



## Technical Recommendations

Commodity	Contract	S2	S1	CMP	R1	R2	Recommendation
<b>Pepper NCDEX</b>	<b>Nov-10</b>	17917	18262	18607	18946	19285	Buy 18700-720 TP 19150 SL 18460
<b>Turmeric NCDEX</b>	<b>Nov-10</b>	11970	12480	12990	13440	13890	Buy at 12650-12700 TP 13400 SL 12450
<b>Jeera NCDEX</b>	<b>Nov-10</b>	12586	12817	13050	13297	13546	Sideways
<b>Chilli NCDEX</b>	<b>Nov-10</b>	4783	4866	4963	5028	5107	Buy at 4900-4920 TP 5050 SL 4860
<b>Cardamom MCX</b>	<b>Nov-10</b>	940	993.2	1047.80	1079	1110	Sell at 1080-1090 TP 1020 SL 1115

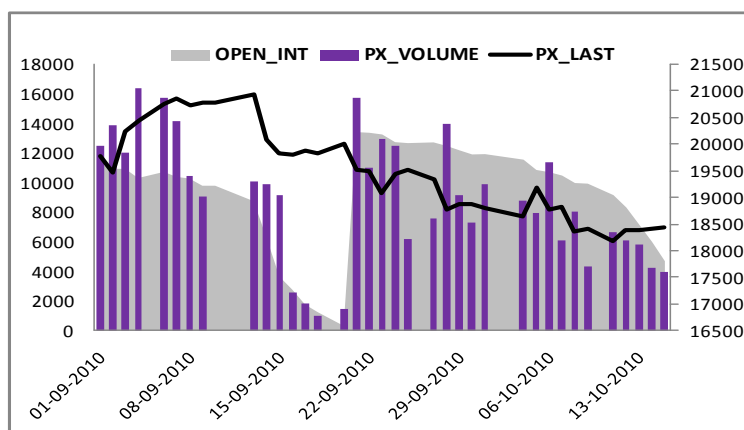


### Pepper

#### Review

Pepper futures traded highly volatile during the week ended on October, 16 2010. Futures opened the week on negative note on selling pressure. Bearish fundamentals of poor domestic and export demand in spot market also weighed on sentiments. However, futures reversed back the direction and traded positive during rest of the week. Indian prices were remained higher in international market as compared to other pepper exporting countries. Therefore, upside movement was limited and futures ended the week on marginally positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Oct	18311	18633	18041	18337	-0.39	28005	-39.97	4012	-59.74
Nov	18510	18940	18256	18633	0.16	29985	115.53	8587	103.48
Dec	18766	19193	18506	18912	0.57	2291	137.90	1501	67.90



#### Outlook

The NCDEX pepper futures are expected to trade slightly positive in coming week. Short covering at futures platform may support the prices. Lower level demand on account of upcoming winter season may add to the upside. However, poor export demand might weigh on prices initially.

#### Factors to watch out

- ❖ International market rates are; India MG-1 ASTA is at \$4500-4600 per ton against \$4475 while Vietnam ASTA is almost unchanged to \$4400 per ton against \$4350 ; Brazil ASTA is at \$4200 against \$4100-4175 per ton
- ❖ However, if demand pick up in coming days ahead of upcoming festive and winter season then it will support the prices According to market sources, physical availability of pepper is confined with exchange only
- ❖ Around 1484 tons of pepper is available with exchange, having validity till 5<sup>th</sup> November. Thus, investors are buying futures for taking delivery at October expiry
- ❖ Stock positions at the NCDEX accredited warehouses are at 3795 tons as on 15<sup>th</sup> October 2010
- ❖ Prices quoted at spot market of Kochi were to ₹18,500 against ₹18,200 per quintal for MG-1 and ₹18,200 against ₹18,000 per quintal for Ungarbled pepper
- ❖ As per Spices Board data, international price of Pepper in New York market were \$4.52 per kg during the week ended 8<sup>th</sup> October 2010, which was higher than \$3.35 per kg quoted in the same period last year



### Derivative Analysis

The NCDEX pepper November contract prices, volume and open interest have gone up by 0.16%, 115.53% and 103.48% respectively. Market is attracting larger numbers of traders willing to open positions from the long side and hold them. Traders are more confident that prices will continue to climb in favor of a working long. However, a sharp correction can be expected.

### Spot Prices

Date	Pepper MG - 1 (Rs./Quintal)	Pepper Ungarbled (Rs./Quintal)
11-10-2010	18200	18000
12-10-2010	18400	18100
13-10-2010	18400	18200
14-10-2010	18500	18100
15-10-2010	18500	18200

### Technical

Pepper Nov future traded volatile this week and ended almost flat 18633 levels. In the weekly chart a Doji candle stick is witnessed after 4 weeks correction. We expect next week to remain on the upside. However, the market is still trading below the 'valley floor price' of the double top pattern spotted in the weekly chart. So the gains may be limited and prices may resist at 19150 (Valley floor prices of double top chart pattern). The momentum oscillator RSI (14) is at 0.50 levels.

For the coming week we expect pepper prices to trade on the higher note and therefore suggest traders to go long with strict stop loss.



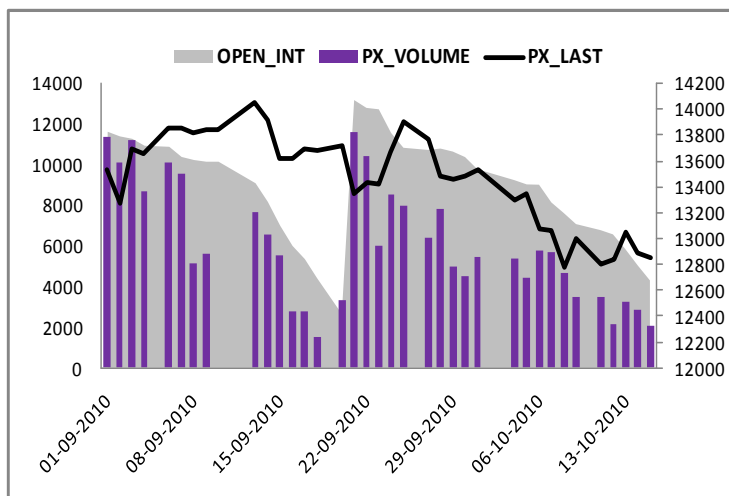


### Jeera

#### Review

The jeera futures traded down on active selling during last week. Futures started the week on negative note due to profit booking on previous gains. However, declining trend in arrival at spot market supported the prices from sharp fall. Futures showed some recovery on short covering. But, futures failed to sustain the gains. Weakening export demand also weighed on sentiments. Expectations of better crop followed by good monsoon rains pressurized the prices. Futures ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Oct	12920	13166	12636	12800	-1.50	15534	-47.11	3696	-47.69
Nov	13001	13315	12835	13002	-0.72	30750	9.94	12834	4.80
Dec	13725	13725	13051	13269	-0.52	7503	8.68	7035	33.43



#### Outlook

The NCDEX jeera futures are expected to extend the bearish trend in coming week. Weak fundamentals of subdued domestic demand may pressurize the prices. Therefore, on lackluster overseas enquiries, weakening spot demand and prospects of good sowing in the up-coming season due to sufficient soil moisture prices may remain in down side. However, short covering at lower level may support the prices during the week.

#### Factors to watch out

- ❖ Arrivals at Unjha market were almost unchanged around 1500-1800 bags during last week ( each bag= 55 kg)
- ❖ Average daily prices at spot market of Unjha were around ₹12,600 down by ₹100 per quintal for uncleaned and ₹13,150 down by ₹150 per quintal for NCDEX quality Jeera from last week
- ❖ Sowing for next season crop is expected to start from October end
- ❖ As per Spices Board data, international price of Jeera in New York market have come down to \$3.53 per kg during the week ended 8<sup>th</sup> October 2010, but it was higher than \$2.82 per kg quoted in the same period last year
- ❖ Stock positions at the NCDEX accredited warehouses are at 6399 tones as on 16<sup>th</sup> October 2010



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## Derivative Analysis

The NCDEX Jeera November contract prices have gone down by 0.73%, while volume and open interest have gone up 9.94%, 4.80% respectively. This indicates that heavy short selling is happening at the exchange platform. It is a good indication that a sharp rally against downtrend will develop creating a sell point for downtrend.

## Spot Prices

Date	Jeera Unjha Unclean (Rs./Quintal)	Arrivals at Unjha (Each Bag= 55 Kg.)	Jeera Unjha NCDEX Quality (Rs./Quintal)
11-10-2010	12500	2000	13120
12-10-2010	16550	1800	13125
13-10-2010	12600	1500	13150
14-10-2010	12700	1500	13225
15-10-2010	12650	1700	13200

## Technical



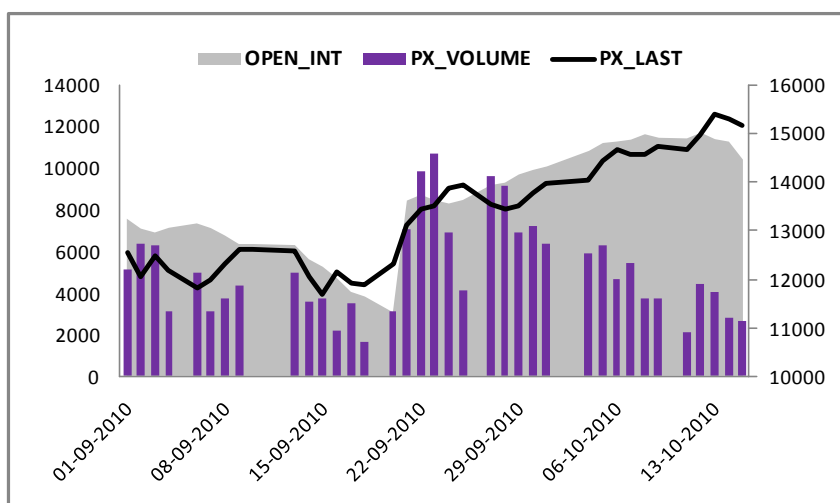


### Turmeric

#### Review

The NCDEX turmeric traded higher during the week but shaded the gains towards the end of the week. Futures traded down on Monday on profit booking. However, on cues from spot market futures resumed back the uptrend. Increase stokist buying ahead of upcoming festive season further added to the uptrend. However, futures witnessed decent corrections from middle of the week on profit booking at previous gains. Over all bullish fundamentals of good demand limited the losses and futures ended the week on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Oct	14690	15480	14614	15242	3.55	17955	-39.89	9805	-14.14
Nov	12574	13380	12420	13000	2.93	20365	19.41	8805	1.85
Dec	11750	11802	10880	11200	-5.61	1850	-13.95	1045	33.12



#### Outlook

Turmeric futures are expected to trade lower initially in coming week on account of extended selling on previous gains. Stable arrivals at sport market may support this correction. However, prices are likely to take reversed back the direction on active buying by stokist. Increase production estimates may limit the upside.

#### Factors to watch out

- ✦ The Prices quoted at spot markets of Nizamabad and Erode were 14,800 per quintal (Steady) and ₹14,900 down by ₹200 per quintal respectively
- ✦ Arrivals at Nizamabad and Erode market were 500-800 bags and 5000-10,000 bags respectively (each bag=70 kg)
- ✦ As per trade sources, Stocks available at spot market is around 8-10 Lakh bags while average monthly consumption is around 2-2.5 lakh bags (each bag=70 kg)
- ✦ Turmeric production in Andhra Pradesh in 2010/11 is expected to jump by 40 percent to 368,000 tonnes compared to 263,000 tonnes, as per State Horticulture Department data
- ✦ As per Spices Board data, international price of Turmeric in New York market moved up \$5.40 per kg during the week ended 8<sup>th</sup> October 2010, which was higher than \$2.43 per kg quoted in the same period last year
- ✦ Stock positions at the NCDEX accredited warehouses is 4528 tons as on 16<sup>th</sup> October 2010



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## Derivative Analysis

The NCDEX Turmeric November contract prices, Volume and open interest have gone up by 2.93%, 19.41% and 1.85 respectively. Market is attracting larger numbers of traders willing to open positions from the long side and hold them. Traders are more confident that prices will continue to climb in favor of a working long. This scenario is a good clue that uptrend is secure & that the trend may continue further for a period of time.

## Spot Prices

Date	Turmeric Nizamabad (Rs./Quintal)	Arrivals at Nizamabad (Each Bag=70 Kg.)	Turmeric Erode (Rs./Quintal)	Arrivals at Erode (Each Bag=70 Kg.)
11-10-2010	14500	600	14700	10000
12-10-2010	14700	800	14800	6000
13-10-2010	14700	600	14800	5000
14-10-2010	14800	500	14900	6000
15-10-2010	Closed	Closed	Closed	Closed

## Technical



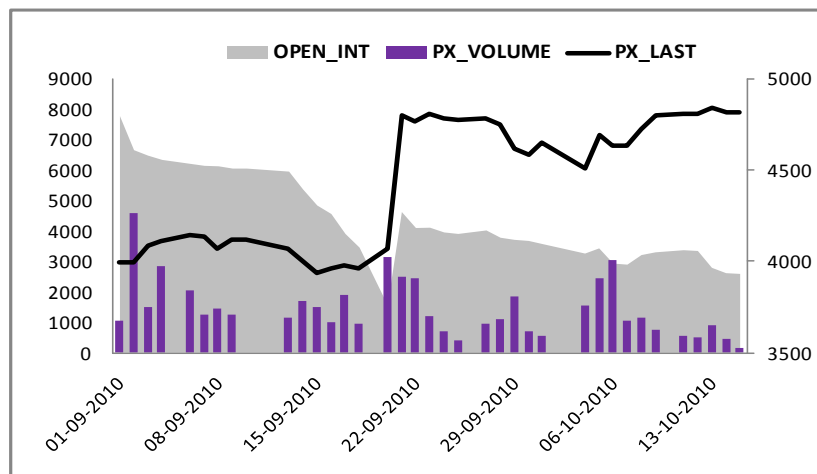


### Chilli

#### Review

The Chilli futures traded mixed with positive biasness during last week. From starting of the week futures started gaining on account of extended buying. However, prices reversed back to the direction backed on selling pressure at higher levels. In absences of cues from spot market prices fell at futures. However, lower level demand supported the prices and futures ended the week on positive note. Slow progress in sowing also supported the prices.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Oct	4800	4906	4768	4844	0.92	2875	-71.16	2340	-28.98
Nov	4892	5024	4862	4954	1.06	2575	-43.28	2735	35.73
Dec	4700	4881	4650	4870	0.47	390	-45.68	560	5.36



#### Outlook

The NCDEX Chilli futures are expected to trade higher in coming week. Good domestic demand on account of festival season may support the upside. However, prices may witness decent corrections on profit booking. But, these corrections are likely to create lower level buy point for further upside movement.

#### Factors to watch out

- ❖ Daily average arrivals at Guntur market were reduced to 30,000-35,000 bags (each bag=40 kg) and prices were hovering in the range of ₹3,800- 4,300 up by ₹100 per quintal
- ❖ According to market sources, total stocks available at spot market are around 35-38 Lakh bags
- ❖ Spot market of Guntur was closed from Thursday to Sunday on account of Dashehra festival
- ❖ Around 79% Chilli sowing for this season has been completed in major growing regions of Andhra Pradesh
- ❖ As per data released on October, 12 2010 by Andhra Pradesh Ministry of Agriculture, Acreage under Chilli sowing is around to 1.29 lakh hectares down from 1.56 lakh hectares in the same period last year
- ❖ As per Spices Board data, international price of Chilli in New York market was unchanged \$2.54 per kg during the week ended 8<sup>th</sup> October 2010, which was higher than \$2.43 per kg quoted in the same period last year
- ❖ Stock positions at the NCDEX accredited warehouses is 702 tons as on 16<sup>th</sup> October 2010



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## Derivative Analysis

The NCDEX chilli November contract prices, Open interest have gone up by 1.06%, 35.73% while volume has gone down by 43.28% respectively. The market may be vulnerable to large price swings as shorter time frame traders attempt to trade from both sides of the market but liquidating before end-of-day. Often a signal of a market turns near-term or continued volatility.

## Spot Prices

Date	Chilli Guntur-Lower Grade (Rs./Quintal)	Chilli Guntur-Premium Grade (Rs./Quintal)	Arrivals at Guntur (Each Bag= 40 Kg.)
11-10-2010	3900	4300	35000
12-10-2010	3800	4200	40000
13-10-2010	3900	4300	35000
14-10-2010	Closed	Closed	Closed
15-10-2010	Closed	Closed	Closed

## Technical

Chilli traded higher on last week and closed in bullish note. It made a low of 4862 levels and settled 4950 levels. As per the weekly chart, prices are moving in rising trend channel and may see a potential in higher prices. However, Market is trading well below the short term and medium term EMAs (9, 18 & 45) suggesting prices to remain higher for this week. The daily chart momentum indicator RSI (14) is trading at 0.611 levels suggesting further bullish. Initially prices may move a bit lower and latter on a rise in the prices. We recommend buy at lower levels.



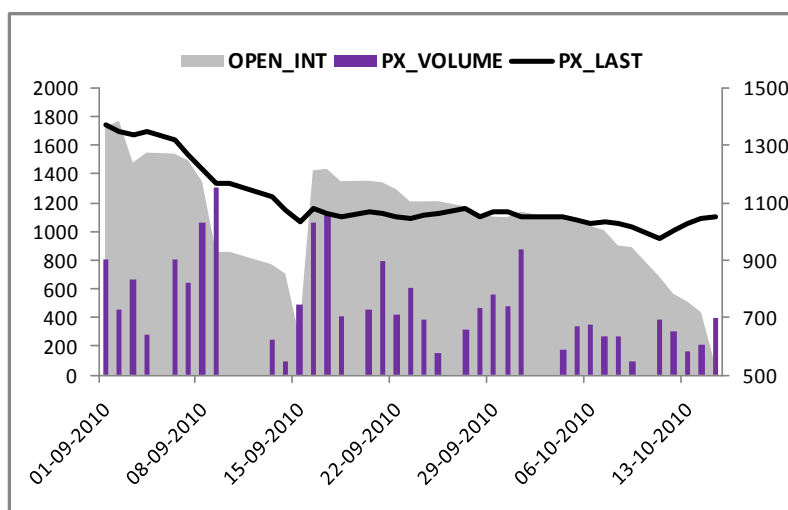


### Cardamom

#### Review

The Cardamom futures traded down during last week on cues from spot market. Futures started the week on negative note. Extended selling pressure at exchange platform supported the downtrend. However, futures witnessed smart recovery on short covering. Lower level buying ahead of upcoming festivals supported the prices. However, ongoing harvesting progress weighed on sentiments. Increased arrivals at auctions pulled down the prices and futures ended the week in red.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Oct	1005	1056.8	971	1047.8	3.11	1462	-2.92	76	-91.43
Nov	999	1022.9	977	992.5	-1.76	2754	114.49	1839	29.23



#### Outlook

The MCX Cardamom futures are expected to trade lower in the coming week. Extended selling interest may lead to further fall in prices. Increased arrival pressure may also support the down side. However, lower level demand amid upcoming festive season might cap the losses.

#### Factors to watch out

- ❖ Daily average arrivals at auctions were hovering in the range of 40-60 tons
- ❖ Average auction prices were hovering in the range of ₹938-1200 per Kg.
- ❖ Harvesting is at its peak in Kerala which may further pressurize the prices
- ❖ Lower level buying ahead of festive season from North India may add to the prices
- ❖ According to market sources, Cardamom production in Guatemala is expected to be lower by 3000 tons to 20,000 tons this year
- ❖ As per Spices Board data, international price of Cardamom in Saudi Arabia market came down \$25.03 per kg during the week ended 8<sup>th</sup> October 2010, however, it was higher than \$17.56 per kg quoted in the same period last year



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## Derivative Analysis

The MCX cardamom November contract prices have gone down by 1.76%, while volume and open interest have gone up by 114.49% and 29.23% respectively. This indicates that heavy short selling is happening at the exchange platform. Market is more vulnerable to continue this down trend.

## Spot Prices

Date	Cardamom arrivals at Auction (Kg.)	Maxium Auction Prices (Rs./Kg.)	Average Auction Prices (Rs./Kg.)
11-10-2010	24795	965	886
12-10-2010	48168	1153	958
13-10-2010	61437	1200	946
14-10-2010	57830	1063	938
15-10-2010	44220	1093	959

## Technical





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