



Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper Feb	21945	22225	22660	23095	23375	23655	24090	Buy 22900 TP 23750 SL 22600
Jeera Feb	14382	14309	14529	14749	14676	14603	14823	Sideways
Cardamom Feb	1320	1377	1415	1452	1510	1567	1605	Sideways
Chilli Feb	7330	7640	7880	8120	8430	8740	8980	Sell 8520-8500 TP 8150 SL 8700
TMC Apr	9487	9699	9837	9976	10187	10399	10537	Sideways

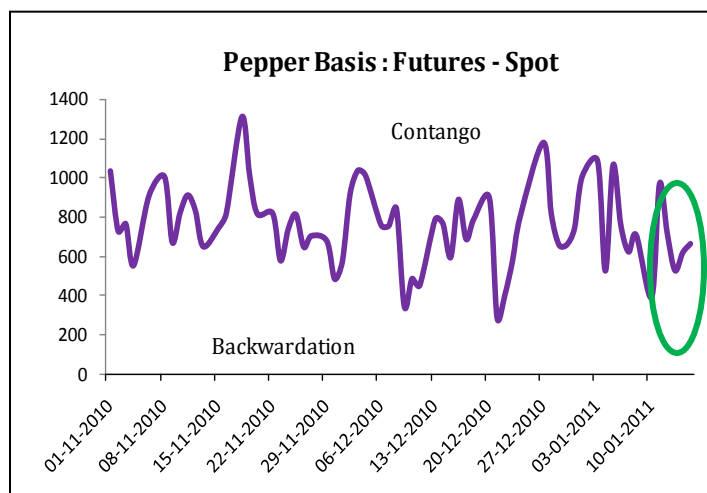


Pepper

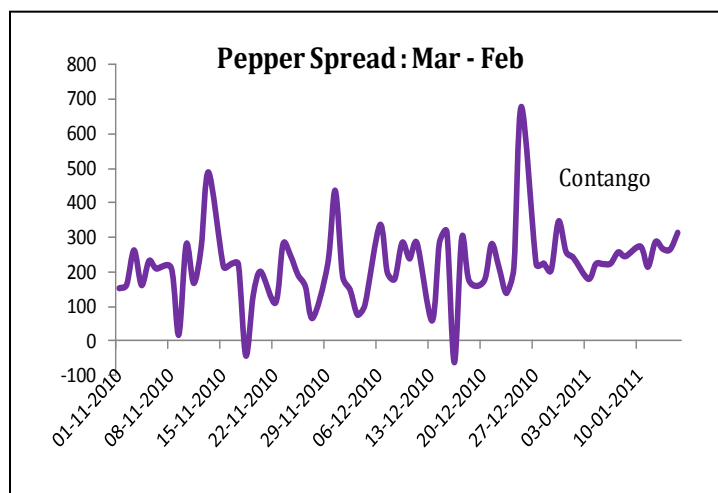
Review

Pepper futures extended the losses in during the week ended on February 15, 2011. Futures started the week on lower note on strong selling interest. However, prices showed some recovery on short covering. However, prevailing bearish sentiments pressurized the prices. As per trade sources, whatever the arrivals came in to the market was having a mix of poor quality farm grade fresh crop with old crop. The cost in reprocessing of this material was costlier which kept the buyers away from market. Buyers from north India were also not actively taking part in buying as severe cold waves were interrupting the overall market activity. However, towards the end of the week arrivals at spot declined which created heavy volatility during last 2-3 days of week. Futures witnessed recovery on last day of the week but recovery was not enough to reverse the trend and futures ended the week on slightly lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	23100	23220	22505	22925	-0.70	25823	51.66	8167	79.02
Mar	23217	23491	22800	23240	-0.40	1797	67.16	678	56.94
Apr	23451	23701	23053	23531	-0.46	302	41.12	249	10.67



Basis of Futures over Spot is expected to rise further



Spread between March and February is moving higher indicating bullish trend

Outlook

The NCDEX pepper futures are expected to trade lower initially in coming week. Lack of active buying interest at spot and futures both might pressurize the prices. However, later on prices are likely to reverse the trend on lower level buying. As per trade sources, arrivals of fresh crop is very limited the spot as growers are reluctant to sell at current prices. This may further support the prices. In international market Indian prices have become competitive due to weak rupee against dollar last week. Growers are expecting further decline in production from earlier expectations due to prevailing weather conditions are affecting the drying process. Therefore, we expect this week is likely to give a positive closing with some intermittent corrections during the week.

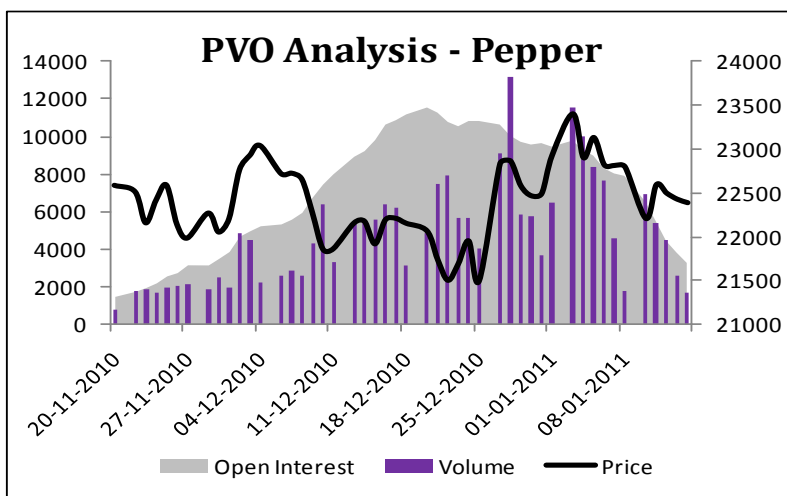


Factors to watch out

- ✦ Average daily prices at spot market of Kochi are for Ungarbled and MG-1 grade gained ₹200-300 to ₹21,500 and ₹22,300 per quintal respectively
- ✦ As per growers, productions is likely to be around 45,000 tons against the IPC's earlier estimates of 48,000 tons
- ✦ Rising wages in absences of skilled labour may further push the prices in short term
- ✦ Indian parity has now become competitive in International market quoting at \$5150 per ton as Indonesia is quoting at \$5000 per ton
- ✦ Stock positions at the NCDEX accredited warehouses are at 1739 tons as on 14th January 2011
- ✦ As per Spices Board data, international price of pepper in New York market was down to \$5.40 per kg during the week ended January 7th 2011 against \$3.40 per kg quoted in the same period last year

Derivative Analysis

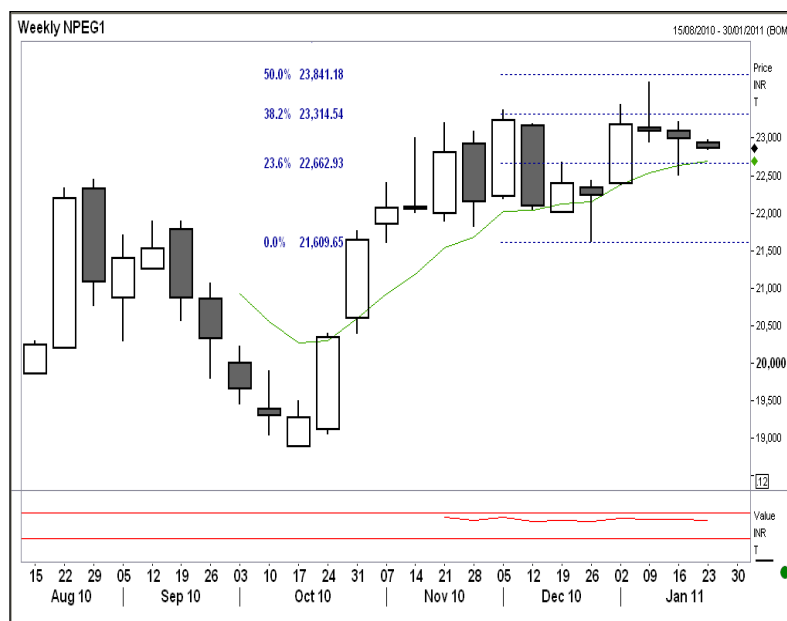
The NCDEX Pepper February contract prices are declining while volume and open interest all are increasing. If prices are in a downtrend and open interest is on the rise, chartists know that new money is coming into the market, showing aggressive new short selling. Market is vulnerable of large prices swing in shorter time span.



Technical

Pepper NCDEX February traded in a volatile mode this week and settled flat at 22925.

In weekly chart a Hammer candle stick pattern is spotted after an inverted hammer suggesting indecision in pepper prices at higher level. It also suggests that fresh buying emerges at lower levels. It looks like prices took the support of 22505 short term trend line drawn by joining (2 troughs of 19052 and 21631). 22505 is also 23.6 % retracement level of the range 18882 – 23755. It indicates that the pepper prices may remain on the higher side for the coming week also. However, one should remain cautious at higher levels as there is a resistance at 23750 (previous swing high) and the upper trend line drawn by joining 2 peaks of 22456 and 23381. For the coming week we expect higher side movement in pepper prices but for limited range upside.



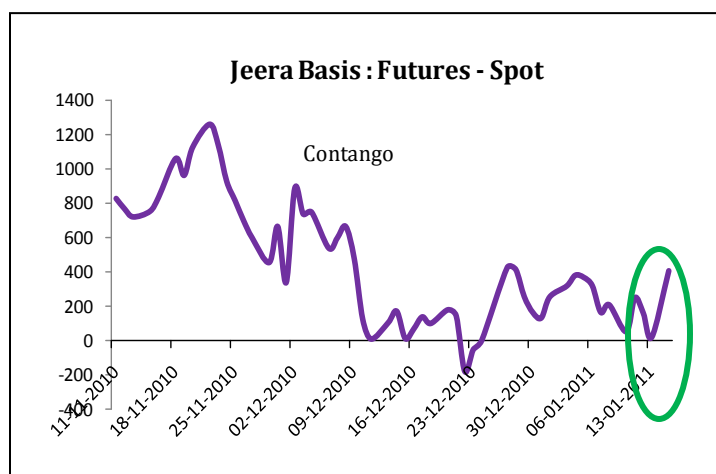


Jeera

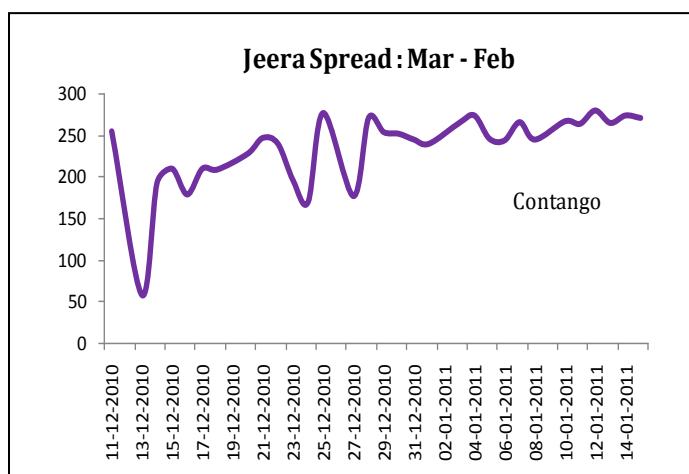
Review

The jeera futures traded range bound to down side biased during last week. Futures started the week on flat note with small recovery on short covering. However, prices reversed back the direction on profit booking at gains. Overall price movement was very sluggish in absences of any fresh cues from market. Reports of cold wave conditions and lower production estimates supported the prices; while poor export and domestic demand limited the upside movement. Traders at spot were in wait and watch conditions regarding fresh crop size. Therefore, on mixed fundamentals prices traded subdued to down side biased whole week. However, on Saturday prices bounced back on back of reports of lower production estimates and ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	14739	14838	14236	14730	0.23	29841	8.47	15288	3.75
Mar	15000	15280	14535	15045	0.70	6972	2.79	7071	35.77



Spot prices are trading higher than futures prices and the difference is expected to may rise further



Spread between March and February contract is moving in a consolidated mode

Outlook

Jeera futures are expected to trade on a positive note in coming week. Prices may take corrections initially on cues from weak spot market trend as most of the traders were in holiday mood after Sakranti festival. However, active fresh buying at lower levels might push the prices later in the week. Lower stocks at spot market and anticipations of fall in jeera production this year may further pushed the prices on higher side. As per traders, if arrivals start after February than prices are likely to move higher for coming season. According to them, till then available stocks of old crop might get exhaust and will create huge demand for fresh jeera crop.

Factors to watch out

- ✿ Average daily prices at spot market of Unjha were in the range of ₹13625-13700 per quintal for uncleaned and ₹14275-14,350 per quintal for NCDEX quality Jeera

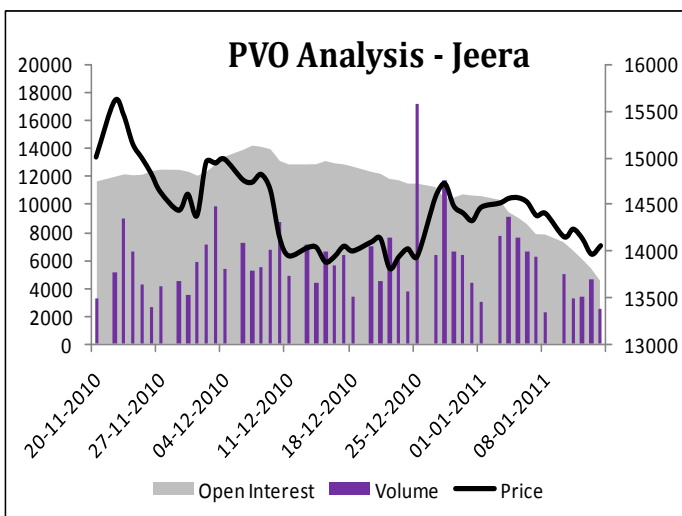


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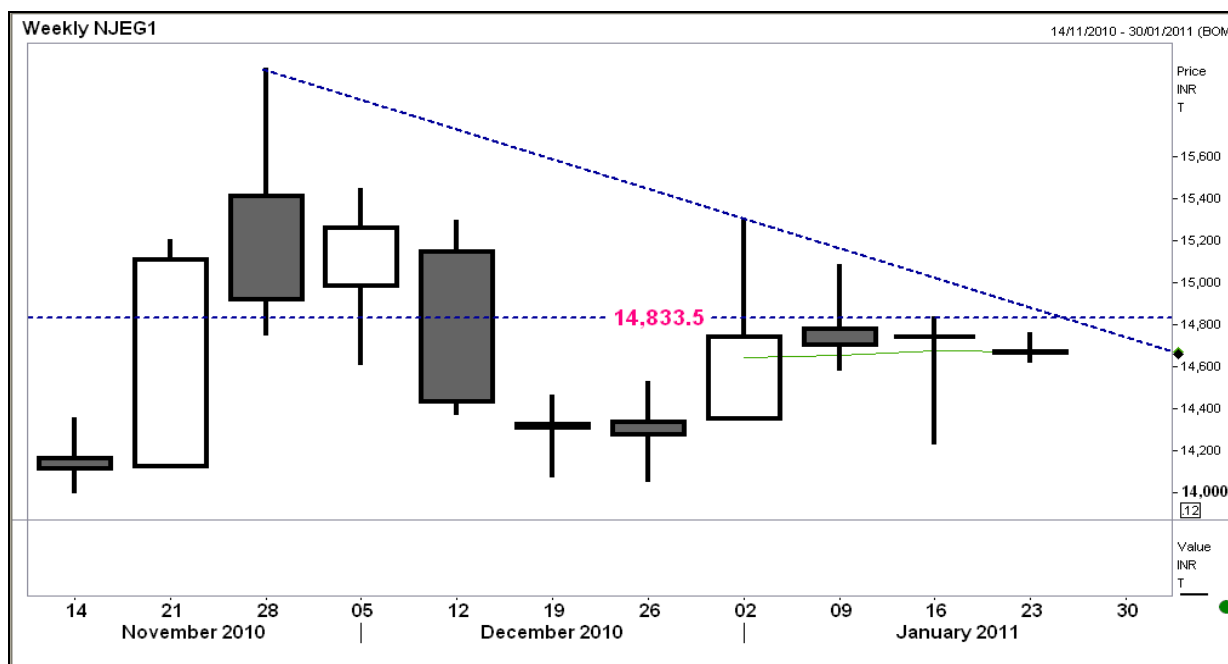
- ❖ Stock available at spot market are around 5-6 Lakh bags against 8-10 Lakh bags last year, according to trade sources
- ❖ As per trade sources, jeera production in 2011 is expected to be around 20 Lakh bags (1.10 mt) against 25 Lakh bags (1.37 mt)
- ❖ NCDEX accredited warehouses are at 5284 tones 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 February contract prices, volume and open interest all are increasing. This indicates 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



Technical



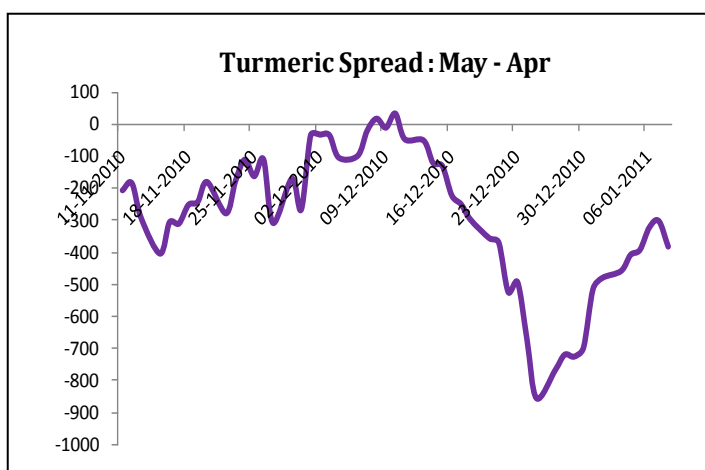
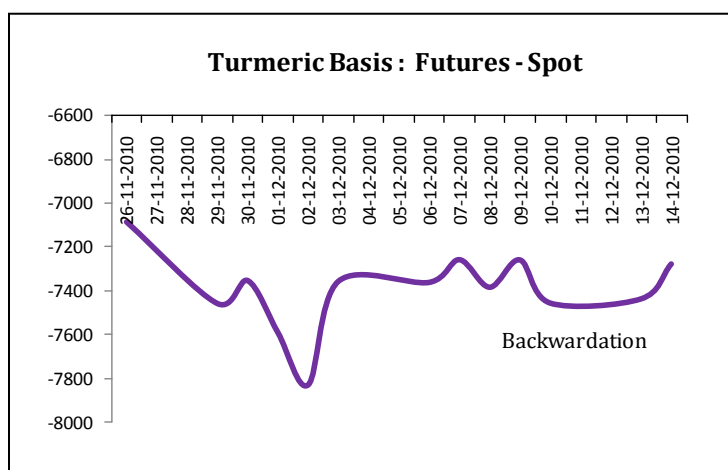


Turmeric

Review

The NCDEX turmeric traded further down during the week ended on January, 15. 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 arrival. However, prices reversed the direction and witnessed a smart recovery on lower level buying. Local masala factory buyers bought at spot market which supported the prices. Fresh crop arrivals in small amount also started coming to the market but it is having 5-6 Kg. moisture in a quintal weight which kept away buyers from market. Thus, overall bearish sentiments weighed on sentiments and futures ended the week in negative 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



Spot prices are trading higher than futures prices but trend has shown a reversal and we expect difference may fall

Market is in backwardation and spread difference is indicating bearish trend

Outlook

Turmeric futures are expected to trade range bound to lower in coming week on extended selling pressure. Weak demand from bulk buyers may further pressurize the prices. Fresh crop arrivals may also add to the fall in prices. Traders are waiting for arrivals to pick up in coming days which may further support to the down trend. However, buying in small amount from local masala companies in absences of stocks with them may limit the huge losses.

Factors to watch out

- ❖ Average daily prices at Nizamabad and Erode hovered in the range of ₹15,800-16,000 and for fresh crop prices quoted around ₹14,200-14,500 per quintal
- ❖ Arrivals at Nizamabad and Erode market were 200- 300 bags of fresh crop and 2500-4000 bags of both fresh and old crop respectively (each bag=70 kg)

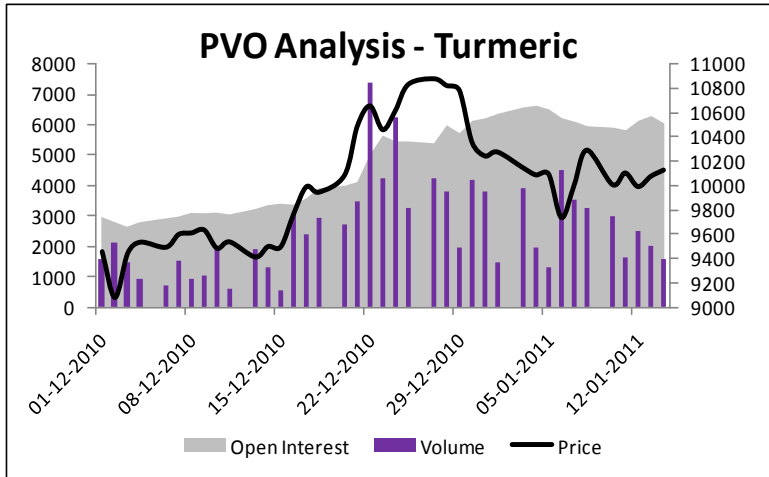


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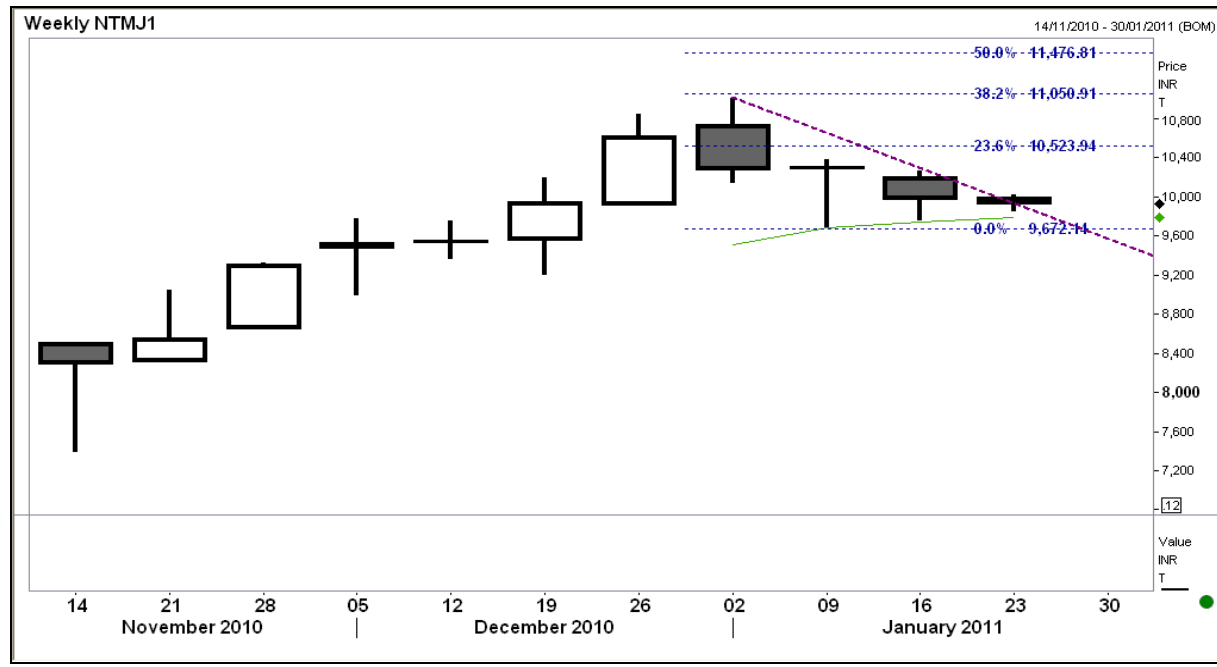
- As per trade sources, Fresh crop arrivals have started at spot markets and arrivals have likely to pick up in this coming week
- As per Spices Board data, international price of Turmeric in New York market came down to \$5.29 per kg during the week ended January 7th 2011 against \$2.87 per kg quoted 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

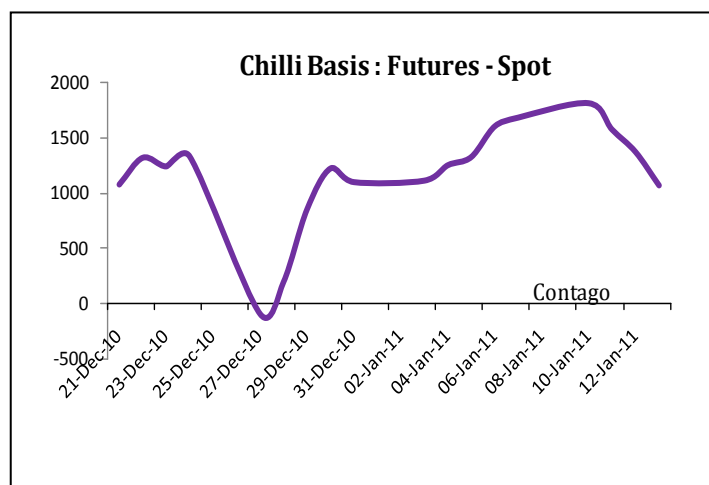




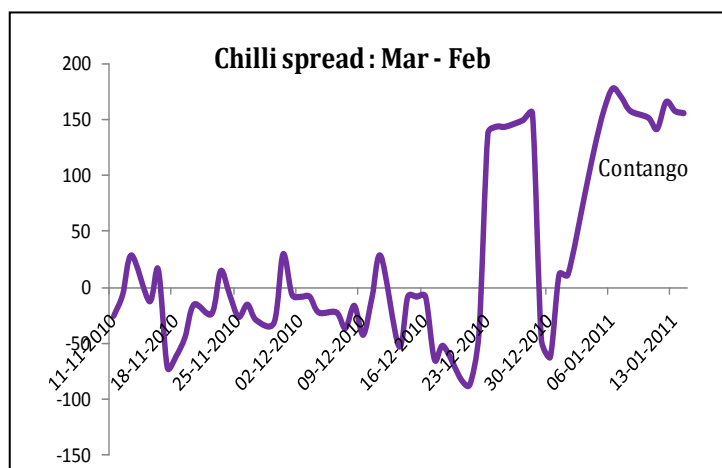
Chilli Review

The Chilli futures extended the bearish trend on account of selling pressure during last week. On opening itself prices traded down on strong selling interest. Fresh crop arrival in Guntur further pressurized the prices. Prices showed some recovery during the week but failed to sustain the gains. Spot market also witnessed correction in prices on fresh crop arrival. However, overall fundamentals of lower production limited the huge losses. But, 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



Prices are in contango but difference is on declining mode after moving in consolidation



Spread between March and February showed recovery after a small correction indicating overall bullish trend

Outlook

The NCDEX Chilli futures are expected to extend bearish trend in coming week. Extended selling pressure may pull down the prices. Arrival pressure at spot market may further add to the down side. As per traders, quality is not that much good which is likely to keep traders away from market. Thus, on overall prevailing sentiments market may remain in downtrend. However, short covering during the week can be seen at lower levels.

Factors to watch out

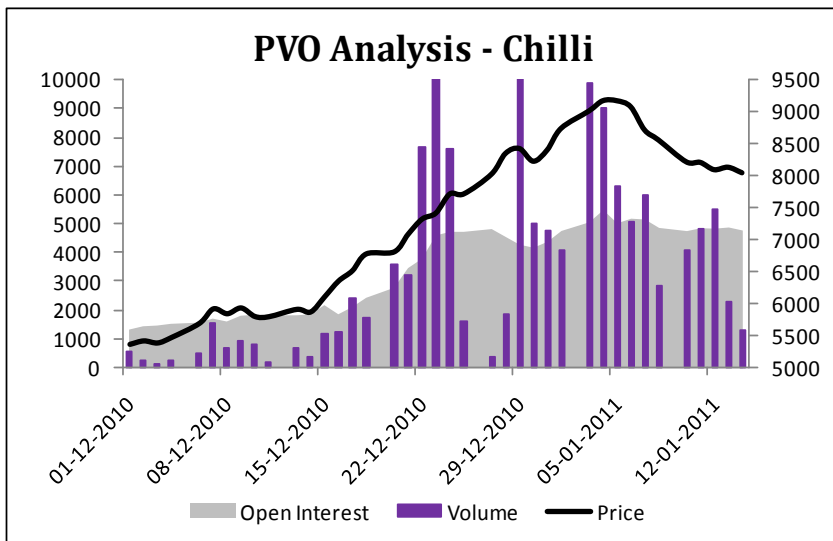
- ❖ Daily average arrivals at Guntur market were reduced to 20,000-25,000 bags (each bag=40 kg) and prices were hovering in the range of ₹6500-7100 down by ₹400-500 per quintal
- ❖ Arrivals are likely to pick up in coming days which may further pressure to the prices
- ❖ As per Spices Board data, international 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



✦ As per trade sources, production is expected to be around 80-90 Lakh bags against 1.5 crore bags last year

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.

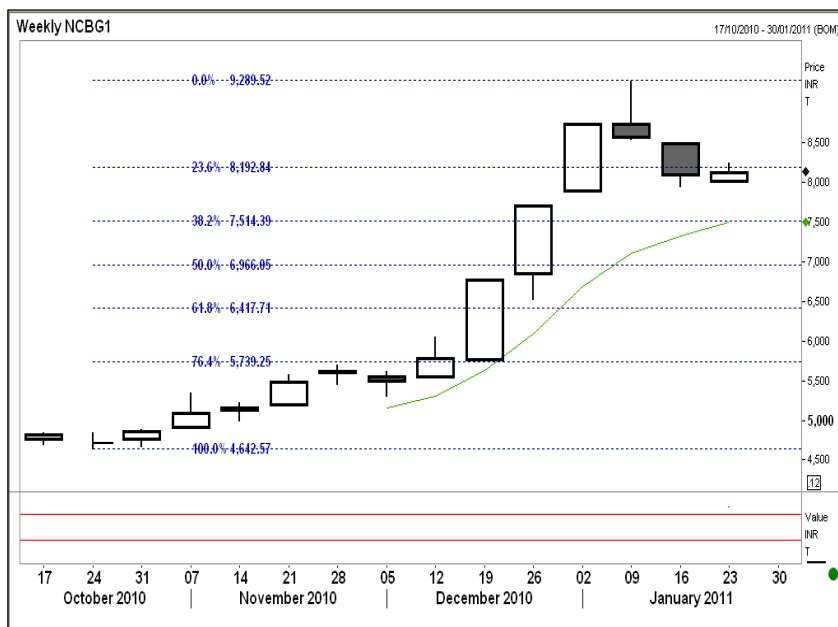


Technical

Chilli Feb Prices in settled lower at 8736.

In weekly chart of chili, an evening Doji star trend reversal candle stick pattern is spotted suggesting bearish mode in the coming week also. Prices closed below the 8690 that is 23.6% retracement level of the range 5750 - 9598. This suggests that there are chances that it may trade down till the next support level of 8128 that is 38.2% retracement level of the given range.

From the above analysis we expect that the chilli prices may remain weak for the coming week also. Selling on higher level is good strategy for the coming week.



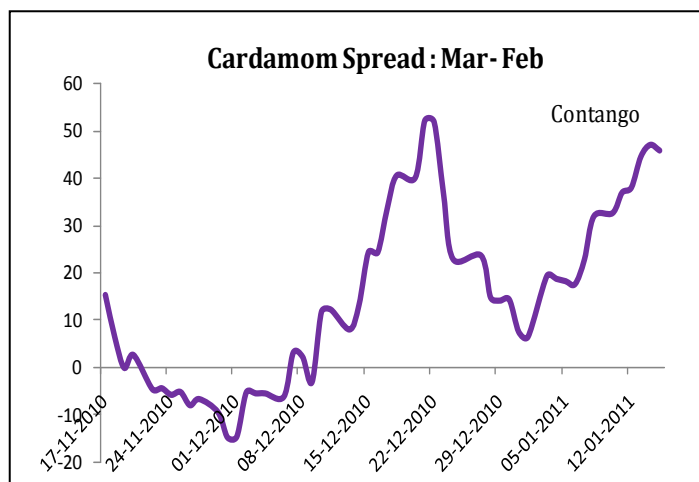
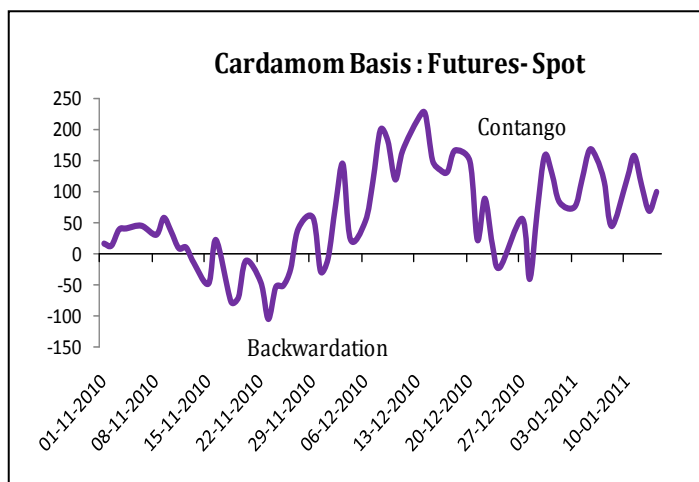


Cardamom

Review

The cardamom futures extended the losses during last week. Futures started the week on lower note on extended selling. Lack of active buying at spot on declining arrivals of good quality cardamom kept the buyers away from market. However, prices took smart recovery on short covering but failed to sustain the gains. Nonetheless, active selling on gains again pulled down the prices. 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
Feb	1594.9	1602	1515.8	1569.7	-1.65	8453	12.41	1688	24.21
Mar	1630	1638.7	1545	1615.6	-0.76	2059	19.50	720	34.33
Apr	1640	1649	1561	1639	-0.24	997	1.12	933	57.60



Cardamom basis is moving in a very volatile manner and showing a potential upside movement in futures prices

Spread between March- Februarys has shown a slight decline after gaining as much as 47.5. We can see further correction before it rise further

Outlook

Cardamom prices are expected to trade lower in the coming week. Extended selling pressure may lead to the further fall in prices. Lack of active buying in absences of fresh cues may pressurize the prices. However, short covering at lower levels can not be over ruled.

Factors to watch out

- ❖ Daily average arrivals at auctions have started declining and average arrivals hovered in the range of 25-30 tons; average auction prices were hovering in the range of ₹1298-1557 per Kg.
- ❖ As per trade sources, Indian cardamom prices in international market is quoting around \$32-38 per Kg. while Guatemala is quoting \$25-28 per Kg. Prices difference in Two major producers is weighing on sentiments
- ❖ Total quantity arrived at spot market during the current season till January 9th is around 6,227 tons. Of which, 6,099 tons of cardamom was sold. While arrival in the same period last year was around 6,270 tons

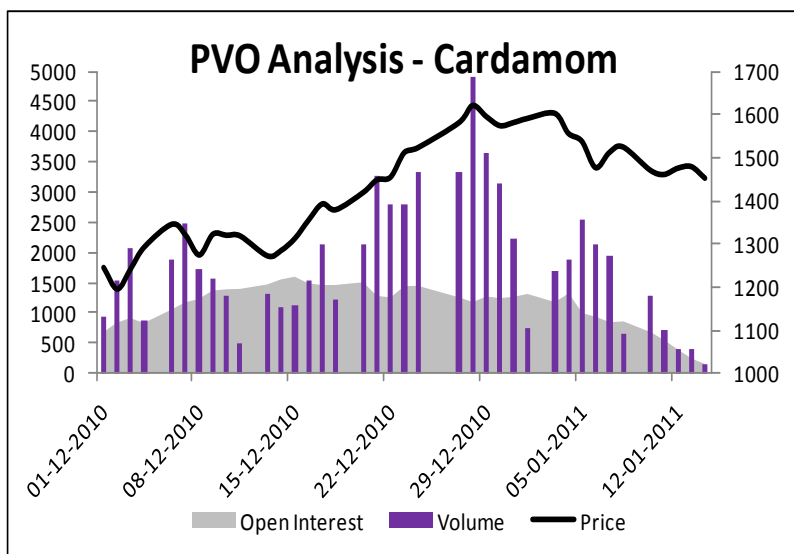


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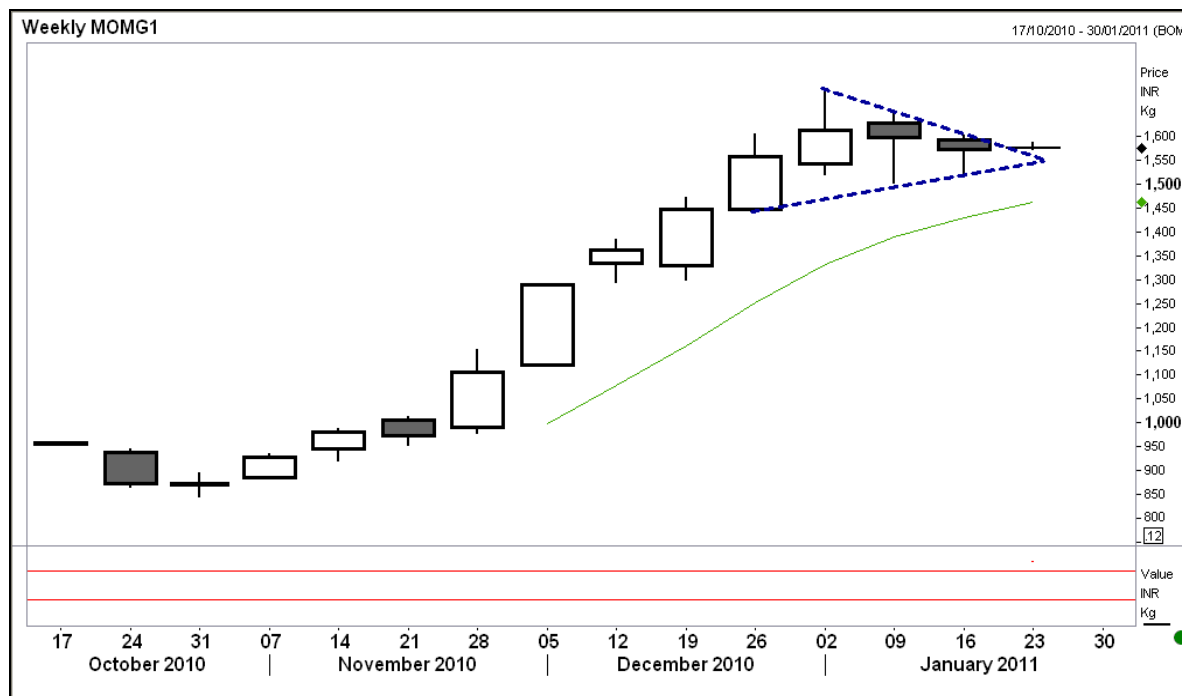
- As per Spices Board data, international price of Cardamom in Saudi Arabia market came down to \$36.23 per kg during the week ended January 7th 2011 however, it was higher than \$27.54 per kg quoted in the same period last year
- MCX warehouse stock of Cardamom as on 14th January 2011 was 18 tons.

Derivative Analysis

The MCX cardamom January contract prices have declined while volume and open interest all are increasing. 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





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