



Technical Recommendations

Commodity	Contract	S2	S1	CMP	R1	R2	Recommendation
Pepper NCDEX	Sep-10	19325	19700	20115	20480	20845	Sell at 20480 TP 19700 SL 20850
Turmeric NCDEX	Sep-10	12225	12545	13040	13190	13585	Sell at 13060-100 TP 12545 SL 13250
Jeera NCDEX	Sep-10	13050	13510	13700	14050	14470	Sell at 14050-100 TP 13600 SL 14250
Chilli NCDEX	Sep-10	3650	3833	3946	4099	4336	Sideways

Market Recap

The NCDEX spices complex witnessed a down trend during the week ended on August, 28 2010. Whole spices complex witnessed a drastic fall. Pepper futures remained bearish throughout the week due to decrease domestic and export demand amid. Lower prices quoted by Indonesia also pressurized the prices here.

Turmeric futures opened the week on negative note on account of selling pressure. However, prices recovered on short covering but remained flat during rest of the week due to lack of buying interest. Week fundamentals of subdued demand amid stable arrivals also supported the downside.

The Jeera futures traded down during the week on account of profit booking at exchange platform. Increased supply at spot market amid limited demand supported the fall prices.

The NCDEX chilli remained flat during early sessions of the week due to lack of active trade participation. However, prices bounced back during last session account of short covering at exchange platform.

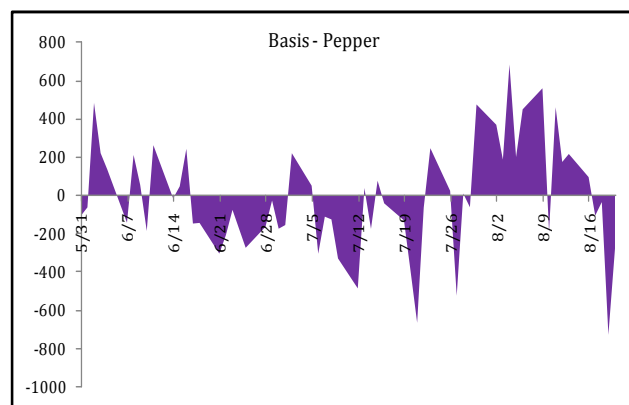
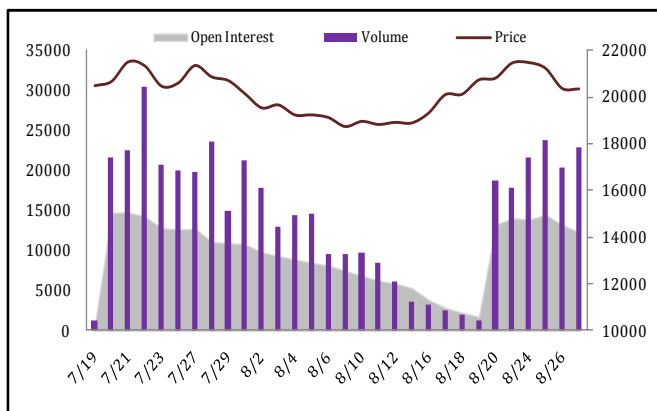


Pepper

Review

The pepper futures witnessed a sharp fall during the week ended on August, 28 2010 on account of heavy long liquidation. Bearish fundamentals of domestic and export demand also supported the fall in prices. During last week prices drastically rose by 12%. Therefore, this week investors liquidated their long positions in anticipation of sharp fall in prices. Higher Indian parity in international market also supported the down trend and futures ended in red for consecutive 4th session.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep	21608	21828	19910	20310	-5.71	20858	-78.04	12306	-12
Oct	21800	22019	20102	20500	-5.5	1517	-81.7	2519	-74.3
Nov	22017	22164	20310	20700	-5.4	587	-47.3	492	-69.9



Outlook

The NCDEX pepper futures are expected to trade lower initially during the week ahead extending the previous losses at exchange platform. Weak domestic and export demand is likely to keep the prices down side. However, a decent recovery can be witnessed during the week as prices fell consecutively during last 4 sessions.

Factors to watch out

- International market rates are; India MG-1 ASTA is at \$4550/MT against \$4325/MT while Vietnam 500 g/l is at \$4050/MT Vs. \$3825/MT, Indonesia ASTA is at \$4250/MT Vs. \$3990/MT, Brazil ASTA is at \$4100/MT Vs. \$3900/MT
- At spot market prices are quoting at `20,000 for MG-1 up by `700 and `19,500 for Ungarbled down by `700 per quintal
- As per market sources, there are apprehensions in market about emergence of export demand from European countries as Vietnam pepper prices rose by \$300 in last few days
- As per the data from Pepper Trade, Vietnam and Brazil have exported 83,121 tons and 13,965 tons of pepper till July 2010 respectively
- Vietnam's export target for the year 2010 has been reduced by 27% to 1 lakh tons against 136,500 tons last year
- As per Spices Board data, international price of Pepper in New York market was \$4.41 per kg during the week ended 13th August 2010, which was higher than \$3.31 per kg quoted in the same period last year
- Stock positions at the NCDEX accredited warehouses are at 4296 tons as on 19th August 2010

Derivative Analysis

The NCDEX pepper September contract pieces, volume and open interest has gone down by 5.71%, 78.04% and 12% respectively. This decline is being caused by disgruntled long position holders being forced to liquidate their positions. Technicians view this scenario as a strong position technically because the downtrend will end as all the sellers have sold their positions, creating fresh buying opportunity at lower levels.



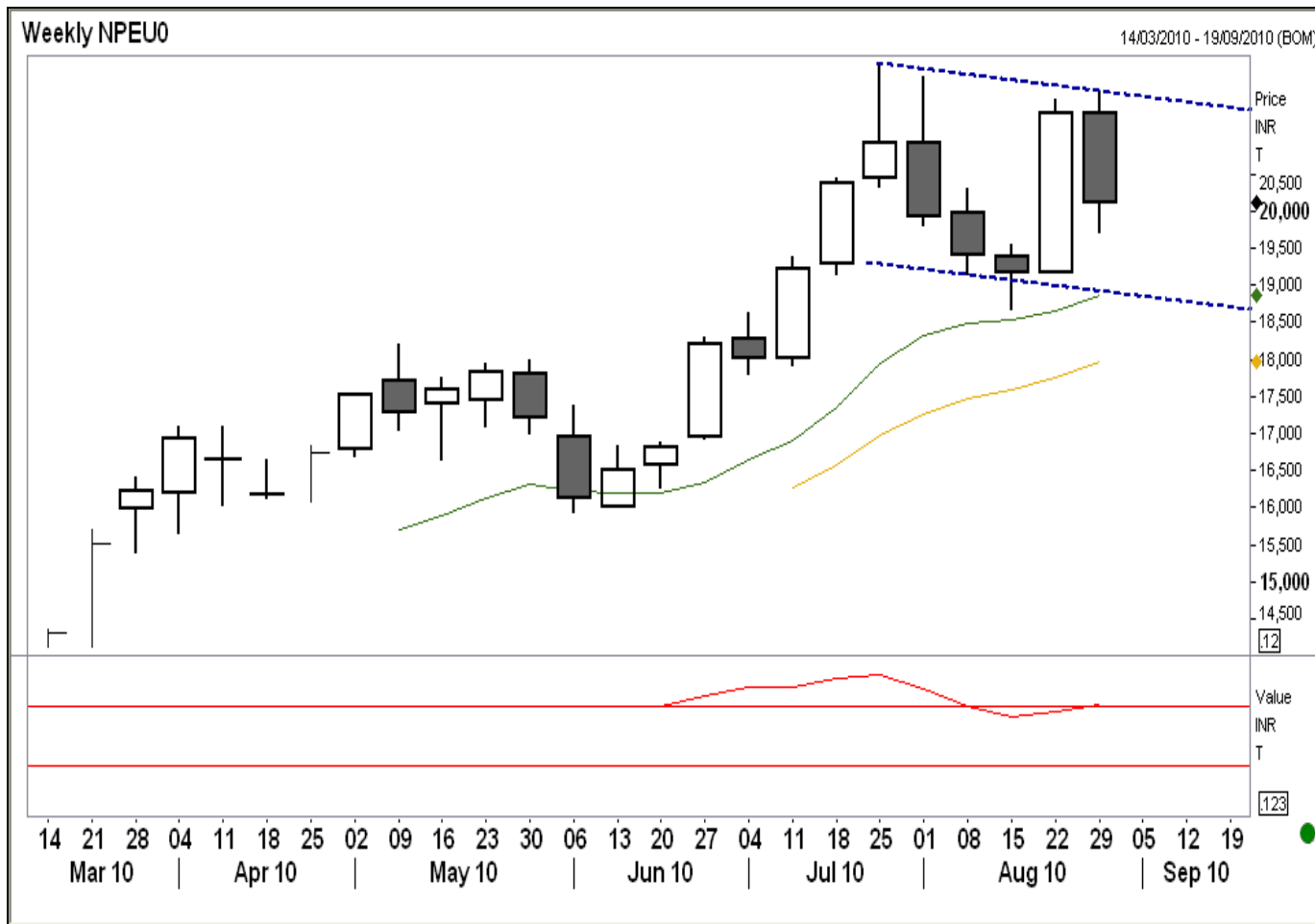
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Technical

Pepper traded completely lower on last week and made a low of 19701 levels and settled at 20115 levels. Pepper is in the formation of **Double top** in the weekly chart. Only on breach below 18800 levels can confirm the trend. 18800 levels being the neckline for the formation. Market is trading below the short term EMAs of (9,18) and above middle term EMAs (45). The momentum indicator RSI (14) is trading at 0.703 levels showing higher potential for the markets to trade low. However, a mild correction on the upside is expected before resuming its down trend. We recommend selling on higher levels.





SPICES WEEKLY



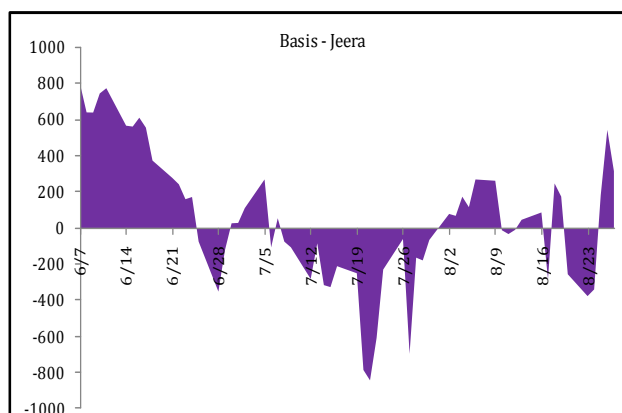
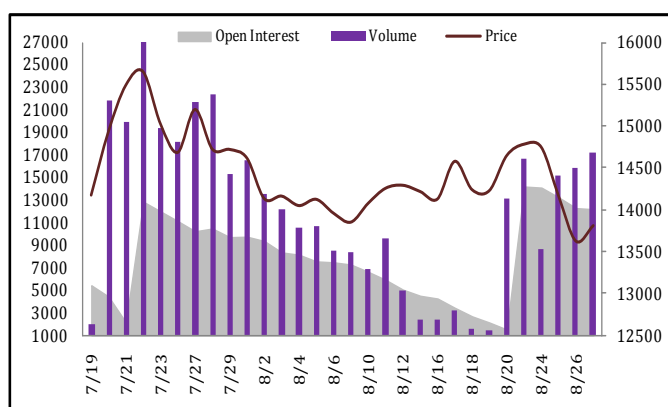
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Jeera

Review

The jeera futures traded on a negative note during last week due to profit booking at previous gains. Limited domestic demand amid increased arrivals also supported the fall in prices during the week. Prices witnessed a smart recovery on Friday on short covering. However, weak spot market sentiments supported the downside and prices fell and ended the week in red.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep	15224	15300	13720	13899	-8.56	38505	-56.85	14772	275.59
Oct	15360	15500	13901	14105	-8.03	2853	-81.04	13548	-14.37
Nov	14259	15059	14259	14765	2.32	6867	2.69	621	-92.93



Outlook

The NCDEX jeera futures are expected to trade on a lower note during this week supported by the weak fundamentals domestic and export demand amid stable arrivals. However, fresh buying at lower levels can be seen initially.

Factors to watch out

- ✦ According to market sources, Syria prices are hovering around \$2900-3000 per tonne, Indian prices are quoting at \$2325-2400 per tonne and Turkey prices are quoting in the range of \$2350-2400 per ton
- ✦ According to reports, Syria crop is lower by 5-10% while Turkey crop is down by 40% due to heavy rains at the time of crop maturity
- ✦ As per trade sources, the total stock position of jeera is at 7-8 lakh bags down by 5-6 lakh bags reported in the same period last year
- ✦ The spot prices are hovering in the range of `13,450-13600 per quintal (Uncleaned) and `14,060-14,250 per quintal (NCDEX quality) up by `50-150 per quintal from last week
- ✦ Arrivals reported around 2500-3000 bags at Unjha spot market (Each bag= 60 kg)
- ✦ As per Spices Board data, international price of Jeera in New York market was \$3.35 per kg during the week ended 13th August 2010, which was higher than \$2.69 per kg quoted in the same period last year
- ✦ Stock positions at the NCDEX accredited warehouses are at 6329 tones as on 19th August 2010

Derivative Analysis

The NCDEX jeera September contract pieces and volume has gone down by 8.56% and 56.85% respectively while open interest has gone up by 275%. It is a good indication that a sharp rally against DOWNTREND will develop creating a sell point for DOWNTREND.



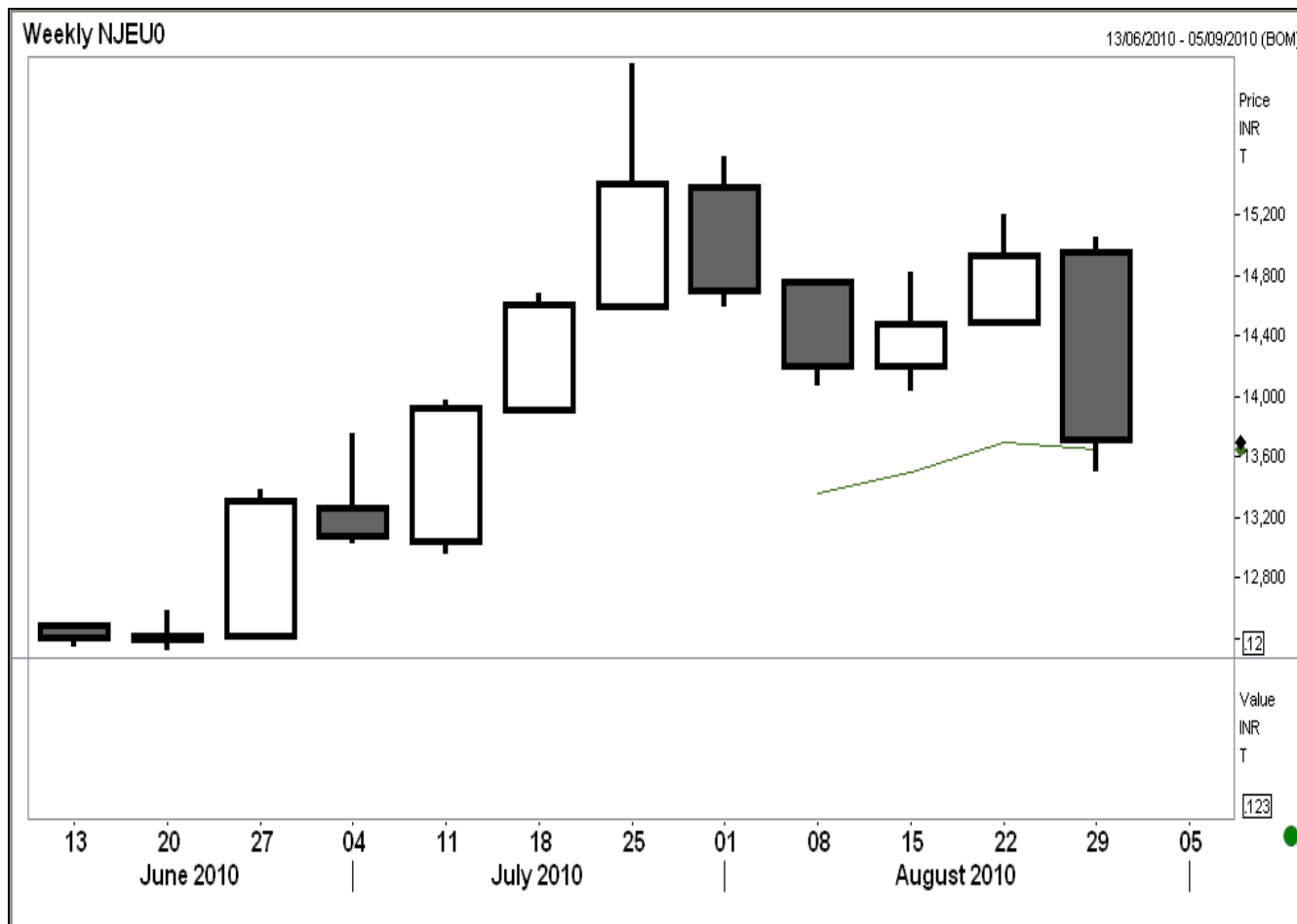
SPICES WEEKLY



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Technical

Jeera traded lower on last week and closed in red. It made a low of 13510 Levels and settled 13701 levels. The principle of Fibonacci retracement states Jeera is witnessing the support at 13575 levels which is 50% retracement for the range (11233-15916). Market is trading well above the short term and middle term EMAs (9, 18 and 45) suggesting prices to remain higher till the prices breach below. The momentum indicator RSI (14) is trading at 0.577 levels showing higher potential for the market to trade lower. However, crucial resistance levels to watch are 14127 levels. We recommend selling at higher levels.



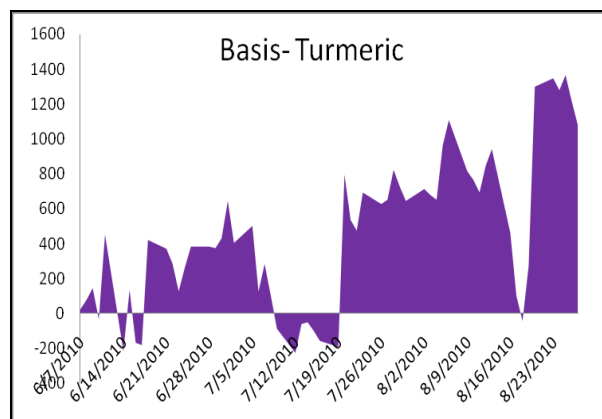
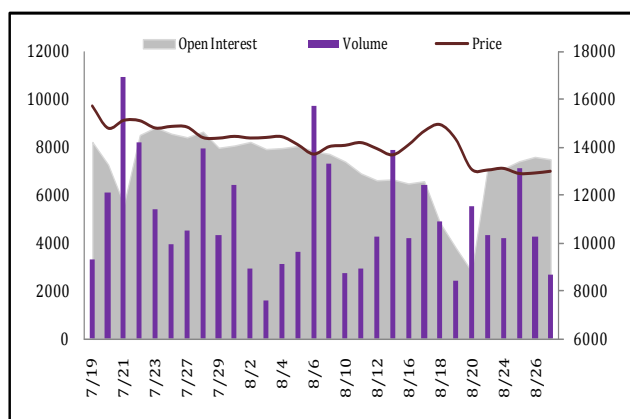


Turmeric

Review

The NCDEX turmeric futures witnessed a mixed trend the week ended on August, 28 2010. Turmeric futures opened the week on a negative note on extending selling pressure. But, market reversed its direction and resumed uptrend. However, future traded almost flat during rest of the week. Steady spot market activity also supported the trend. Expectation of early crop this year also kept the traders away from market.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep	12826	12826	12102	12268	-3.4	2880	-90.8	6935	3.2
Oct	12300	12300	11668	11878	-2.9	385	-84.5	1135	-72.8
Nov	12650	13032	12300	12348	-1.6	145	-48.2	230	-63.5



Outlook

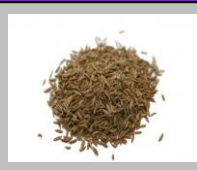
Turmeric futures are expected to trade down in coming week on account of extended selling pressure. Week fundamentals of reduced demand amid increased arrivals might also support the fall in prices. However, prices may show some recovery due to fresh buying at lower prices.

Factors to watch out

- ✦ According to data released on August, 18 2010 by AP Ministry of Agriculture, turmeric has sown in area of 0.61 lakh hectares against area of 0.44 lakh hectares during last year
- ✦ Nearly 95% of the turmeric sowing has been completed so far
- ✦ The turmeric production in 2010-11 season is expected to be good due to higher acreage and favourable weather condition
- ✦ Average Daily prices at Nizamabad and Erode are hovering at `14,800 down by `200 and `15,500 per quintal with arrivals of 500 bags and 5000 bags respectively
- ✦ As per trade sources, the total stock position of turmeric in all over India is at 11-12 lakh bags
- ✦ As per Spices Board data, exports in April-June 2010 decreased by 11% in volume term but increased by 106% in value term as compared to same period last year
- ✦ As per Spices Board data, international price of turmeric in New York market was \$5.07 per kg during the week ended 6th August 2010, which was higher than \$2.09 per kg quoted in the same period last year
- ✦ Stock positions at the NCDEX accredited warehouses is 4468 tones as on 19th August 2010

Derivative Analysis

The NCDEX Turmeric September contract pieces and volume has gone down by 3.4% and 90.8% respectively while open interest has gone up by 3.2%. It is a good indication that a sharp rally against DOWNTREND will develop creating a sell point for DOWNTREND.

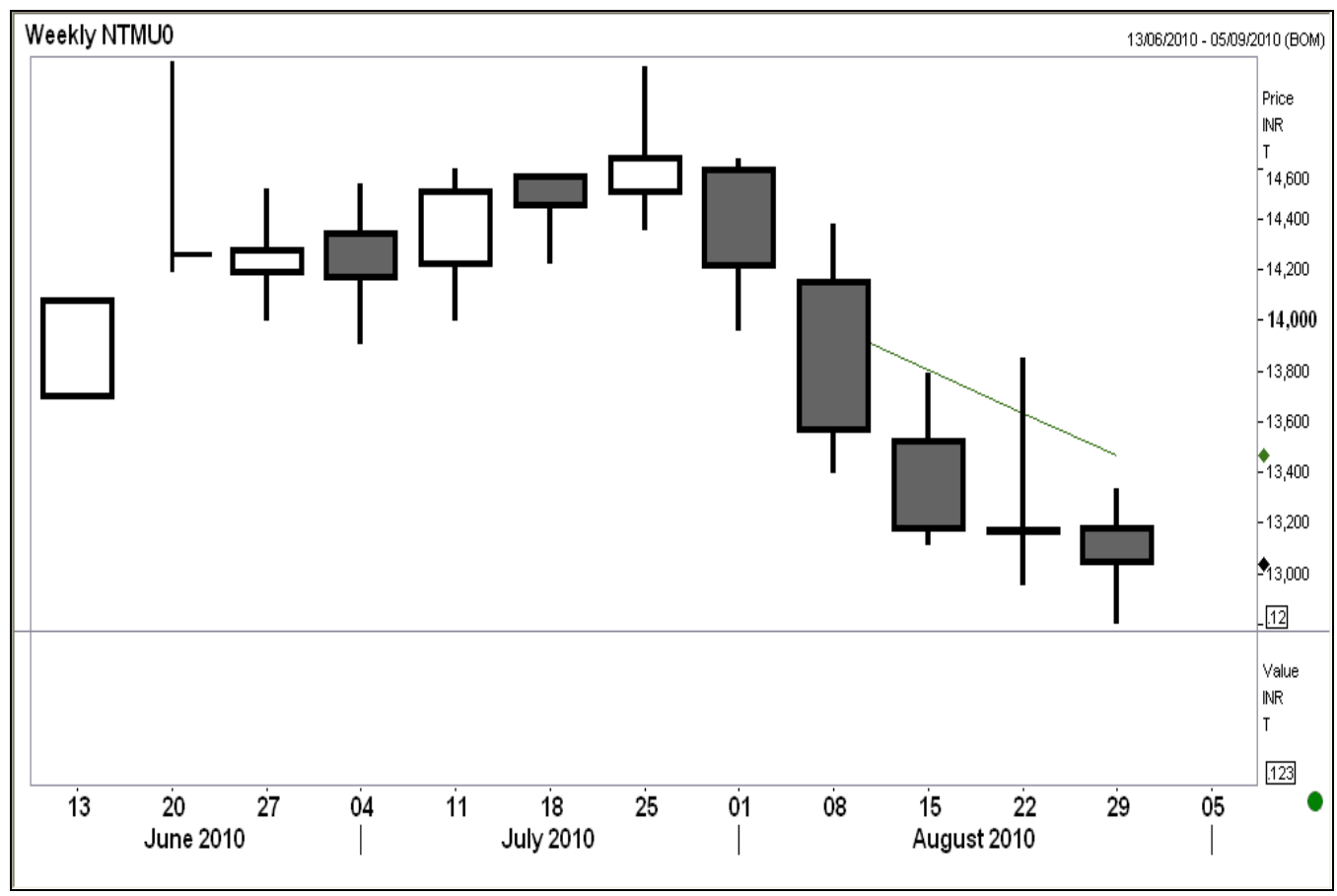


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Technical Chart





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