



Technical Recommendations

Commodity	Contract	S2	S1	R1	R2	Recommendation
Pepper NCDEX	Jan-11	21800	22220	23500	24200	Sell 23000 TP 22220/22000 SL 23520
Turmeric NCDEX	Apr-11	9700	9920	10500	10820	Buy 10000 TP 10500 SL 9800
Jeera NCDEX	Jan-11	14000	14300	15000	15320	Sideways
Chilli NCDEX	Feb-11	8200	8440	9030	9300	Sideways
Cardamom MCX	Jan-11	1410	1480	1562	1620	Sideways

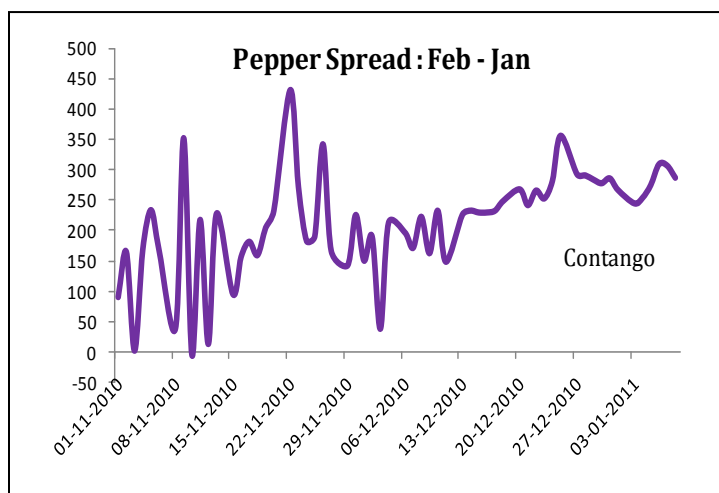
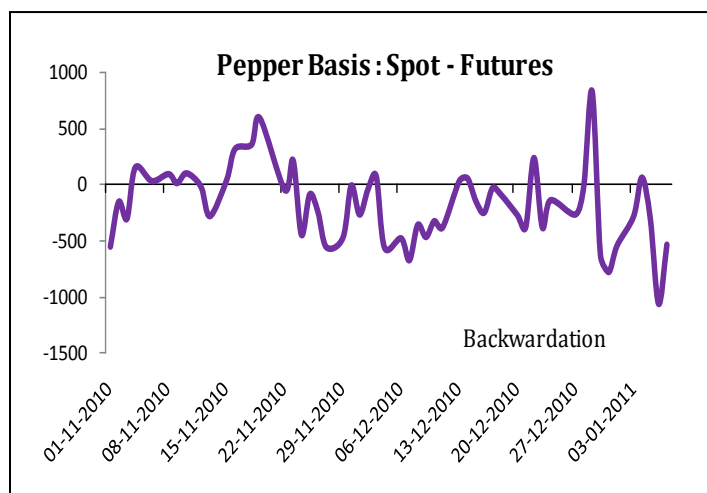


Pepper

Review

Pepper futures traded on lower note during the week ended on January 8, 2011. Futures started the week on higher note active buying interest. However, reports of lack of active trade in international market weighed on sentiments. Buyers from north India were also not actively taking part in buying as severe cold waves were interrupting the overall market activity. However, futures reversed the direction on short covering at lower levels. Reports of delay in fresh crop arrival supported the prices. But, spot market remained steady as traders are waiting for new crop. Futures witnessed heavy volatility during last 2-3 days of week on mixed sentiments prevailing in market. Prices at futures remained subdued to down side biased and ended the week in red.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jan	22980	23490	22660	22800	-0.58	42174	-4.42	8067	-15.01
Feb	23150	23749	22950	23099	-0.43	16122	38.37	4571	72.82
Mar	23550	23959	23200	23333	-0.46	1015	4.53	431	24.93



Outlook

The NCDEX pepper futures are expected to trade down initially in coming week. Lack of active buying interest at spot and futures both might pressurize the prices. However, short covering at lower levels may support the prices. Though fresh crop arrivals are delayed but traders are expecting arrivals may start soon. In international market Indian prices are ruling higher and there is big dilemma about Indian and Vietnam pepper crop size which is creating heavy volatility in prices. Thus, on back of all above stated factors and cues from international market prices main remain volatile to lower in coming week.

Factors to watch out

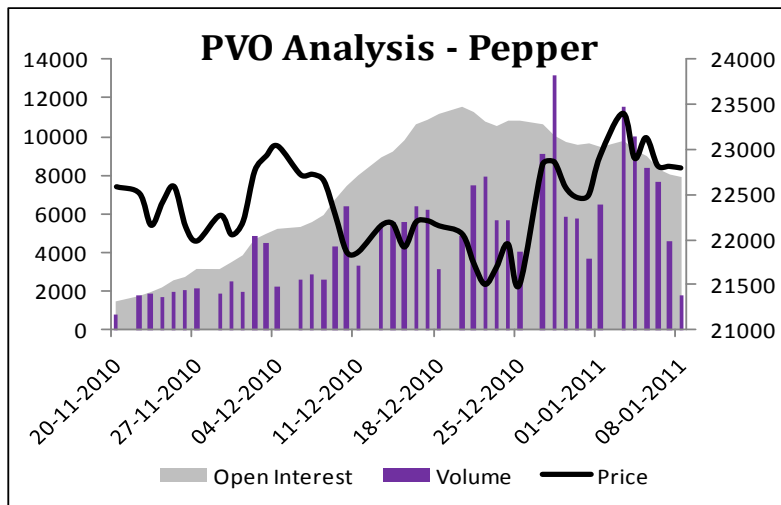
- ✿ Average daily prices at spot market of Kochi are for Ungarbled and MG-1 grade are quoting steady at ₹21,500 and ₹22,000 per quintal respectively; in basis char it is clear that spot prices are trading lower from futures prices
- ✿ As per Spices Board data, Pepper exports in April to November stood at 11,500 tons, with a decline of 17% as compared to 13,850 tons in the same period last year



- ❖ Indian parity in International market is reported at \$5225 a ton; much higher from other countries quotes
- ❖ Stock positions at the NCDEX accredited warehouses are at 1572 tons as on January 7th 2011
- ❖ As per Spices Board data, international price of pepper in New York market was unchanged to \$5.51 per kg during the week ended 31st December 2010 against \$3.48 per kg quoted in the same period last year

Derivative Analysis

The NCDEX Pepper January contract prices, volume and open interest all are declining. The price 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. Any sudden change in volume and open interest in positive side may reverse the trend.



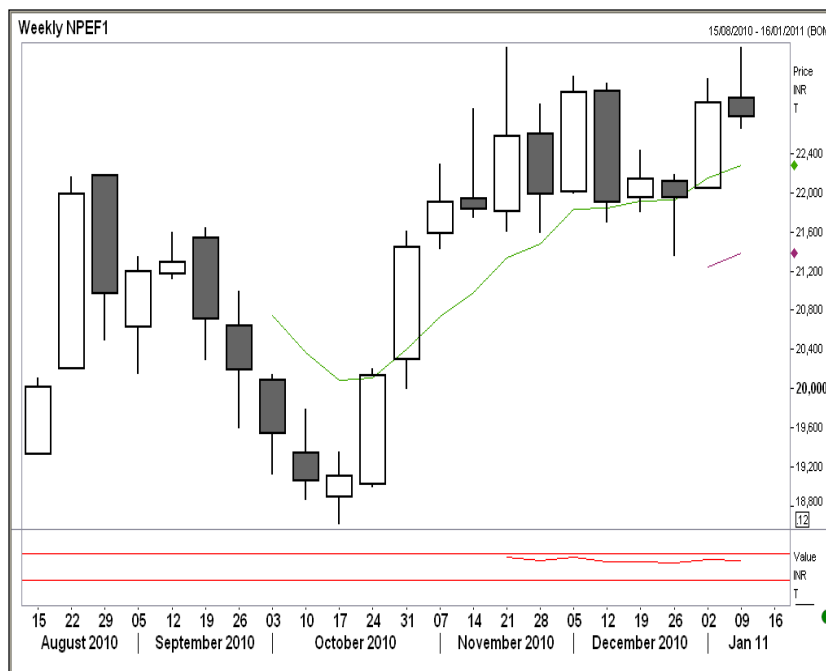
Technical

Pepper NCDEX prices traded volatile during the whole week and settled at 22800.

The weekly chart of Pepper NCDEX reveals that the pepper prices may trade lower for the coming week the reason being: -

- Doji candle stick spotted during an uptrend suggesting bearish mode for the coming week.
- The prices are declining after touching the all time high and the resistance level of 23490.
- The technical indicator RSI (14) is at 0.60 and is not rising as per the prices thereby showing the negative divergence suggesting bearish mode for the coming week.

From the above analysis we expect that the pepper prices to remain lower for this week and recommend traders to go short.



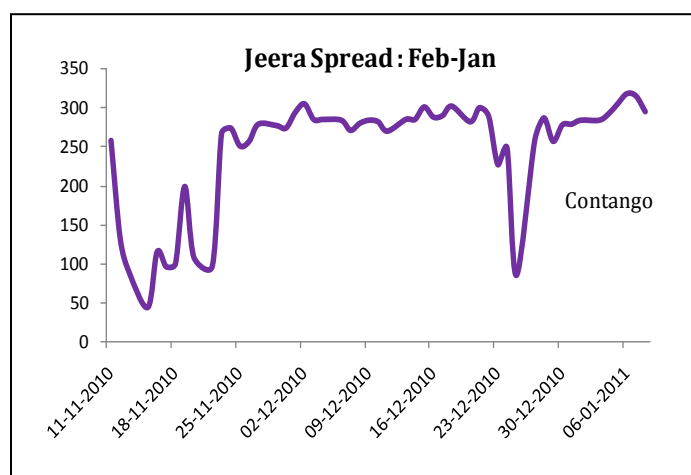
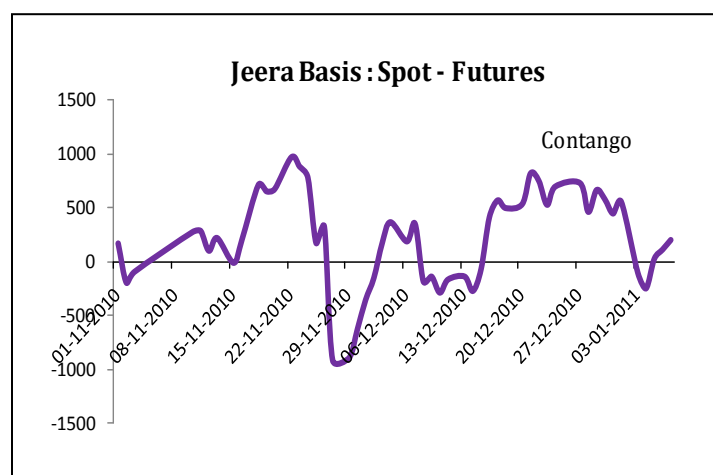


Jeera

Review

The jeera futures traded on a very flat note during last week. Futures started the week on slightly positive note on extended buying at futures platform. However, prices reversed back the direction on profit booking at gains. Overall price movement was very sluggish on lack of active buying on futures as well as in spot. Reports of cold wave conditions and lower production estimates supported the prices; while poor export and domestic demand limited the upside movement. Therefore, on mixed fundamentals prices traded subdued to down side biased and ended the week on marginally lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jan	14547	14757	14302	14328	-0.99	37380	-2.84	7854	-25.81
Feb	14790	15087	14586	14622	-0.90	25701	14.82	14508	2.48
Mar	14990	15300	14850	14886	-0.73	6288	72.09	5067	153.98



Outlook

Jeera futures are expected to trade in a very narrow range in coming week. Prices may trade lower initially on mixed sentiments taking cues from weak spot market trend. However, fresh buying at lower levels may add to the prices. Lower stocks at spot market and anticipations of fall in jeera production this year may further pushed the prices on higher side. However, profit booking at higher levels may limit the gains.

Factors to watch out

- ❖ Arrivals at Unjha market were around 2000-3500 bags during last week (each bag= 55 kg)
- ❖ Average daily prices at spot market of Unjha were in the range of ₹13600-13725 per quintal for uncleaned and ₹14370-14,525 per quintal for NCDEX quality Jeera
- ❖ According to farmers and growers, prevailing fog and cold wave conditions may create a threat for standing jeera crop
- ❖ As per trade sources, jeera production is expected to decline this year due reduced acreage and crop damage because of unfavourable weather conditions

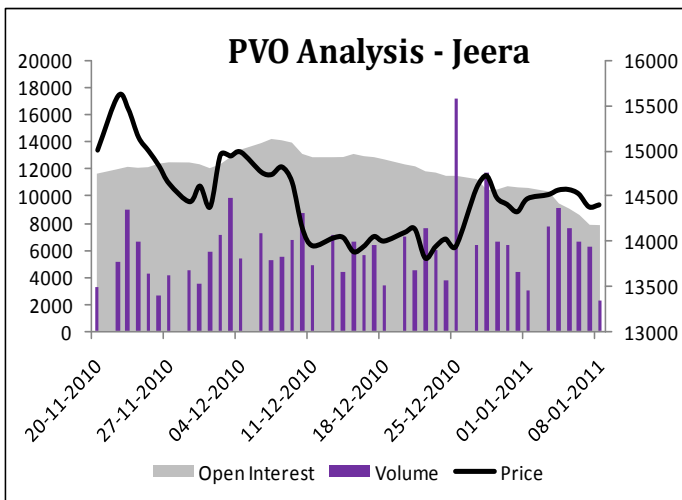


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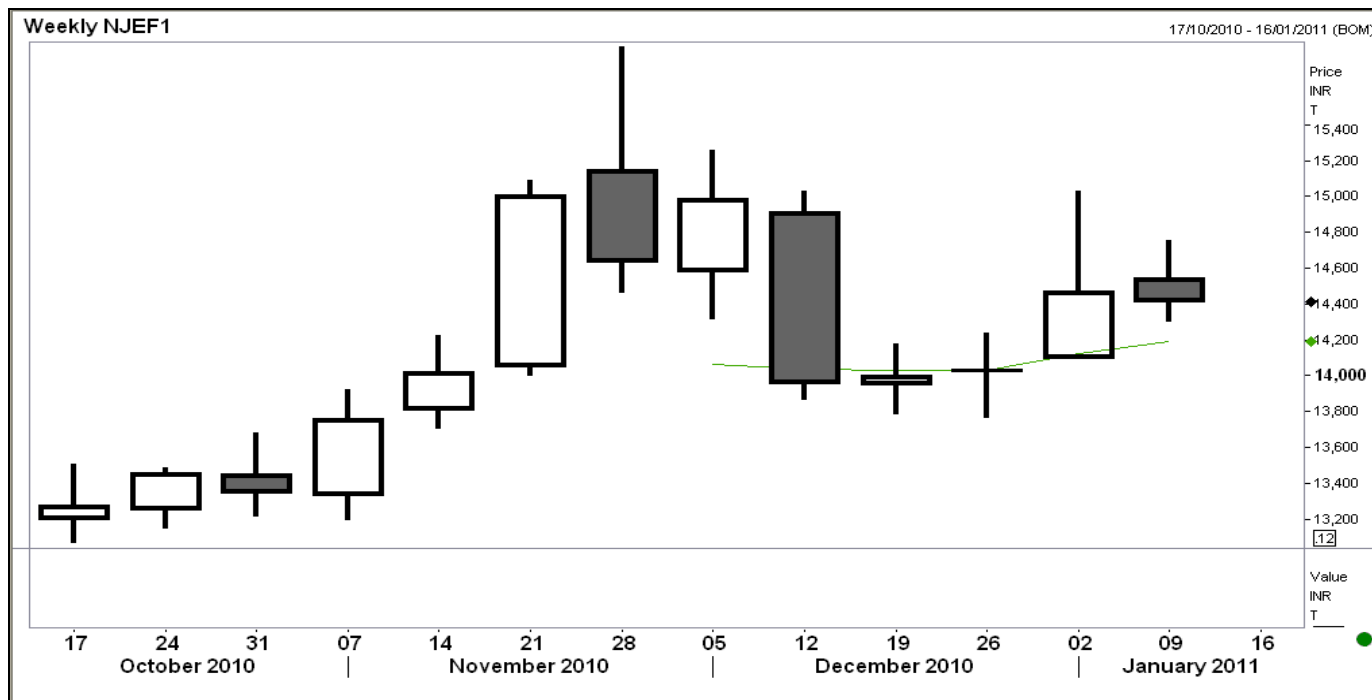
- ❁ NCDEX accredited warehouses are at 5284 tones as on January 7th 2011
- ❁ As per Spices Board data, international price of jeera in New York market was almost unchanged to \$3.64 per kg during the week ended 31st December 2010 against \$2.93 per kg quoted in the same period last year

Derivative Analysis

The NCDEX jeera January contract prices and open interest are declining while volumes are increasing. This indicates Market has a lot of traders initiating from selling side but larger traders may be liquidating before end of the day. The market may be vulnerable to large price swings as shorter time frame.



Technical



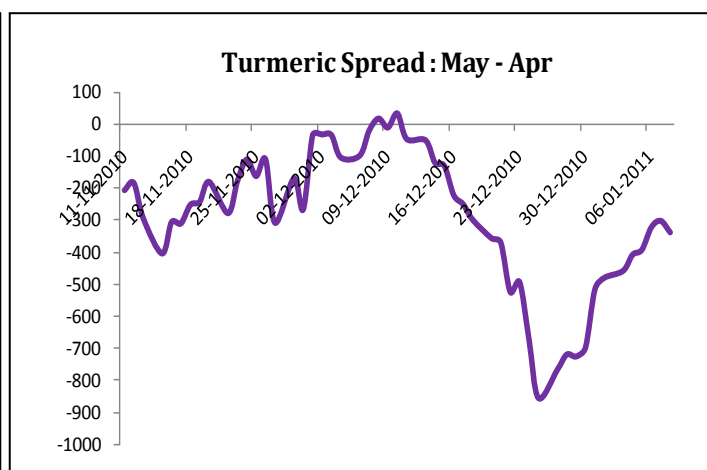
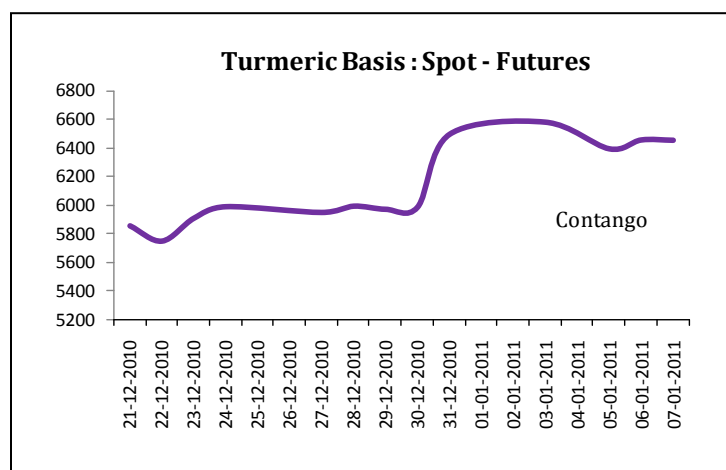


Turmeric

Review

The NCDEX turmeric extended the bearish mode during the week ended on January, 8. Futures started the week on negative note on extended selling pressure. Poor export and domestic demand pulled down the prices. Traders were not interested in buying as they are waiting for the fresh crop to hit the market in next 8-10 days. However, prices reversed the direction and witnessed a smart recovery on short covering on previous losses. But the overall bearish sentiments weighed on sentiments and futures ended the week on lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr	10310	10380	9700	10146	-1.27	15260	-21.36	6090	-4.09
May	10138	10208	9602	9794	-0.14	2890	-34.43	2110	-7.58
Jun	9476	9680	9320	9652	0.44	725	-4.61	630	41.57



Outlook

Turmeric futures are expected to trade lower initially in coming week on extended selling pressure. Weak demand from bulk buyers may further pressurize the prices. However, short covering on lower levels may limit the sharp fall. Lower stocks available at spot market may act as supporting factor for prices. Arrival of fresh crop may further pressurize the prices during the week. However, initial buying interest may support the prices.

Factors to watch out

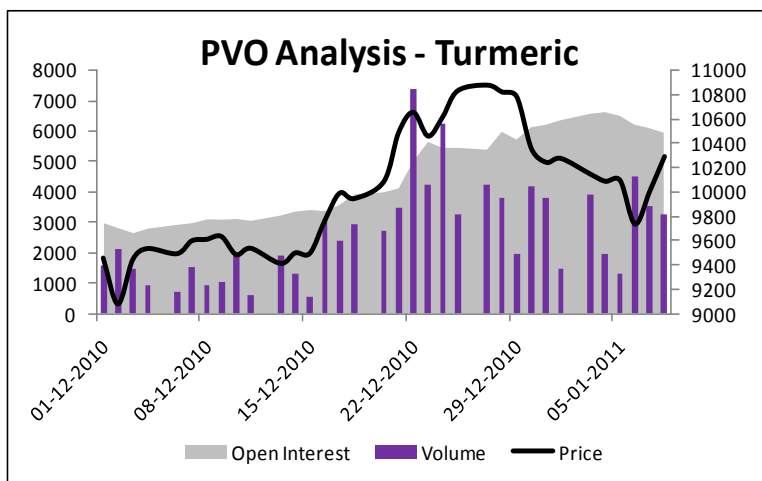
- ❖ Average daily prices at Nizamabad and Erode hovered in the range of ₹16,600-17,200
- ❖ Arrivals at Nizamabad and Erode market were 200 bags and 2500-4000 bags respectively (each bag=70 kg)
- ❖ As per trade sources, stocks available at spot market is around 2-3 Lakh bags and Erode market is the only market which is having major portion of stocks(each bag=70 kg)
- ❖ As per Spices Board data, international price of Turmeric in New York market was almost unchanged to \$5.73 per kg during the week ended 31st December 2010 against \$2.65 per kg quoted in the same period last year
- ❖ Investors are waiting for fresh crop arrival. As per trade sources, fresh crop may hit the market from next week



- As per Spices Board data, turmeric exports in April to November stood at 33,000 tons, with a decline of 11% as compared to 37,250 tons in the same period last year

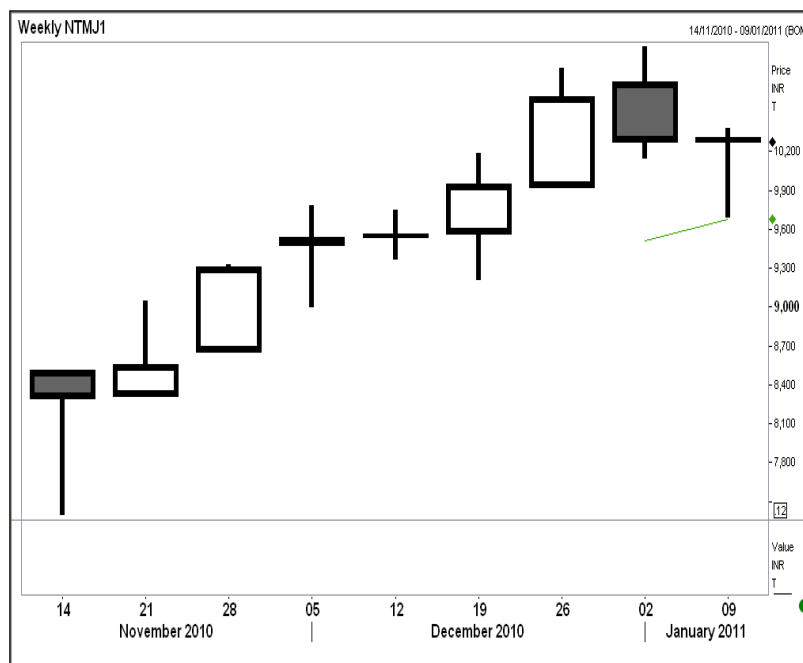
Derivative Analysis

The NCDEX turmeric April contract prices, volume and open interest are decreasing. Than it indicates that 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. Therefore, there may some trend reversal may happen due to sudden change in fundamentals else down trend may continue.



Technical

TMC April NCDEX prices traded lower for this week but later on prices recovered and settled at 10146. In Weekly chart of TMC a Doji candle stick is patterned suggesting bearish mode for coming week. TMC prices bounce back form the 9700 levels that 38.6% natural retracement level as per the Fibonacci principle suggesting that the correction phase is over and the existing bullish trend to be continued. The level 9700 is also a major support level as it is 8 - period Exponential moving average. We are expecting that the TMC prices may remain bullish for the coming week and recommend going long.

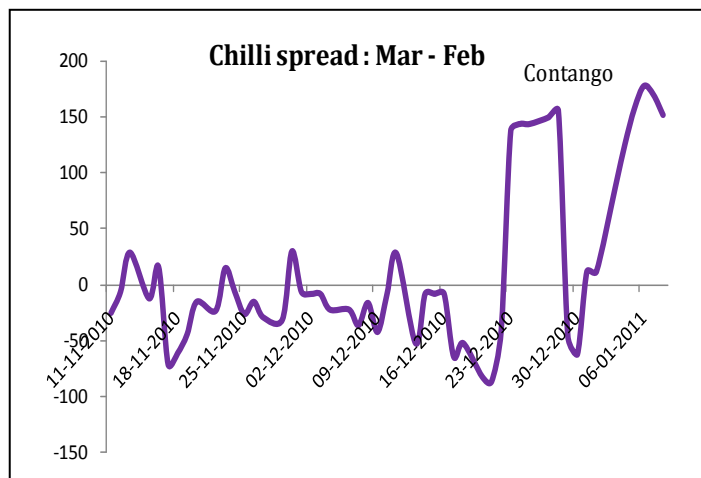
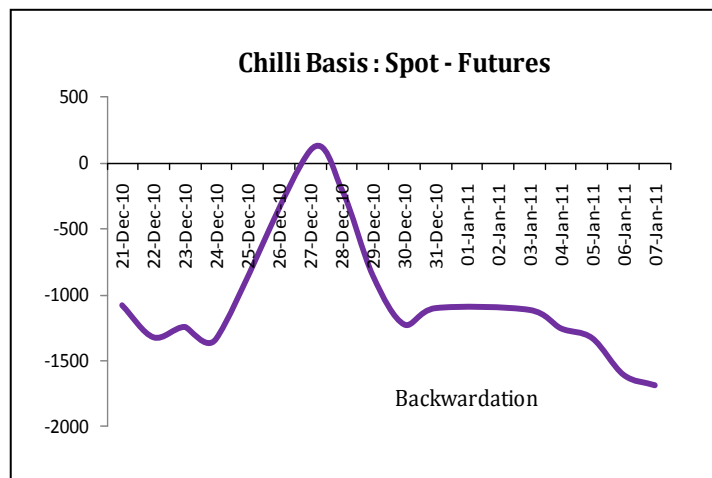




Chilli Review

The Chilli futures reversed the trend on bearish mode on account of profit booking during last week. On opening prices traded higher on strong buying interest. Overall bullish trend pushed the prices on higher side. Heavy buying on reports of lower production estimates amid crop damage in Guntur region supported the upside. However, futures reversed the direction from middle of the week. Profit selling at higher levels pulled down the prices and washed away all the earlier gains made during the week. Spot market also witnessed some correction in prices at higher prices. Thus, on continued corrections futures ended the week on lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	8748	9280	8580	8736	-0.14	36225	30.03	5145	8.32
Mar	8920	9426	8676	8884	1.42	18190	31.67	3525	5.86
Apr	8908	9598	8780	9000	3.07	7405	81.50	2080	40.54



Outlook

The NCDEX Chilli futures are expected to extend bearish trend initially in coming week. Extended selling pressure may pull down the prices. However, overall bullish trend is still intact which may support the prices from lower levels. However, corrections may limit the gains.

Factors to watch out

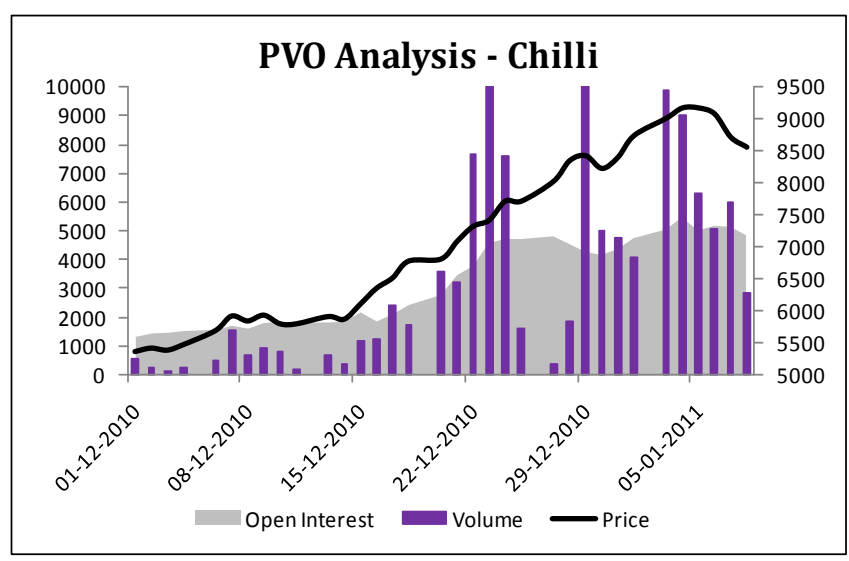
- ❖ Daily average arrivals at Guntur market were reduced to 30,000-45,000 bags (each bag=40 kg) and prices were hovering in the range of ₹6800-7300 down by ₹500 per quintal
- ❖ As peer trade sources, production is expected to be around 80-90 Lakh bags against 1.5 crore bags last year
- ❖ As per trade sources, stock available at spot market are around 60,000 tons with a monthly consumption of approx 30,000 tons. Thus, available stocks may not be sufficient to meet the demand till next crop arrival in the market
- ❖ As per Spices Board data, international price of chilli in New York market was almost unchanged to \$3.20 per kg during the week ended 31st December 2010 against \$2.54 per kg quoted in the same period last year



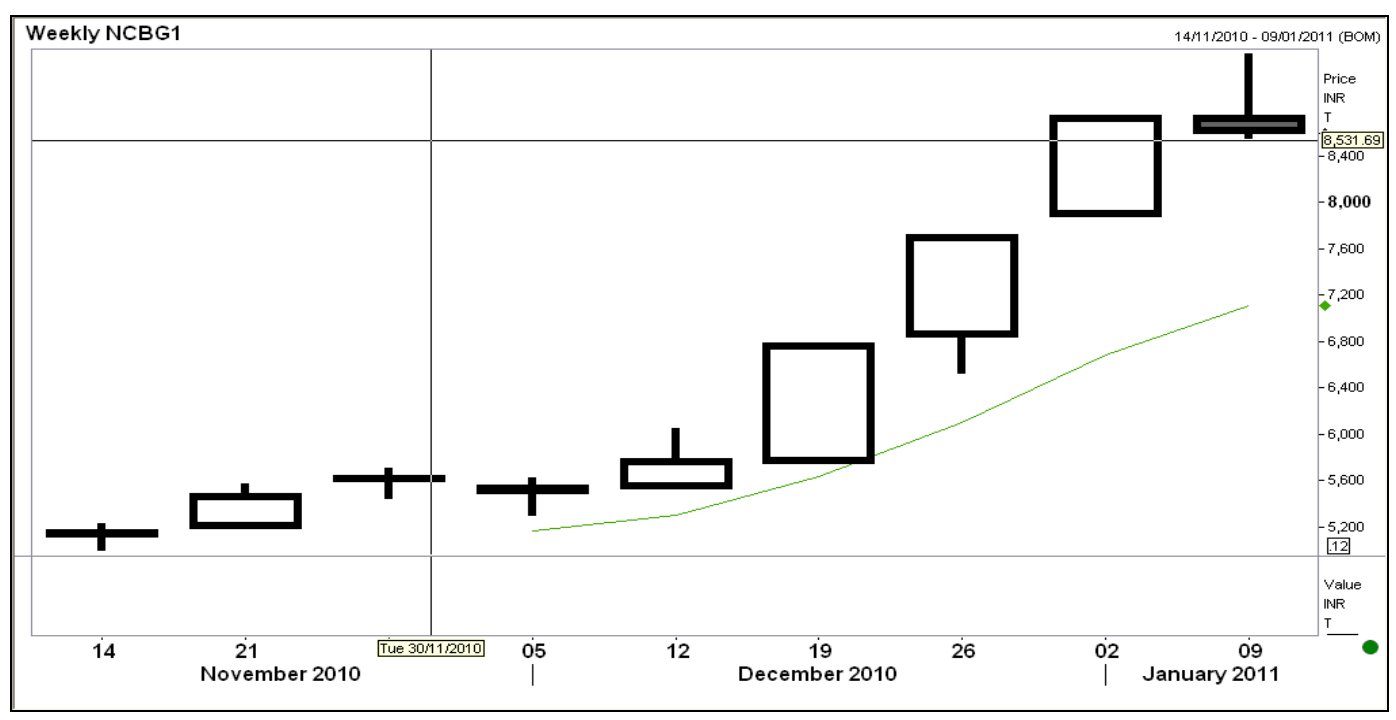
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Derivative Analysis

The NCDEX chilli February contract prices have gone down while volume and open interest have gone up. If prices are in a downtrend and open interest is on the rise, chartists know that new money is coming into the market, showing aggressive new short selling. This scenario will prove out a continuation of a downtrend and a bearish condition.



Technical



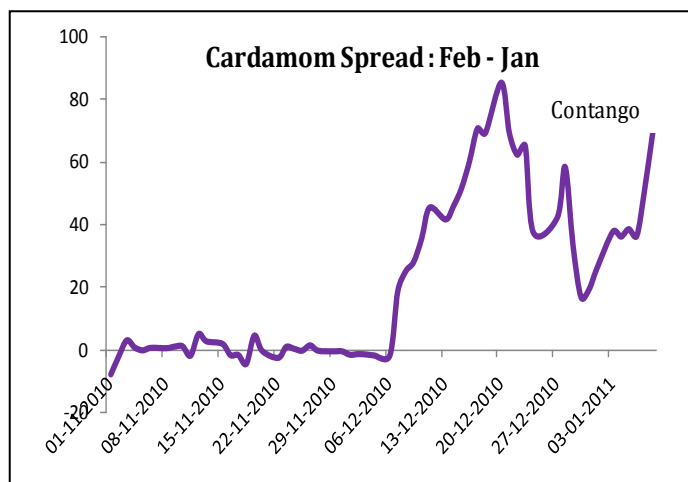
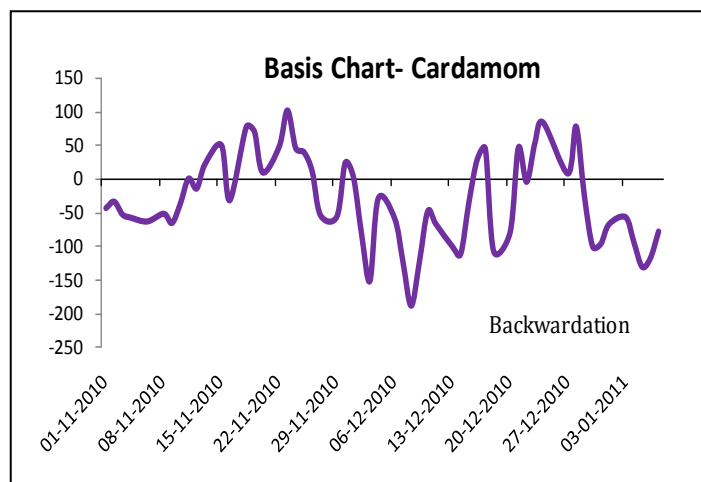


Cardamom

Review

The cardamom futures washed away all the previous gains during last week. Futures started the week on positive note on extended buying. Good domestic demand amid tight supply supported the prices. However, prices reversed the direction on profit booking at higher levels. Prices fell drastically in 2-3 sessions on profit selling. However, prices recovered towards the closing of the week on short covering. But, the total losses were huge compared to the gains it made. Thus, futures ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jan	1600	1615	1466	1538.8	-3.27	10734	-40.43	849	-34.84
Feb	1630	1650	1503	1603	-0.85	7403	3.84	1369	26.18
Mar	1635.3	1668	1520	1630.2	0.42	1707	-2.57	534	3.69



Outlook

Cardamom prices are expected to trade range bound in the coming week. Active buying at spot auctions may support the prices. However, prices are likely to continue the corrections initially. Good domestic may limit the losses. Declining arrivals may support the cardamom prices to stay on positive side in coming week.

Factors to watch out

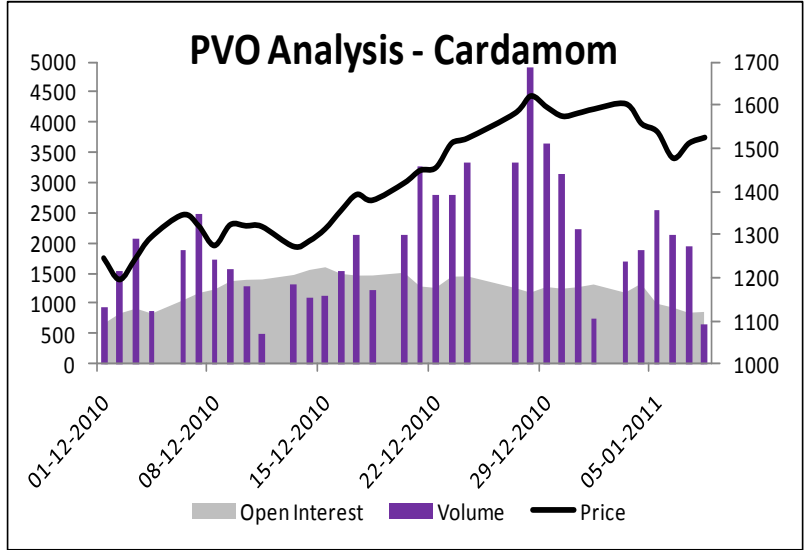
- ❖ Daily average arrivals at auctions have started declining and average arrivals hovered in the range of 25-50 tons; average auction prices were hovering in the range of ₹1290-1500 per Kg.
- ❖ As per trade sources, Indian cardamom prices in international market is quoting around \$30-35 per Kg. while Guatemala is quoting \$25 per Kg. Prices difference in Two major producers is weighing on sentiments
- ❖ Total quantity arrived at spot market during the current season is around 5,997 tons. Of which, 5,875 tons of cardamom was sold. While arrival in the same period last year was around 6,035 tons
- ❖ As per Spices Board data, international price of Cardamom in Saudi Arabia market was higher to \$36.68 per kg during the week ended 31st December 2010, however, it was higher than \$26.29 per kg quoted in the same period last year



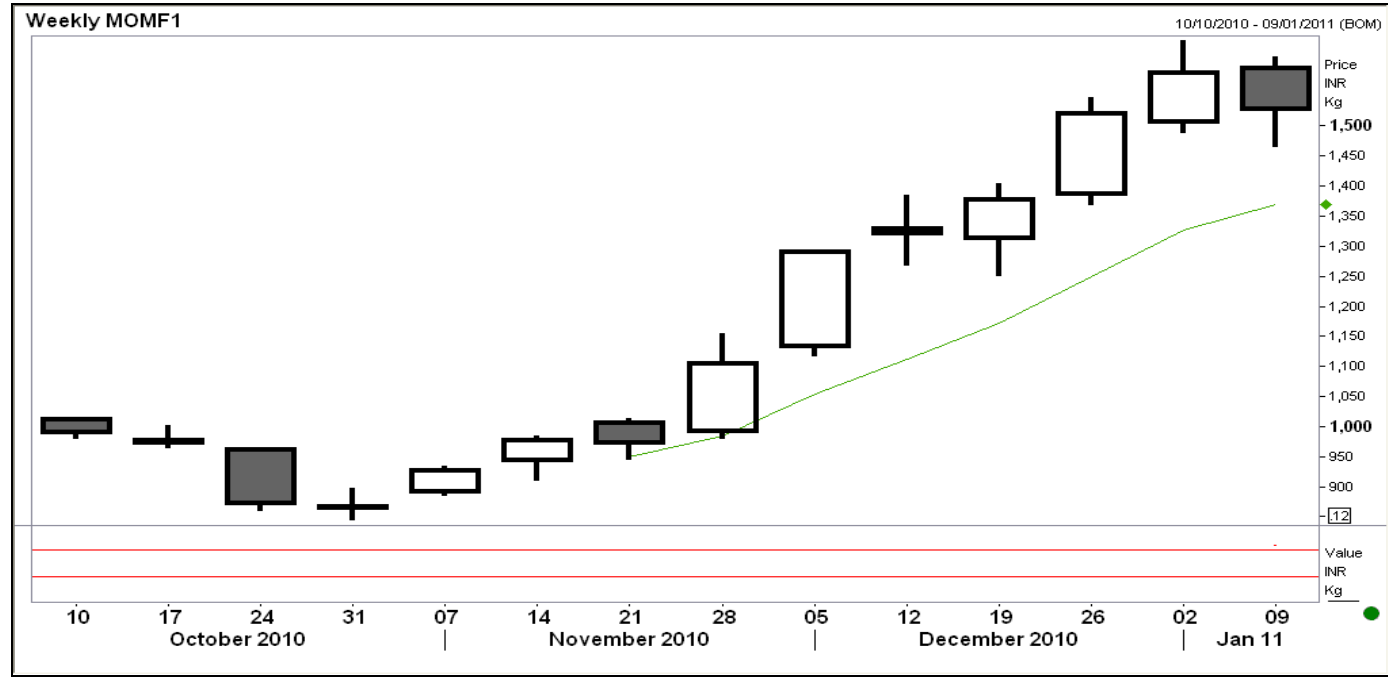
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Derivative Analysis

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Technical





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