tons down by 9% compared to 15,425 tons during same period last year. Prices quoted by India in international market are \$5,125-5150 per ton. According to derivative analysis, prices, volumes and open interest all are falling. If the total open interest is falling off and prices are declining, the price decline is being caused by disgruntled long position holders being forced to liquidate their positions. Bearish trend may continue till a sudden reversal happens in open interest or volumes traded.

## TURMERIC

### Review

Turmeric futures witnessed very choppy trend on Saturday. Futures started the day on lower note on profit booking. However, prices traded on positive note on fresh buying at lower levels. Nonetheless, huge arrivals of fresh crop at spot market limit the gains and futures ended on slightly positive to flat note.

### Outlook

The turmeric futures are expected to Trade positive Monday. However, active selling at futures may pull down the prices in initial hours. Traders at spot also staying away from market due to high moisture content in new crop. However, lower level buying from some bulk buyers may reverse the trend later in the day. Average daily prices at spot markets of Nizamabad and erode were down to ₹13,000 and ₹13,500 per quintal respectively. Average daily arrivals at spot market of Nizamabad were 4000 bags while Erode market reported 6000 bags arrival of fresh crop. According to data released by Spices Board, turmeric export during April- December was around 35,500 tons down by 13% compared to 40,825 tons during same period last year. As per derivative



analysis, over a period of time volumes are falling while prices and open interest are rising. Market is attracting late buyers & early shorts; market is vulnerable to a sharp correction but likely that that correction will be bought creating a buy point for uptrend.

## JEERA

### Review

The jeera futures traded down on active selling interest on Saturday. Futures started the day on higher note on extended short covering. However, weak spot market trend on poor domestic and export demand pressurized the prices and futures ended on negative note.

### Outlook

The jeera futures are projected to may trade down on Monday. Continued profit booking can be seen at futures platform. However, prices may reverse the direction on short covering at lower levels. Nonetheless, huge arrivals with fresh arrivals in small amount are likely to weigh on sentiments. Average daily prices at spot market of Unjha were steady to ₹14,050 per quintal. Arrivals reported were higher to 4500 bags (each bag= 55 Kg). According to data released by Spices Board, Jeera export during April- December was around 24,225 tons down by 37% compared to 38,300 tons during same period last year. According to derivative analysis, prices, volumes and open interest all are falling. If the total open interest is falling off and prices are declining, the price decline is being caused by disgruntled long position holders being forced to liquidate their positions. Bearish trend may continue till a sudden reversal happens in open interest or volumes traded.

## Chilli

### Review

The Chilli futures traded down on active selling at previous gains on Saturday. Prices started the day on higher note on extended buying. However, down spot market activity as buyers are not interested in bulk buying pressurized the prices and prices hit 2% lower circuit.

### Outlook

The Chilli futures are projected to open down on Monday. Extending selling may pressurize the prices in initial hours. However, prices are likely to take smart recovery on short covering during the day. However, overall spot market activity is very sluggish which might weigh on sentiments. Average daily arrivals at spot market of Guntur were around 15,000 bags of old crop and 15,000 bags of new crop (1bag = 40Kg.). Prices quoted at spot market for old and new crop are ₹7,300- 7,500 for old crop and ₹7,000-7,300 per quintal for fresh crop. According to data released by Spices Board, Chilli export during April- December was around 1,79,500 tons up by 22% compared to 1,47,250 tons during same period last year.

## Cardamom

### Review

The Cardamom futures extended the losses for 3<sup>rd</sup> consecutive session on Saturday. Futures started the day on lower note on continued selling. Weak spot market trend further weighed on the sentiments and prices touched 4% lower circuit on selling pressure.

### Outlook

The Cardamom futures are projected to trade slightly positive on Friday. Fresh buying at lower level may support the prices initially. However, gains are likely to be limited due to steady spot market activity. Daily total arrivals at different auctions were decline to 42,504 Kg. on Thursday. Daily prices at different auctions were hovering in the range of ₹1209-1498 per kg. Total quantity arrived at spot market during the current season till January 14<sup>th</sup> is around 6,352 tons. Of which, 6,220 tons of cardamom was sold. While arrival in the same period



last year was around 6,410 tons. MCX warehouse stock of Cardamom as on 28<sup>th</sup> January 2011 was 26.4 tons. According to data released by Spices Board, cardamom export during April- December was around 700 tons down by 41% compared to 1190 tons during same period last year. As per derivative analysis prices and volumes are declining while open interest is increasing indicating a trend reversal. It is a good indication that a sharp rally against downtrend will develop creating a sell point for down.

### Spices Export Data April- December

Spices	Year 2010		Year 2009		% Change	
	Volume (Tons)	Value (Rs. Lakh)	Volume (Tons)	Value (Rs. Lakh)	Volume	Value
Pepper	14000	26624.75	15425	24326.99	-9%	9%
Turmeric	35,500	50,947.05	40,825	28,826.88	-13%	77%
Jeera	24,250	29,397.75	38,300	42,088.76	-37%	-30%
Chilli	1,79,500	1,10,891.50	1,47,250	94,648.86	22%	17%
Cardamom	700	8,116.75	1190	8,876.53	-41%	-9%



## SOY COMPLEX

TECHNICAL RECOMMENDATIONS									
Commodity	Contract	S3	S2	S1	CLOSE	R1	R2	R3	Recommendations*
Soybean CBOT	Mar-11	1384.3	1389.4	1399.6	1409.8	1414.8	1419.9	1430.1	Buy at 1404 TP 1419 SL 1396
Soybean NCDEX	Feb-11	2413	2425	2437	2448	2461	2473	2484.7	Buy above 2462 TP 2484 SL 2445
Soy Oil CBOT	Mar-11	57.0	57.1	57.4	57.69	57.8	58.0	58.3	Buy at 57.55 TP 57.8 SL 57.30
Soy Oil MCX	Feb-11	649.1	650.8	651.9	653.0	654.7	656.4	657.5	Buy above 656 TP 659 SL 653.5
Soy Oil NCDEX	Feb-11	648.1	650.2	651.6	653.1	655.1	657.2	658.6	Buy above 656 TP 659 SL 653.5
RM Seed NCDEX	Apr-11	2890.0	2903.0	2921.0	2939.0	2952.0	2965.0	2983.0	Buy at 2936 TP 2965 SL 2910
CPO BMD	Mar-11	3764	3769	3780	3790	3796	3801	3812	Buy at 3782 TP 3810 SL 3765
CPO MCX	Jan-11	556.6	558.1	559.0	560.0	561.4	562.9	563.8	Buy above 562 TP 566 SL 559.5

### SOYBEAN

#### Review

The NCDEX soybean futures ended on a flat note after witnessing both sided trading on Saturday. Initially prices rose due to short covering on previous decline and later came under the influence of selling pressure. Weakness in international market had a bearish impact on Indian market. Domestic traders and investors stayed away from active buying in anticipation of shrink in demand. Spot markets witnessed subdued participation especially from crushers as they bough sufficient quantity to meet their immediate crushing requirement. Improvement in weather condition in Latin America had a bearish sentiment on Indian market.

#### Outlook

The soybean futures are expected to open on a positive note due to short covering and taking cues from firm overseas market. However, gains could be limited and market might turn downside in later hours on poor demand for the produce. Though spot markets are witnessing thin arrivals, demand is not up to the mark especially from crushers. Domestic crushers have stocked sufficient quantity of soybeans to meet their crushing demand. Identification of harmful pest in the soy meal cargo sent to Vietnam is likely to dampen the export demand. Nearing of Rabi oilseeds harvesting season is likely to weigh on the market. During Rabi season, mustard oil is preferred over other oils across north India. Market is speculating on likely government intervention to control higher food inflation, which is above 15%.

### SOY OIL

The refined soy oil futures displayed a choppy trend on Saturday with negative bias. Positive trend in international market led the Indian market to open the day on a positive note. But, domestic fundamentals like weak demand put the cap on gains. Overall, market was caught between firm international market and weak domestic fundamental factors thus ending the day almost on a flat not.

#### Outlook

The refined soy oil futures are expected to open on a positive note taking cues from strong overseas market. eCBOT soy oil and BMD palm oil futures are trading higher on robust global demand for edible oil and likely tight balance sheet. However, gains in Indian market could be limited as domestic demand for the oil is poor. Harvesting of Rabi oilseeds is likely to commence in a week or two and this will have a bearish effect on entire edible oil



market. Market participants are speculating on likely government intervention. Higher food inflation is provoking the government to take necessary steps to control it. The possible step likely from the government is scrapping import duty on refined oils.

## RM SEED

### Review

The mustard seed futures traded on a weaker note on Saturday on extended selling pressure and taking support from weak soy market. Moreover, bumper crop expectation and nearing of harvesting season had a bearish impact on the market. Subdued demand in the physical market also exerted pressure on futures market.

### Outlook

The mustard seed futures are forecast to trade on a weaker note on extended selling pressure. Weakness in soy market is likely to exert pressure on mustard seed market. New mustard seed crop harvest season is approaching, which is likely to have a negative effect on Indian market. Production in the current year is likely to be in the range of 7.0-7.5 million tons against 5.92 million tons produced last year. According to Ministry of Agriculture, mustard seed acreage as on 27<sup>th</sup> January was 72.47 lakh hectares against 65.28 lakh hectares planted in the same period a year ago. Area in Rajasthan rose to 32.45 lakh hectare from 23.25 lakh hectares last year.



## CEREALS & PULSES

TECHNICAL RECOMMENDATIONS									
Commodity	Contract	S3	S2	S1	CLOSE	R1	R2	R3	Recommendations*
<b>Wheat</b>									
<b>NCDEX</b>	<b>Feb-10</b>	1351	1353	1356	1358	1360	1363	1365	Sell 1360 TP 1352 SL 1364
<b>Maize NCDEX</b>	<b>Feb-10</b>	1083	1091	1096	1101	1108	1116	1121	Sell 1102 TP 1090 SL 1112
<b>Chana NCDEX</b>	<b>Feb-10</b>	2538	2577	2601	2624	2664	2703	2727	Sell 2645 TP 2610 SL 2655
<b>Guar seed</b>									
<b>NCDEX</b>	<b>Feb-10</b>	2718	2768	2799	2830	2880	2930	2961	Buy 2810 TP 2852 SL 2790
<b>Guar Gum</b>									
<b>NCDEX</b>	<b>Feb-10</b>	7353	7491	7581	7670	7809	7947	8037	Buy 7600 TP 7720 SL 7520

### CHANA

#### Review

Chana futures trade declined on Saturday on profit booking on the previous rally. The activities across the spot markets were sluggish which witnessed absence of the buyers in turn pressurizing the prices.

#### Outlook

Chana futures are expected to open positive and trade down side for the day on extended profit booking. The weakness can be seen in the positive trend as slack buying across the spot markets is witnessed. The minimal buying activity across the spot markets might keep the prices under pressure. The new sown chana crop which was subjected to the severe cold wave conditions is recovering across north India as the weather is recovering. The arrival across south India is anticipated to hit the markets by February. All India acreage under chana has increased by 8% to 88.79 lakh ha as on 14th January. The decrease in prices, volume and open interest indicates that market might turn bullish for the day.

### GUAR SEED

#### Review

Guar seed negative trend on Saturday due to profit booking on the previous rally where the prices hit upper circuit levels on Friday. However the guar gum prices closed marginally positive as the demand for the guar gum remained strong across the spot markets.

#### Outlook

The guar seed and guar gum futures might trade positive on emergence of fresh buying. The arrival season of the guar crop has approached the end resulting in lower arrivals across the spot markets. The increase in crude oil inventories in a short term is good sign of strong global demand for the guar gum. Thus lower arrivals amidst strong demand are likely to keep the prices positive. The increase in the dematted stocks of the guar seed and gum is supporting is also indicating that the arbitragers and stockists are active across the spot markets. The derivative analysis for guar gum suggests that the prices might sustain the bearish trend while derivative analysis of seed suggests that prices might remain positive.

### WHEAT

#### Review

Wheat futures traded in very narrow range on Saturday and closed marginally negative. The buying across the spot markets prevented any steep fall in the prices. The millers buying for the meet the demand of the wheat flour supported the prices.



## Outlook

The wheat futures might extend the positive trend for the day. Good buying which is supporting the prices at the spot markets will have its positive effect on the futures platform also. CBOT wheat prices are currently trading marginally positive by 0.5% after 2% negative closing on Friday. The acreage under wheat has increased by 9 lakh ha in the current rabi season. The government targets to increase production from 80.70 million tonnes in 2009-10 to over 82 million tonnes in 2010-11. Government is On January 1, India's wheat stocks were at 21.5 million tonnes against a target of 8.2 million tonnes. The decrease in price volume and open interest indicates the uptrend for the day.

## MAIZE

### Review

Maize futures traded negative on Saturday due to profit booking. Across the spot markets the prices are stable around ₹1040/quintal. Good export demand is reported from the spot markets in Davangere regions which might keep the prices positive.

### Outlook

Maize futures are expected to trade positive for the day on short covering. Good export demand amidst the lower supplies as the kharif arrivals have come to an end is supporting the prices. As per the Agriculture Ministry's update of 21 Jan 2011, rabi maize acreage stands at 10.34 lakh hectares as on 21<sup>st</sup> January. The CBOT corn prices are currently trading positive by 0.7% after a negative closing in the Friday's session. The decrease in prices, volume and open interest is indicating a bullish trend in prices for the day.



## OTHERS

### TECHNICAL RECOMMENDATIONS

Commodity	Contract	S3	S2	S1	CLOSE	R1	R2	R3	Recommendations*
Mentha Oil MCX	Jan-11	1143.7	1153.9	1160.3	1166.7	1176.9	1187.1	1193.5	Sideways
Gur NCDEX	Mar-11	935.0	939.0	942.0	945.0	949.0	953.0	956.0	Buy 945 TP 956 SL 940
Cocud NCDEX	Feb-11	1140	1151	1157	1164	1174	1185	1191.3	Sell at 1165 TP 1148 SL 1174
Kapas NCDEX	Apr-11	872	884	893	902	914	926	934.8	Sell at 902 TP 893 SL 910
Kapas MCX	Apr-11	865	879	890	902	915	929	940.3	Sell at 902 TP 893 SL 910
Potato MCX	Mar-11	674	676	678	680	682	684	686.3	Sell 630 TP 620 TP 636
Potato NCDEX	Mar-11	622	624	627	629	631	633	635.4	Sell 682 TP 675 SL 686
Sugar NCDEX	Feb-11	2677	2707	2726	2744	2775	2805	2824	Sell at 2752 TP 2730 SL 2770
Sugar MCX	Feb-11	2856	2873	2882	2892	2908	2925	2934	Sell at 2896 TP 2875 SL 2915

### MENTHA OIL

#### Review

Mentha oil futures washed away all the previous day's gains on Saturday. Futures opened on positive note on extended buying. However, prices failed to sustain the gains reversed back the direction on active selling on higher levels and ended the day on lower note.

#### Outlook

Mentha oil futures are expected to trade positive on fresh buying on Monday. Roll over of positions on January contract expiry is likely to support the prices. However, steady spot market activity in absence of fresh market cues may limit the gains during the day. Sowing activity is progressing in major growing regions of Uttar Pradesh. Average prices at Spot market of Chandausi were ₹1250-1260 per Kg. This is a lean season for arrivals and sowing for next crop has been started in major growing area of Uttar Pradesh. MCX warehouse stock of mentha oil as on 28<sup>th</sup> January 2011 was 1695 tons. As per derivative analysis, prices and volumes are falling while open interest is rising. It is a good indication that a sharp rally against downtrend will develop creating a sell point for downtrend.

### KAPAS

#### Review

Kapas and cocud futures traded negative on profit booking on the rally in the last consecutive 4 days. The prices have gained as much as 10% in the whole week. However the fundamentals across the spot markets are indifferent as the arrivals are lower and the demand from the exporters is strong.

#### Outlook

Kapas and cocud futures are likely to trade down side for the day on profit booking on the previous rally in the prices. Technically corrections on the rally in the prices can be witnessed. The spot fundamentals are strongly positive as the export demand for the commodity is good due to crop damage globally. International cotton prices are trading positive by 1%. The CAB had projected the total 2010-11 crop in August at 325 lakh bales (one bale equals 170 kg) which was revised to 329 lakh bales. The derivative analysis suggests that the prices might be subjected to correction and creates good buy point for the uptrend.



## Price Movement

Commodity	Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Pepper	Feb-11	22672	22740	22201	22308	-1.38%	4086	-23.20%	8651	-3.80%
	Mar-11	23070	23075	22611	22691	-1.37%	990	1.33%	1883	7.42%
Turmeric	Apr-11	9710	9866	9710	9842	0.04%	1065	-61.27%	6355	1.68%
	May-11	9310	9336	9274	9308	0.78%	110	-69.01%	2275	-1.52%
Jeera	Feb-11	15150	15248	14811	14877	-1.33%	7938	-21.13%	9345	-4.89%
	Mar-11	15475	15618	15190	15256	-1.11%	7149	-14.19%	15864	-0.28%
Chilli	Feb-11	8898	8976	8540	8648	-1.93%	2765	-25.47%	4585	-2.13%
	Mar-11	9182	9256	8936	8974	-2.56%	2465	-19.31%	5080	-0.88%
Soybean	Feb-11	2452	2462	2438	2448	-0.06%	41920	-48.09%	157620	-1.52%
	Mar-11	2488	2495	2475	2485.5	0.10%	35800	-65.67%	229640	-2.85%
Soy Oil	Feb-11	654.1	655.65	652.2	653.1	-0.02%	60210	-61.70%	86900	-4.95%
	Mar-11	662	663.5	660	661.75	0.20%	32130	-51.62%	71370	6.71%
RM Seed	Apr-11	2942	2947	2916	2939	-0.10%	29780	-62.35%	62510	2.56%
	May-11	2990	2990	2958	2980	-0.20%	21300	-56.02%	61950	-3.11%
Chana	Feb-11	2680	2680	2617	2624	-1.69%	61340	-32.79%	89340	1.97%
	Mar-11	2708	2713	2641	2651	-2.18%	82810	-10.87%	74340	2.19%
Guar Seed	Feb-11	2870	2899	2818	2830	-0.98%	216110	-27.34%	162980	-4.76%
	Mar-11	2915	2962	2869	2881	-1.34%	116670	-13.69%	104310	3.83%
Guar Gum	Feb-11	7700	7858	7630	7670	0.54%	14330	-2.15%	14685	-6.88%
	Mar-11	7899	8023	7770	7817	0.36%	14050	10.28%	41325	1.64%
Wheat	Feb-11	1357	1361	1356.2	1357.6	-0.07%	1100	-42.41%	5420	-3.21%
	Mar-11	1295	1296.8	1290	1295.2	-0.17%	810	-25.00%	5320	6.61%

## Stocks Update (As on January 28, 2011)

Commodity	In Demat (MT)	In process (MT)
Pepper	2156	6
Jeera	5900	535
Coriander	10180	1533
Soybean	7332	30
RM Seed	73202	0
Chana	18738	130
Guar	88651	1939
Guar Gum	18239	354
Maize	2044	199
Sugar M	819	0
Sugar S	3491	0
Cotton Seed Oil Cake	35166	4731



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