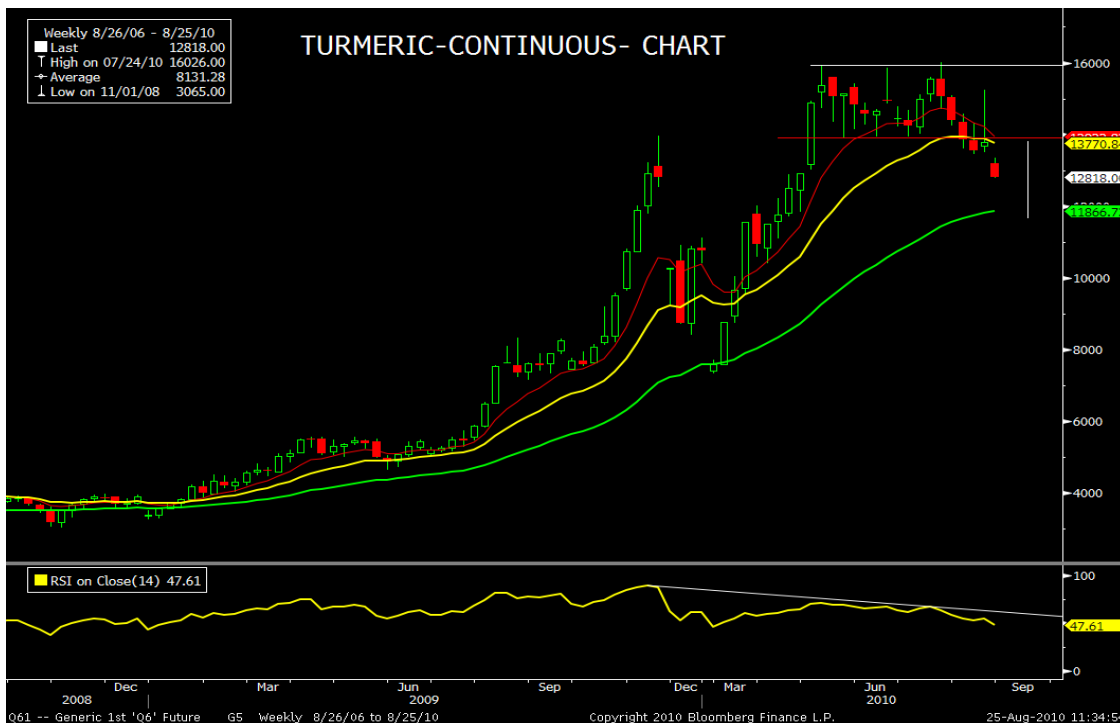




Turmeric



Factor to watch for

- This year acreage under turmeric sowing has been increased by 25-30% as good returns provoke farmers for turmeric sowing
- In Andhra Pradesh, nearly 97% of turmeric sowing for this season has been completed so far
- Next crop is expected around 65-70 lakh bags against 45 lakh bags last year which will pressurize the prices
- According to Spices Board, turmeric exports have been declined by 16% during April- July 2010 to 18,350 tons compared to same period last year
- AS per trade sources, stock available at spot market are around 11-12 lakh bags (Each bag=70kg) while average monthly consumption is around 2-2.5 lakh bags and available stocks are sufficient to meet the demand till next crop arrive in market

Technical Analysis:

NCDEX TMC September Futures is in down trend continuously from last 6 weeks. This week also it closed on the lower side at Rs. 13168 forming a hammer candle stick pattern. In weekly chart of TMC a double top trend reversal pattern is spotted and the prices close below the "valley floor" levels confirming the down trend. Weekly RSI is at 0.47 signaling further down trend in the prices as it has cross 0.50 mark. There is a bearish divergence between prices and RSI (14). However, in daily chart TMC is consolidating at lower levels so we might see some upside initially.

We expect TMC prices to remain on down side and recommend sell for next coming days.

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Recommendation

Short term:

TMC SEPT NCDEX: Sell in the range 13000 – 13200 targeting 12000 and then 11800 with the stop loss of 13550.

