



Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper Feb	21421	21749	22321	22893	23221	23549	24121	Buy on break of 23020 targeting 23500 SL below 22680
Jeera Feb	13938	14217	14533	14850	15128	15407	15723	Buy at 14740-14800 TP 15100 then 15260 SL 14620
TMC Apr	1130	1200	1265	1330	1400	1470	1535	Sideways
Chilli Feb	8019	8287	8653	9020	9287	9555	9921	Sideways
Cardamom Feb	9413	9587	9713	9840	10013	10187	10313	Sideways

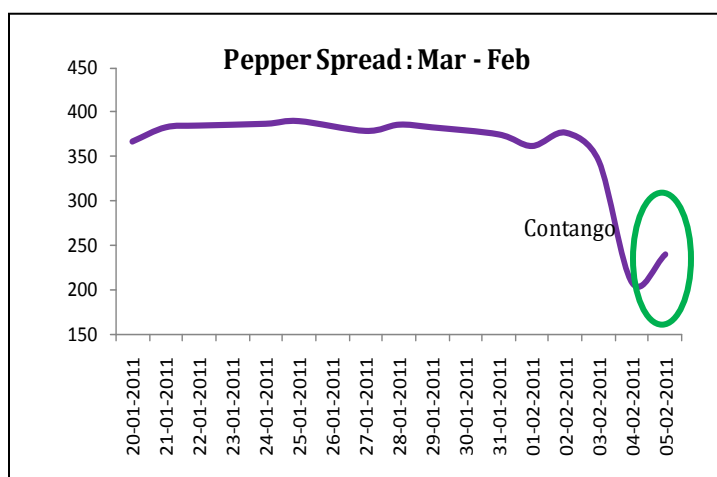
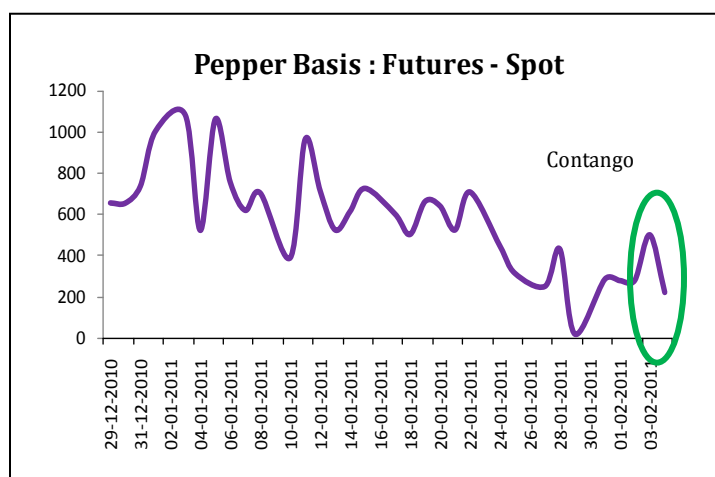


Pepper

Review

Pepper futures showed a smart recovery on lower value buying during the week ended on February 5, 2011. From starting of week futures started gaining on short covering. Earlier traders were expecting that arrivals will pick up during the week but higher labor cost and decline in output reversed the sentiments. Limited supply at spot market during the week supported the prices at spot and futures both. However, the gains were limited as most of the investors are waiting for Vietnam crop. Investors are expecting Vietnam crop will set the trend for pepper prices this year and is likely to hit the market by February end or Early March. Thus, exporters here in absences of fresh export orders are staying away from market and prices fell drastically on Friday. However, overall good domestic demand amid tight supply pushed the prices and futures ended the week on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	22270	22977	22077	22854	2.45	29904	4.67	8487	-1.90
Mar	22630	23300	22450	23094	1.78	11822	99.73	4657	147.32
Apr	23238	23698	22850	23380	1.08	455	0.89	493	16.55



Outlook

The NCDEX pepper expected to continue the positive trend in coming week. Active buying at spot and futures both may support the prices. However, corrections on profit booking can be seen initially which are likely to create buying at lower levels. Limited arrivals at spot market might further add to the up side. Reports of tight supply situation in all major producer countries may also support the prices. However, prevailing dilemma regarding Vietnam crop might weigh on prices.

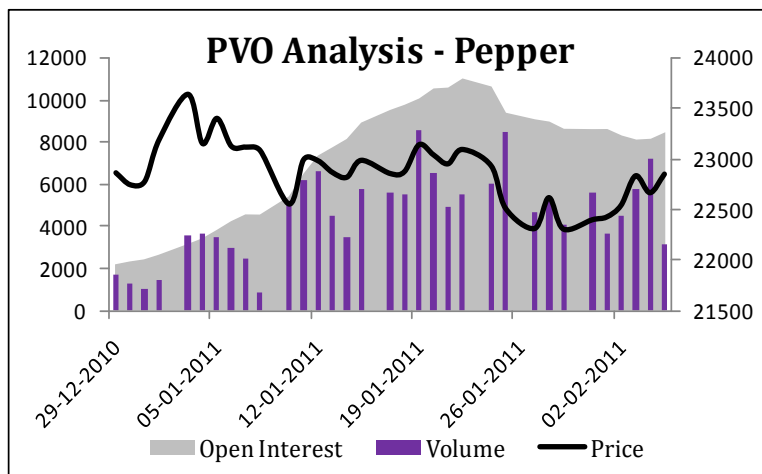
Factors to watch out

- ❖ Average daily prices at spot market of Kochi are for Ungarbled and MG-1 grade were up by ₹500-600 to ₹21,700 and ₹22,300 per quintal respectively
- ❖ Indian pepper prices in international market are hovering around quoting at \$5175-5200 per ton
- ❖ Stock positions at the NCDEX accredited warehouses are at 2307 tons as on 4th February 2011
- ❖ As per Spices Board data, international price of pepper in New York market was unchanged to \$5.47 per kg during the week ended January 28th against \$3.31 per kg quoted in the same period last year



Derivative Analysis

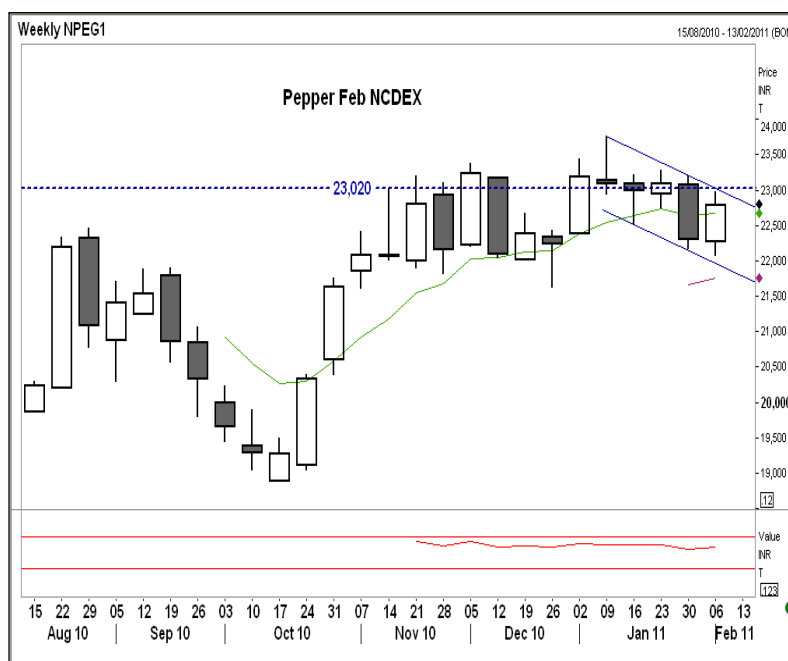
The NCDEX Pepper February contract prices, volume are increasing while open interest is falling. Market has a lot of traders initiating from both sides but larger traders may be liquidating into the higher prices. The market may be vulnerable to large price swings as shorter time frame traders attempt 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.



Technical

Pepper February futures in NCDEX gained about 2.45% this week and settled at 22854.

In the weekly chart, a small white candle stick is emerged after a long black candle stick suggesting trend may remain indecisive for the coming week. A trend channel formation is spotted in weekly chart, with trend line resistance at Rs.23020. If market breaches and sustains above this level then it is likely to remain on the higher side till next resistance level of Rs.23500. If market fails to breach 23020 then it may remain lower till the support level of 22080 (previous swing low).



Over all we expect pepper prices may remain higher if it breaches the resistance level of 23020 From the

above analysis, we expect pepper prices to remain bearish for the coming week therefore suggest traders to go short.

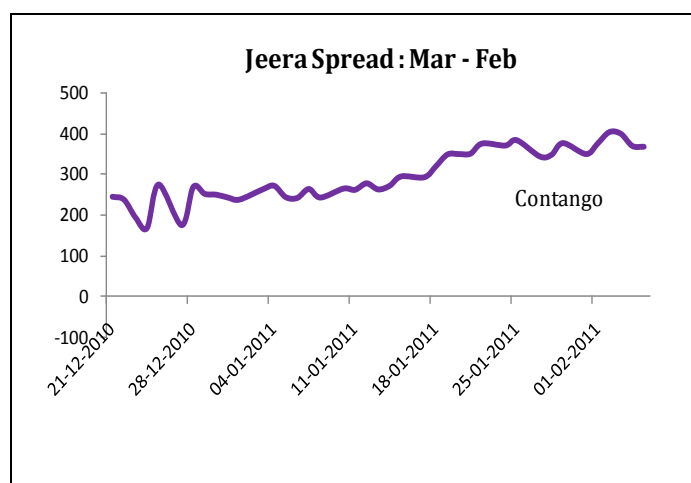
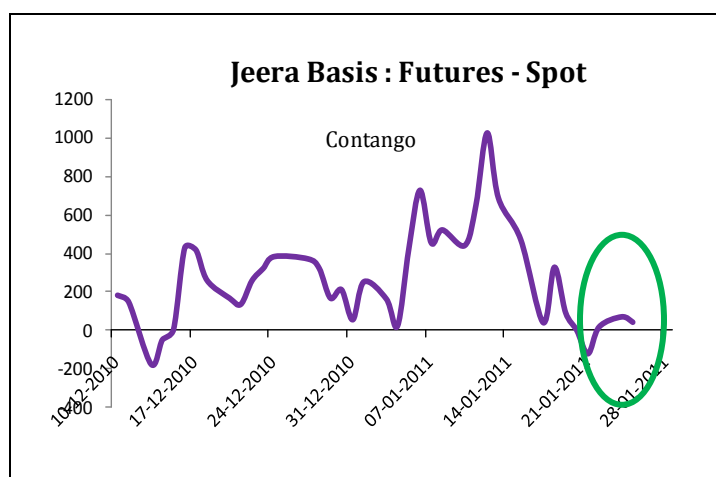


Jeera

Review

The jeera futures witnessed smart recovery on previous losses on short covering last week. Futures started the week on lower note on extended selling pressure. Huge arrivals at spot market pressurized the prices and futures fell continuously for 2 sessions. However, prices reversed the trend on lower level buying during the week. Spot market also witnessed steady to positive movement on buying in small amount. However, good crop growth due to favourable weather conditions weighed on sentiments. Nonetheless, overall buying interest supported the prices but W/W prices ended on little lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	14877	15090	14495	14861	-0.11	37959	-27.24	7584	-18.84
Mar	15200	15478	14867	15231	-0.16	35475	-6.54	16947	6.83
Apr	15200	16519	15189	16446	-4.84	2436	344.33	1875	222.24



Outlook

Jeera futures are expected to continue the recovery on fresh buying at lower levels in coming week. Declining stocks of old crop are likely to support the upside. Arrivals of new crop in small amount have started coming to the market. Good quality of fresh crop is attracting the buyers at spot market which may support the prices at spot and futures both. However, profit booking on higher levels can not be overruled.

Factors to watch out

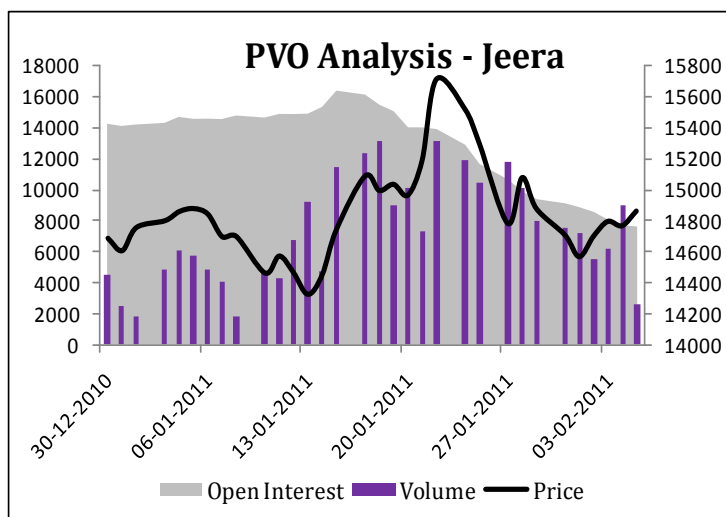
- ❖ Average daily prices at spot market of Unjha were in the range of ₹13850-14150 per quintal for uncleaned and ₹14680-14,750 per quintal for NCDEX quality Jeera
- ❖ Fresh arrivals have been started at spot market in small amount of 50-60 bags daily
- ❖ Stock available at spot market are around 6-8 Lakh bags, according to trade sources
- ❖ As per trade sources, jeera production in 2011 is expected to be around 85% of previous year's production
- ❖ NCDEX accredited warehouses are at 6677 tons as on February 4th 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 January 28th 2011 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 falling. If the total open interest is falling off and prices are declining, the price decline is being caused by disgruntled long position holders being forced to liquidate their positions. This indicates that bearish trend may continue further until sudden change in open interest and volume traded occurs.

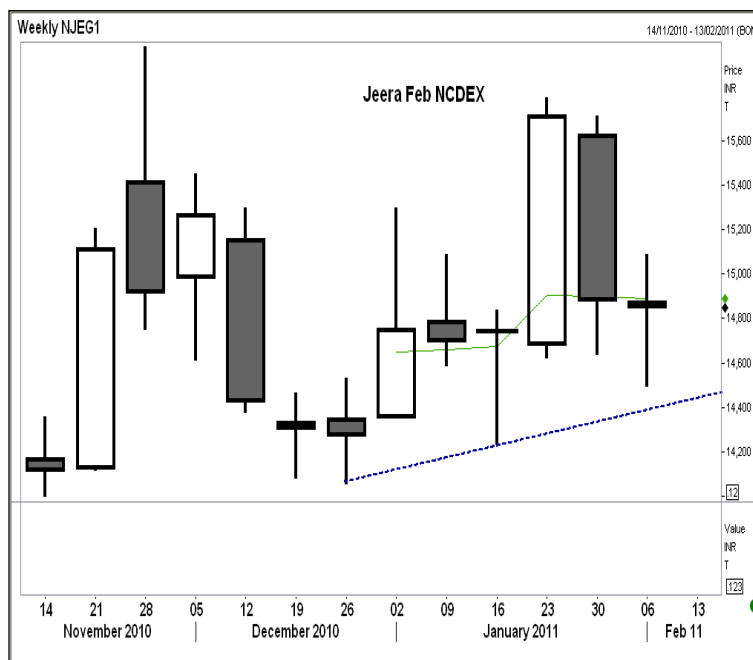


Technical

Jeera February futures traded in a volatile mode this week. It settled flat at 14861; high 15090 and low 14495.

Long legged Doji candle stick formation on the weekly chart suggesting a trend reversal mode for the coming week. Jeera prices took a support of lower trend line shown in the chart above and bounce back. As per moving average principle, market is holding the short and medium term exponential moving averages suggesting bullish mode for coming week also.

Overall we expect Jeera prices to remain on the higher side and suggest buying for the coming week.



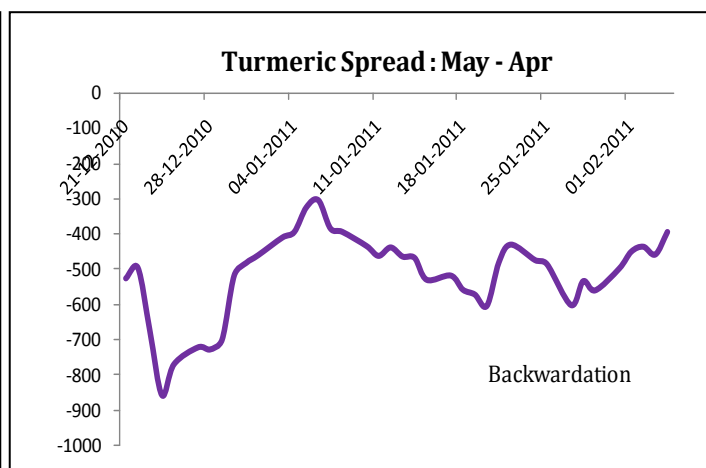
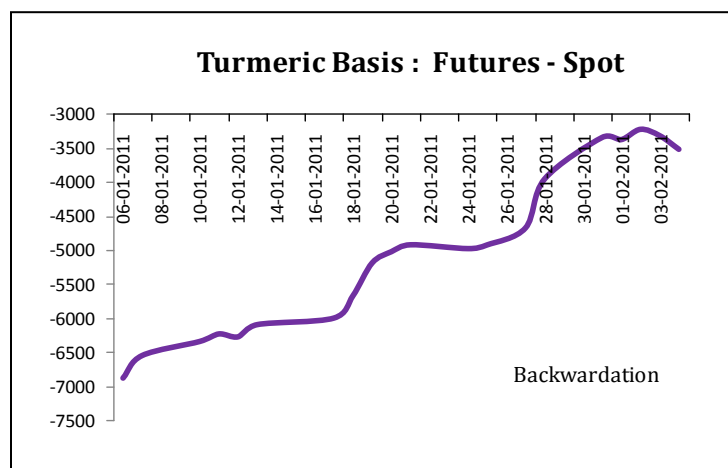


Turmeric

Review

The NCDEX turmeric remained very range bound to down side biased during the week ended on February, 5th. Futures started the week on flat note on mixed sentiments prevailing in market. However, increasing demand from upcountry buyers for fresh crop supported the prices. However, prices reversed the direction and witnessed sharp corrections because huge arrivals pressurized the prices. However, recovery was not enough to reverse the trend and futures ended the week on lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr	9774	10060	9760	9816	-0.26	9675	-7.73	6030	-5.11
May	9500	9520	9172	9308	1.22	1190	44.12	2275	10.33
Jun	9402	9540	9010	9238	0.89	750	-47.33	975	5.13



Outlook

Turmeric futures are expected to trade lower initially on extended selling in coming week. However, active buying at spot market may support the prices. Upcountry demand for fresh crop is supporting the prices at spot market. However, huge arrivals might create pressure on prices during the week. However, traders are waiting for fresh exports orders which may support the prices. However, if arrival pressure increases further then we can see correction in prices.

Factors to watch out

- ❖ Average daily prices at Nizamabad and Erode hovered in the range of ₹12,500-13,000 and ₹13,000-13,500 per quintal
- ❖ Arrivals at Nizamabad and Erode market were 6000-10,000 bags and 4000-6000 bags respectively (each bag=70 kg)
- ❖ According to traders, demand from north Indian buyers is supporting the prices at Nizamabad spot market as Nizamabad crop always has an edge over Erode crop
- ❖ As per Spices Board data, international price of Turmeric in New York market were unchanged to \$5.29 per kg during the week ended January 28th against \$2.82 per kg quoted in the same period last year

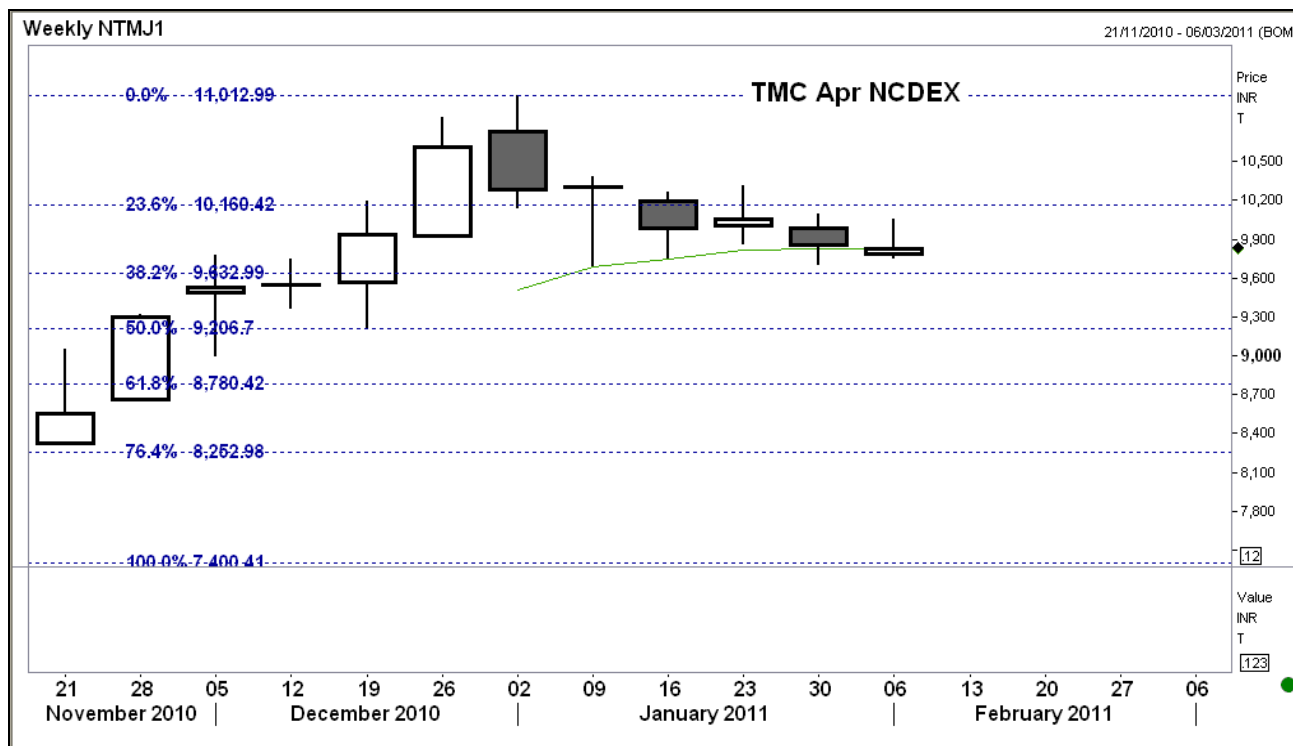


Derivative Analysis

The NCDEX turmeric April contract prices, volume and open interest all are falling. If the total open interest is falling off and prices are declining, the price decline is being caused by disgruntled long position holders being forced to liquidate their positions. This indicates that bearish trend may continue further until sudden change in open interest and volume traded occurs.



Technical



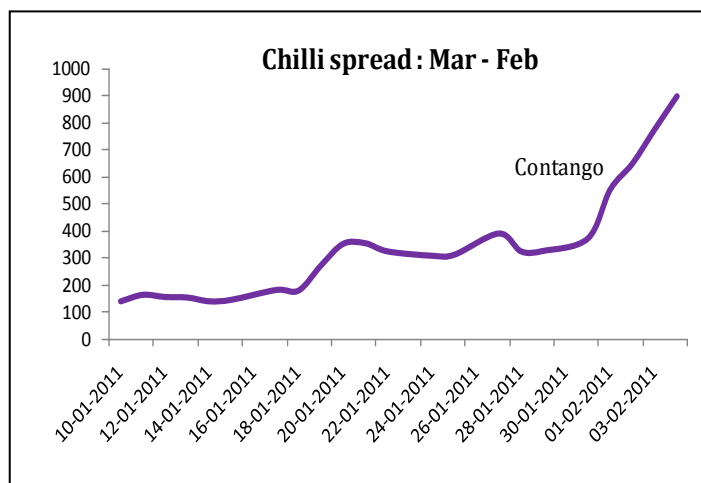
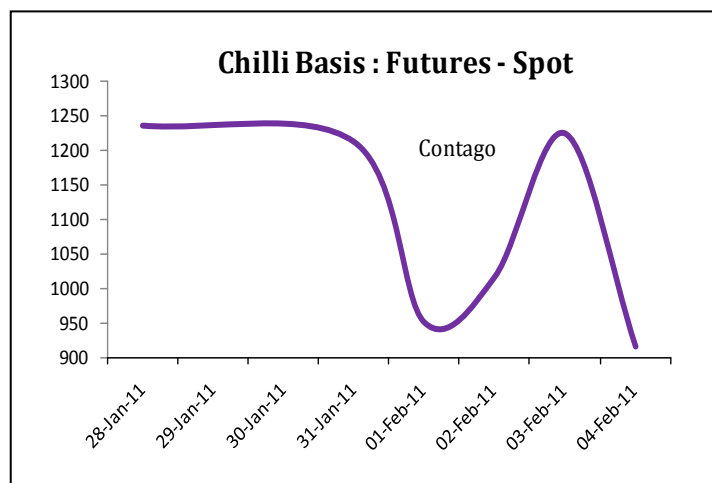


Chilli

Review

The Chilli futures witnessed huge rally on lower level fresh buying during last week. On opening itself prices traded higher on cues from active buying at spot market. Traders were more inclined to buy old crop as fresh crop quality was not up to the mark. Lower stocks of old crop amid huge demand supported the prices. Traders are aggressively buying at spot market as they are expecting there will no arrivals next month due to poor quality and lower production in Andhra Pradesh and Tamil Nadu. However, prices witnessed correction on profit booking but overall buying interest pushed the prices on higher side and futures ended on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	8744	9188	8554	9028	4.39	20720	26.92	3965	-13.52
Mar	9048	9990	8960	9926	10.61	24585	95.90	6180	21.65
Apr	9542	9626	8980	9286	13.87	6240	113.78	3220	60.25



Outlook

The NCDEX Chilli futures are expected to continue the positive trend in coming week. Follow through buying on spot cues may support the prices. However, increasing fresh crop arrivals at spot market is likely to create pressure on prices. Nonetheless, overall good demand for old crop stock is likely to push the prices further. Traders are expecting export inquiries to pick up in coming day which might further add to the upside.

Factors to watch out

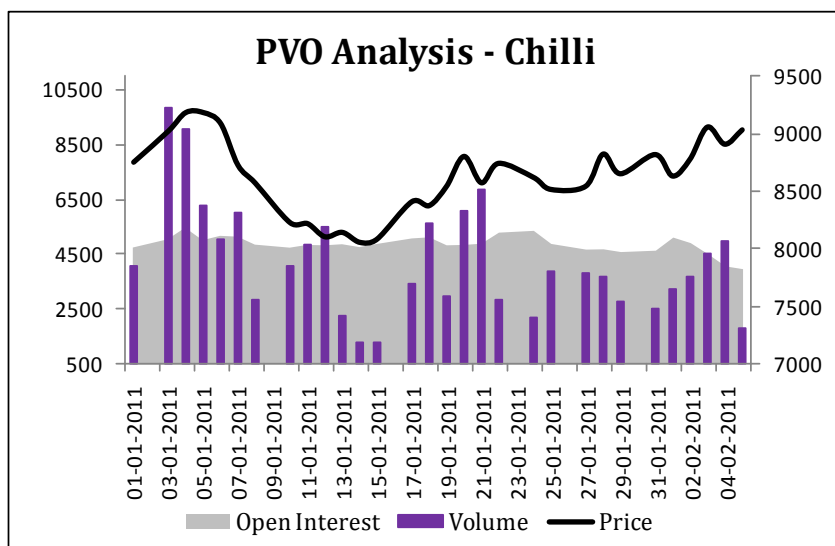
- ❖ Daily average arrivals at Guntur market were 20,000-25,000 bags of new crop and 15,000- 20,000 bags of old crop (each bag=40 kg)
- ❖ Daily Prices were hovering in the range of ₹7000-7500 per quintal for fresh crop while ₹7500-8000 per quintal for old crop
- ❖ As per Trade source, production this year is expected to be around 80-90 Lakh bags against 1.5 Crore bags last year



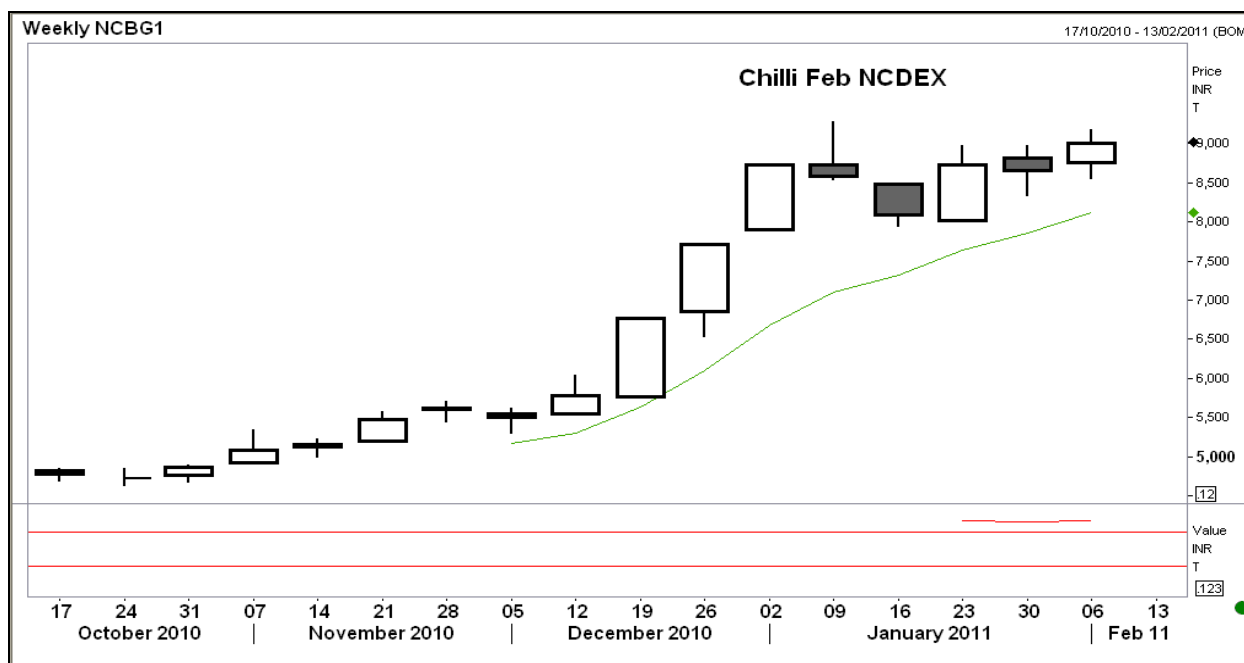
- As per Spices Board data, international price of chilli in New York market was almost unchanged to \$3.20 per kg during the week ended January 28th 2010 against \$2.54 per kg quoted in the same period last year

Derivative Analysis

The NCDEX chilli February contract prices, volume are increasing while open interest is falling. Market has a lot of traders initiating from both sides but larger traders may be liquidating into the higher prices. 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.



Technical



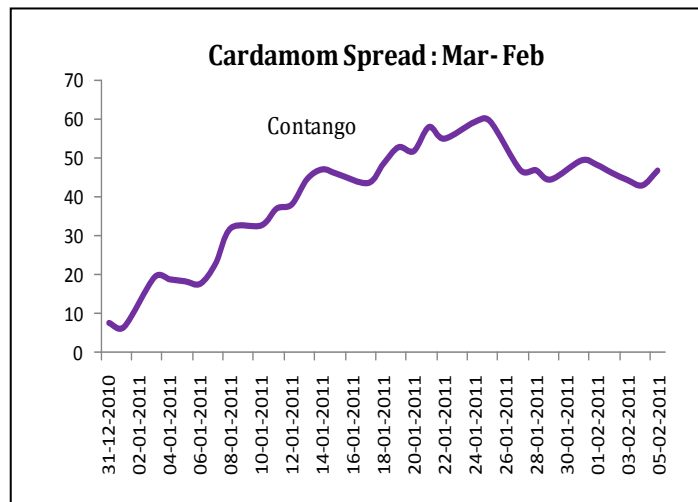
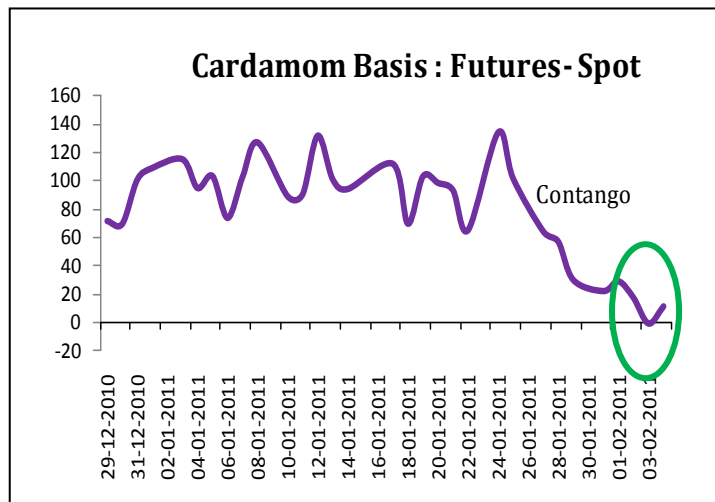


Cardamom

Review

The cardamom futures extended the losses during last week. Futures started the week on higher note on short covering on previous week's losses. However, lack of active buying at spot on declining arrivals of good quality cardamom kept the buyers away from market and prices started falling at futures. Poor export demand further added to the down side. However, prices showed small recovery on short covering but recovery was not enough to reverse the trend and futures ended the week on lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	1395	1405	1270	1318.4	-5.42	12135	18.59	1267	-33.46
Mar	1430	1459	1315.1	1365.2	-5.10	6864	99.36	1001	27.84
Apr	1565.1	1645	1479.7	1485.1	-5.70	2062	84.14	1318	-23.75



Outlook

Cardamom futures are expected to trade positive initially in the coming week. Prices might show recovery on short covering initially as prices are falling from consecutive 5 week. However, overall subdued domestic demand is likely to pressurize the prices. Week exports might further create pressure on prices. However, any fresh inquiry from north India might support the prices at lower levels.

Factors to watch out

- ❖ Daily average arrivals at auctions have started declining and average arrivals hovered in the range of 15-30 tons; average auction prices were hovering in the range of ₹1165-1247 per Kg.
- ❖ As per trade sources, Indian cardamom prices in international market is quoting around \$30-32 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 14th is around 6,466 tons. Of which, 6,331tons of cardamom was sold.
- ❖ MCX warehouse stock of Cardamom as on 4th February 2011 was 21.7 tons

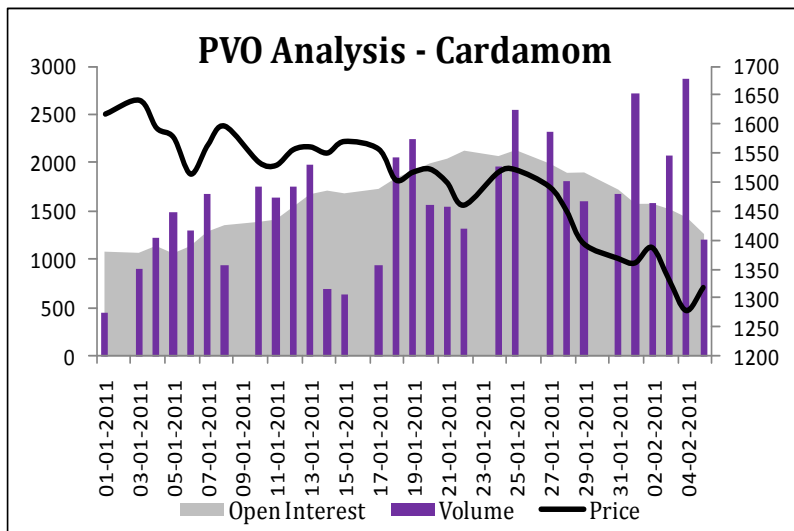


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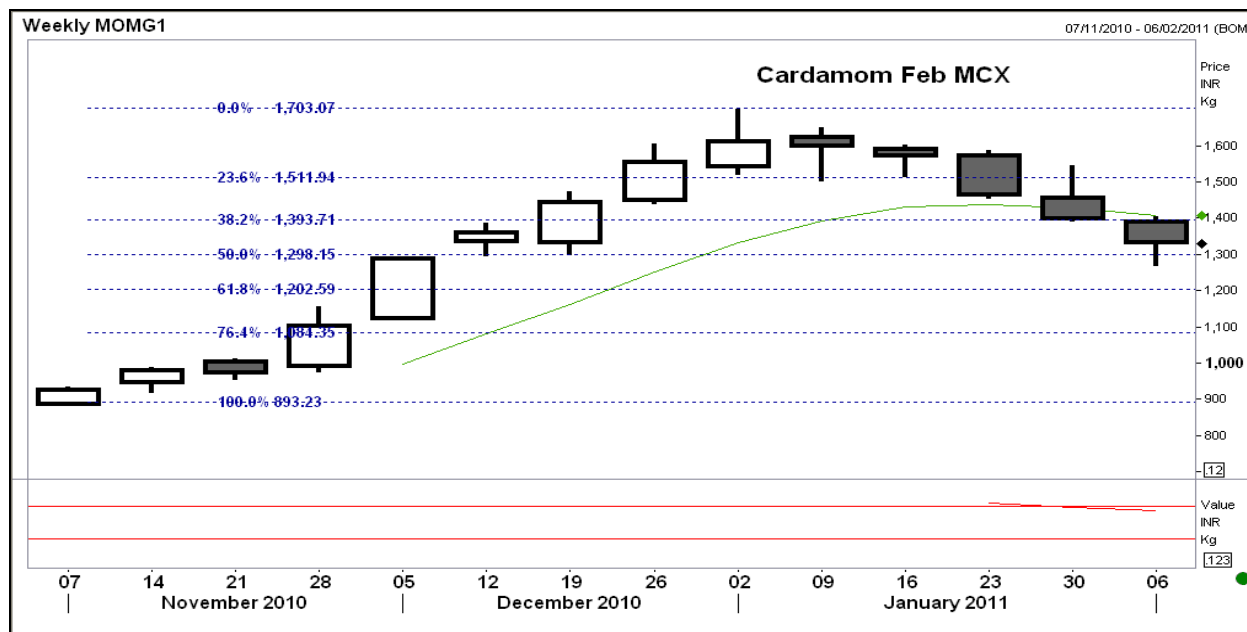
- As per Spices Board data, international price of Cardamom in Saudi Arabia market came down to \$30.88 per kg during the week ended January 28th 2011 however, it was higher than \$28.13 per kg quoted in the same period last year

Derivative Analysis

The MCX cardamom January contract prices and open interest have declined while volumes have increased. 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.



Technical





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