



Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper Mar	21113	21981	23686	25390	26259	27127	28832	Buy 1 st lot on 25000 and 2 nd lot on 24700 TP 26000 SL below 24400.
Jeera Mar	14097	14619	15590	16560	17083	17605	18576	Jeera Mar NCDEX: Buy 16180-210 TP 16650/775 SL 15950
TMC Apr	8467	8849	9095	9342	9723	10105	10351	Sideways
Chilli Feb	8544	9214	9828	10442	11112	11782	12396	Sideways
Cardamom Feb	1100	1171	1261	1351	1421	1492	1582	Sideways

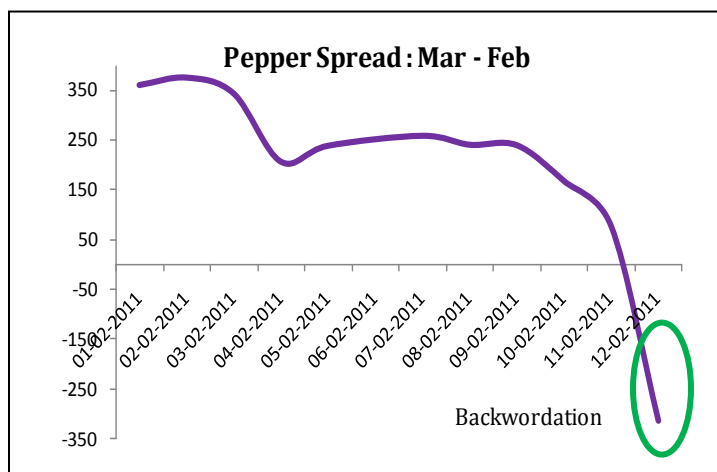
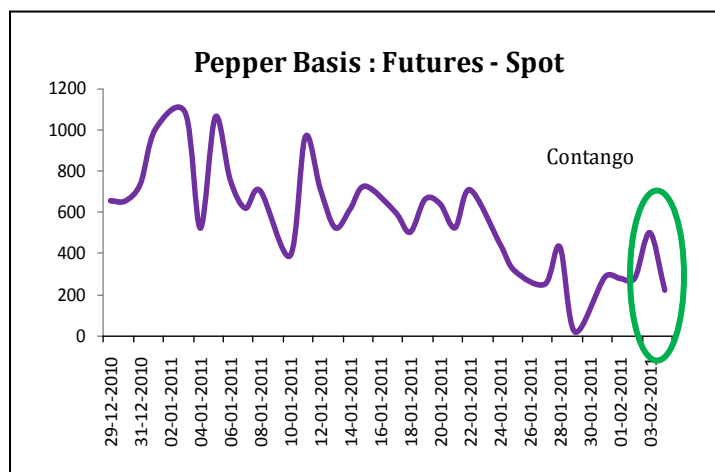


Pepper

Review

Pepper futures extended the bullish trend on strong buying interest during the week ended on February 12, 2011. From starting of week futures extended the gains on active fresh buying. Though it is a peak arrivals season supply is not picking up which is supporting the prices at both spot and futures. Prices took small corrections on profit booking but it created further fresh buying at lower levels. Crop damage in Indonesia and Srilanka due to heavy floods declined their production estimates which also added to the bullish trend. However, lower quotes offered by Vietnam limited the gains during the week. Nonetheless, overall bullish trend lifted the prices and futures crossed 25,000 levels for the first time making a new high of ₹25,423.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Mar	23100	25490	23100	25053	8.48	60259	409.72	8852	90.08
Apr	23471	25575	23451	25116	7.43	4108	802.86	1251	153.75
May	23988	25592	23731	25485	7.69	229	445.24	97	21.25



Outlook

The NCDEX pepper expected to continue the bullish trend in coming week. Strong fundamentals of good domestic demand amid tight supply may push the prices. However, futures are likely to take good corrections on profit booking at all time high levels during the starting of the week. However, these corrections 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, poor export demand due to higher Indian prices might weigh on prices.

Factors to watch out

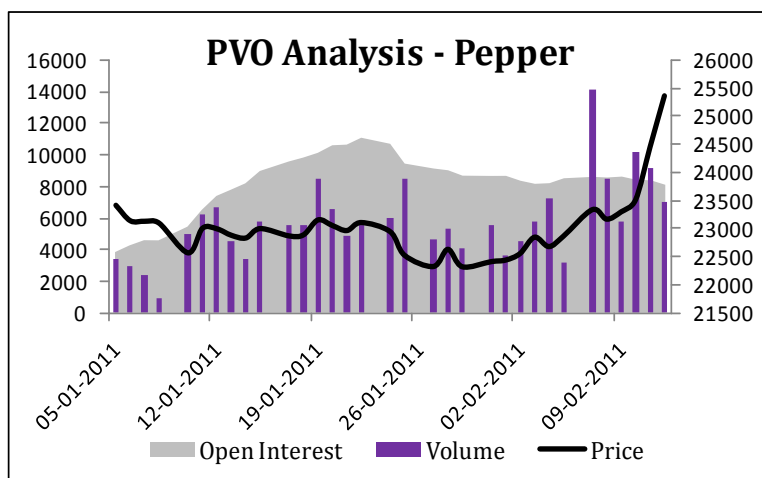
- ✦ Average daily prices at spot market of Kochi are for Ungarbled and MG-1 grade were closed the week up by ₹1000-1200 to ₹22,700 and ₹23,500 per quintal respectively
- ✦ Indian pepper prices are hovering around quoting at \$5375-5450/ton while Lampung ASTA is at \$5050-5100/ton, Brazil ASTA is at \$5000/ton and Vietnam ASTA is at \$5300-5325/ton which remained out priced in international market which might kept export orders away from India



- ✿ Indonesia pepper production in 2011 is expected to decline to 37,000 tons against 56,000 tons due to unfavorable weather conditions
- ✿ Stock positions at the NCDEX accredited warehouses are at 2236 tons as on 10th 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 February 4th against \$3.31 per kg quoted in the same period last year

Derivative Analysis

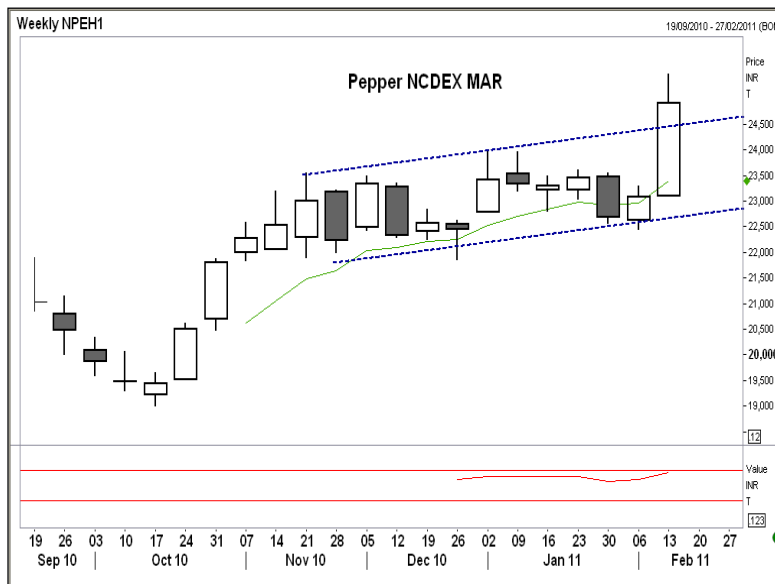
The NCDEX Pepper February contract prices, volume and open interest all are rising. Market is attracting larger numbers of traders willing to open positions from the long side and hold them. Traders are more confident that prices will continue to climb in favor of a working long. This scenario is a good clue that uptrend is secure & that the trend may continue further for a period of time.



Technical

Pepper March futures on NCDEX platform soars this week and ended with 8.48% gain at Rs. 25053 last week; high at Rs.25490

In the weekly chart, a long white opening Morubozu candle stick is patterned suggesting continuation for bullish trend for the coming week also. Last week, market remained higher as market opened above at Rs.23100 (the breakout point of trend channel formation). On the higher side resistance is seen at 26000 (a psychological resistance level). The technical indicator RSI (14) is at 0.71 suggesting an over bought mode.



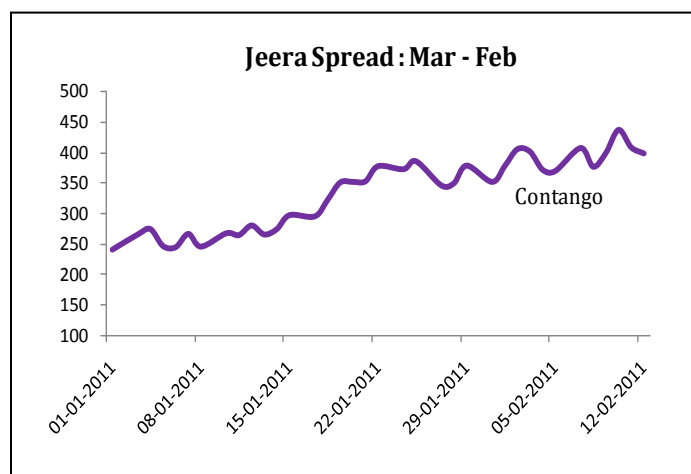
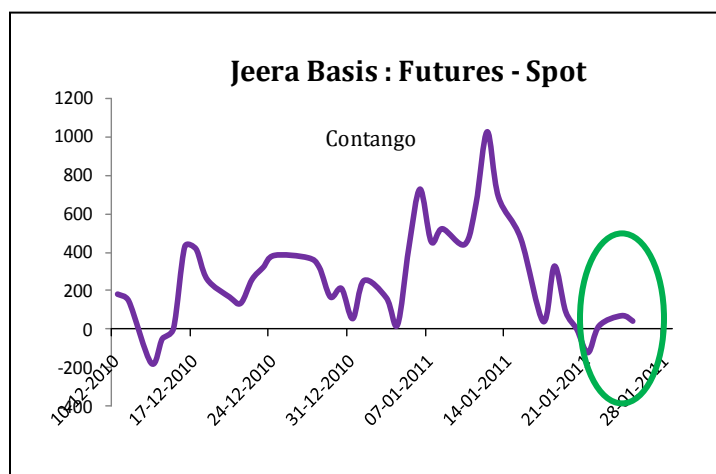


Jeera

Review

The jeera futures witnessed huge rally in prices on active buying during last week. Futures started the week on slightly positive note on short covering on previous week's losses. On strong fundamentals of limited supply pushed the prices and futures remained positive whole week. Declining arrivals due to lower carry over stocks supported the prices rise and futures crossed last year's highest levels of 15,915 on active buying. However, fresh crop arrivals tried to limit the gains but overall bullish sentiments pushed the prices up and futures crossed the 16,000 level and ended the week on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	14940	16245	14703	16058	8.05	31815	-16.19	4407	-41.89
Mar	15290	16650	15142	16457	8.05	72537	104.47	16812	-0.80
Apr	15200	16519	15189	16446	-4.84	2436	344.33	1875	222.24



Outlook

Jeera futures are expected to continue the uptrend on bullish sentiments in coming week. Extended buying is likely to support the prices. Arrivals of new crop in small amount have started coming to the market but as of now buyers are not interested in buying new crop. Declining stocks of carry over stocks might also add to the upside. However, poor exports demand might weigh on prices during the week.

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 at spot market of Unjha were around 500-600 bags, however, buying for new crop has not picked up yet while carry over stock are low which is supporting the prices
- ✿ Stock available at spot market are around 5-6 Lakh bags against 6-8 Lakh bags last year
- ✿ According to IMD, thunderstorm/ rains can be seen in Rajasthan in coming 2-3 days. Thus, both spot and futures are witnessing god demand which is supporting the jeera prices

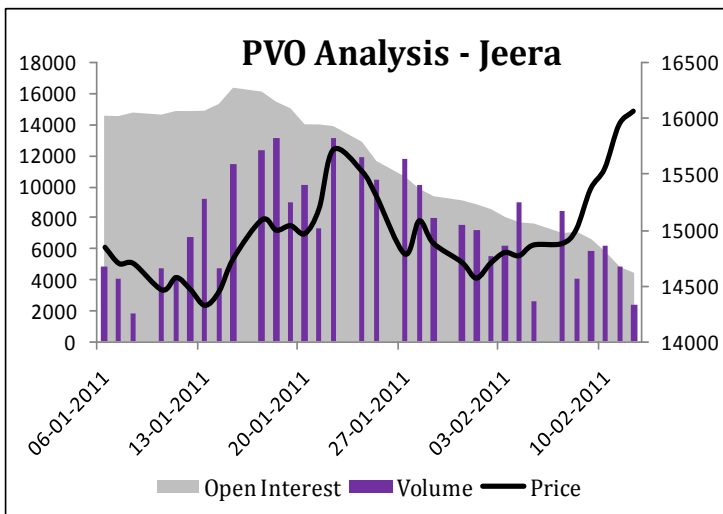


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- ❖ However, higher production estimates of around 30-32 lakh bags against 28-30 Lakh bags might limit the sharp gains
- ❖ NCDEX accredited warehouses are at 7093 tons as on February 10th 2011
- ❖ As per Spices Board data, international price of jeera in New York market was almost unchanged to \$3.64 per kg during the week ended February 4th 2011 against \$2.93 per kg quoted in the same period last year

Derivative Analysis

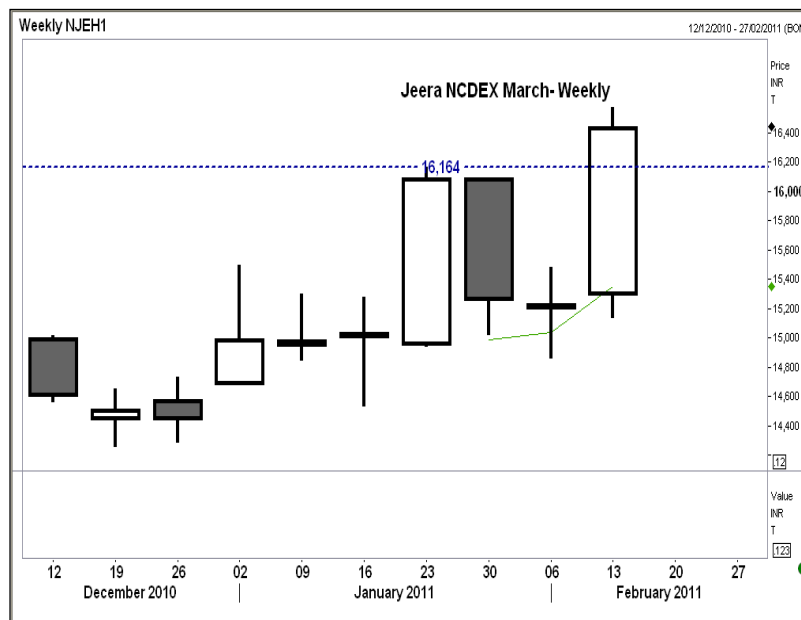
The NCDEX jeera February contract prices are rising while volume and open interest are falling. Market is running out of traders willing to open or hold an open long/buy. Traders are liquidating both losing short positions & closing winning long positions. A higher probability the market is set to retrace in price lower.



Technical

As per our expectations Jeera prices traded higher last week. Jeera March Futures on NCDEX platform gained about 8.05% and settled at 16058 this week.

Long white candle stick formation on the weekly chart suggesting a continuation of bullish mode for coming week also. Last week Jeera prices break and settled above previous swing high Rs. 16164 suggesting bullish mode for the coming week also. For this week Rs. 16164 acts as crucial support levels. The indicator RSI (14) is at 0.81 suggesting an over bought mode so investors are suggested to stay cautious while investing at this point and maintain strict stop loss.



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

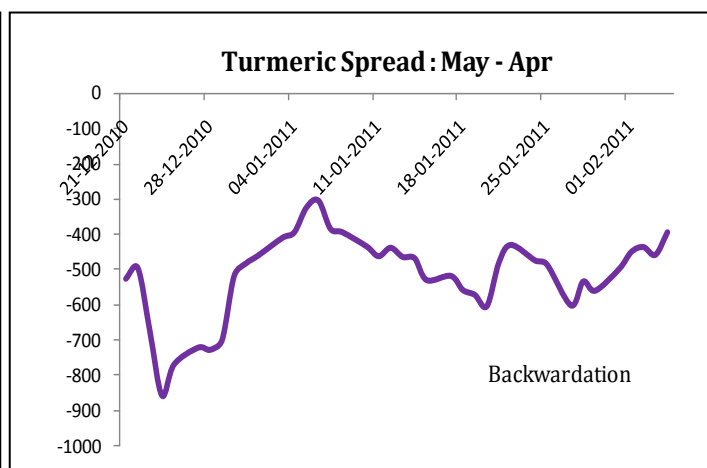
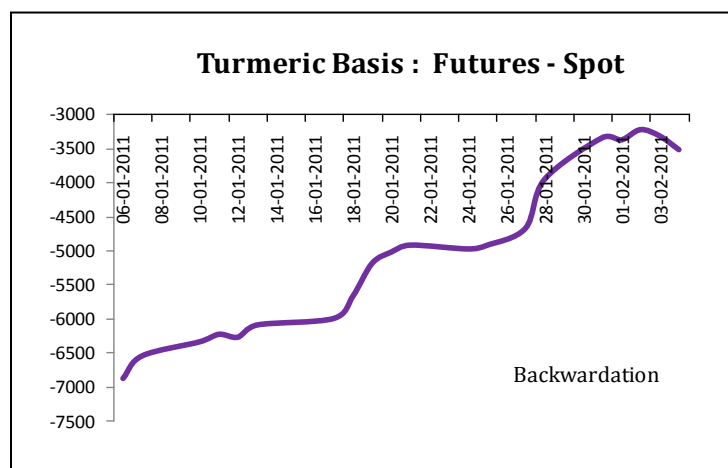


Turmeric

Review

The NCDEX turmeric extended the losses on strong selling interest during the week ended on February, 12th. Futures started the week on down note on active selling. Increased arrivals at spot market pressurized the prices. However, local demand at spot in small amount for fresh crop supported the prices at lower levels. But it was not enough to reverse the trend. Bulk buyers also remained away from market in absences of fresh cues from Nizamabad market which is the major prices setter for turmeric prices. High moisture content of fresh arrivals also kept the buyers away and futures ended the week on lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr	9800	9858	9230	9330	-4.95	17605	81.96	7270	20.56
May	9280	9494	9280	9422	-1.95	1715	134.69	2510	43.23
Jun	9230	9398	9210	9320	-1.31	395	164.56	1025	43.41



Outlook

Turmeric futures are expected to trade slightly positive initially in coming week. However, prices might witness good recovery on short covering on previous losses. Upcountry demand for fresh crop might support the prices at spot market. However, increasing prices at spot market amid concern of further prices fall due to higher production forecast might create pressure on prices during the week and prices might resume the down trend for rest of the week.

Factors to watch out

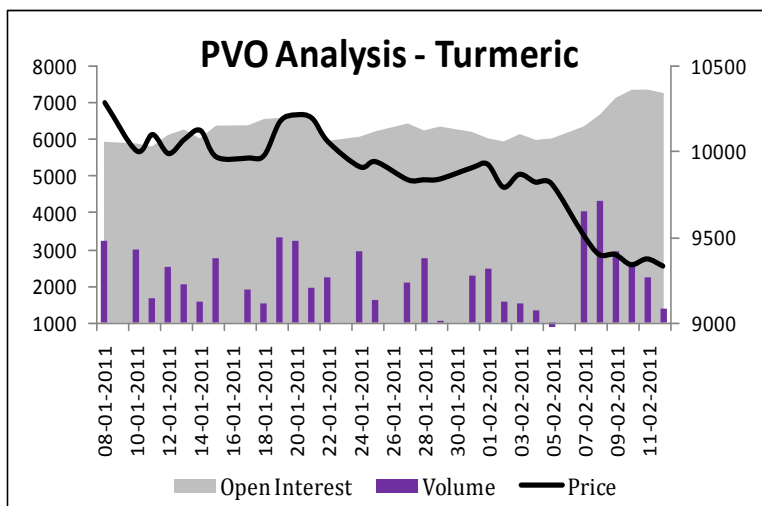
- ❖ Average daily prices at Nizamabad and Erode hovered in the range of ₹11,100-12,000 and ₹11,500-13,000 per quintal
- ❖ Arrivals at Nizamabad and Erode market were 8000-15,000 bags and 6000-12000 bags respectively (each bag=70 kg)
- ❖ As per trade sources, prices at spot market have come down by Rs. 5000-6000 per quintal in a month's time due to fresh crop arrivals
- ❖ As per trade sources, turmeric production in 2011 is estimated around 64 lakh bags against 45-48 lakh bags last year (Each bag=70Kg.)



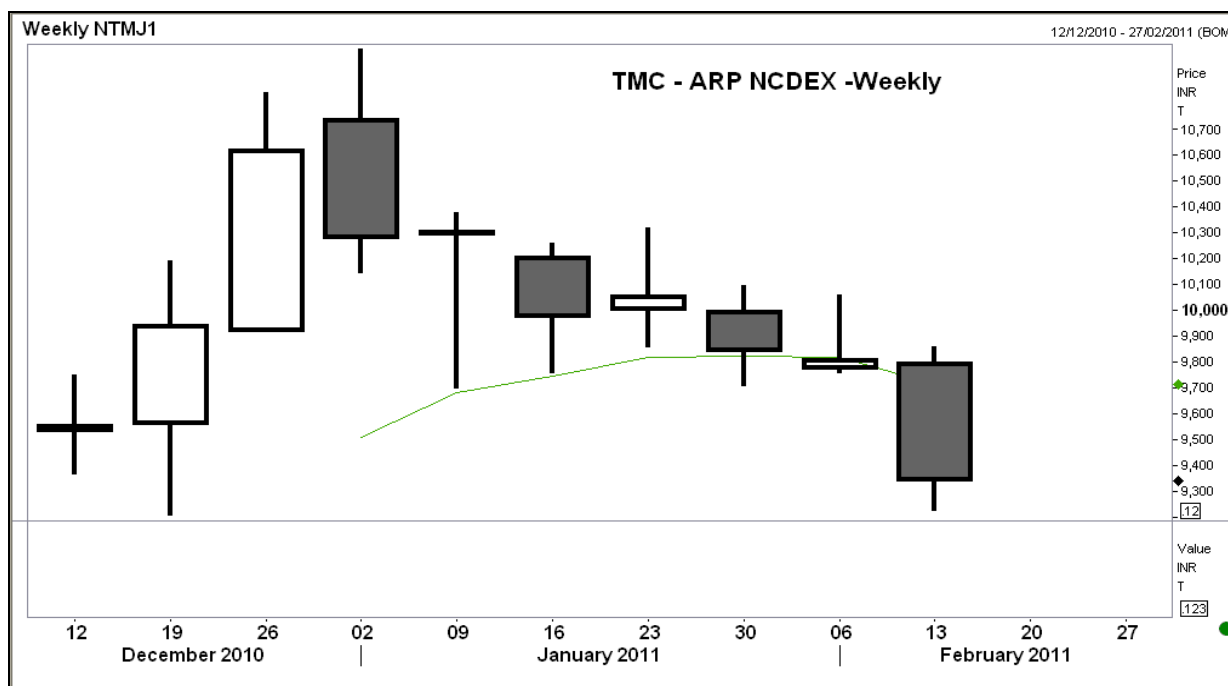
- As per Spices Board data, international price of Turmeric in New York market were unchanged to \$5.29 per kg during the week ended February 4th against \$2.82 per kg quoted in the same period last year

Derivative Analysis

The NCDEX turmeric April contract prices are falling while volume and open interest are rising. 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



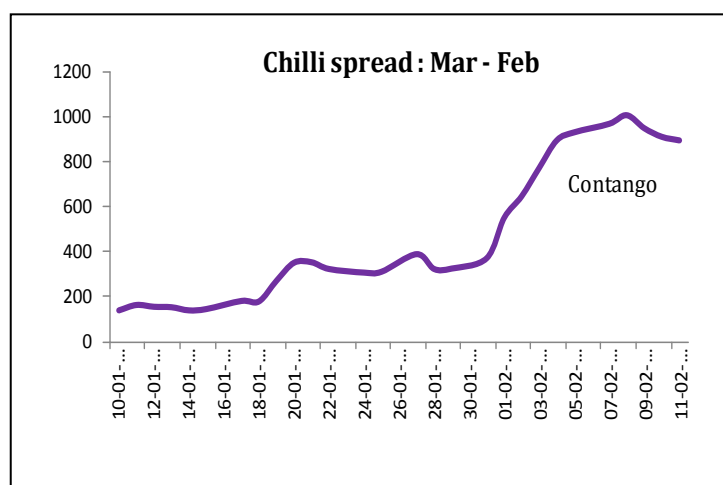
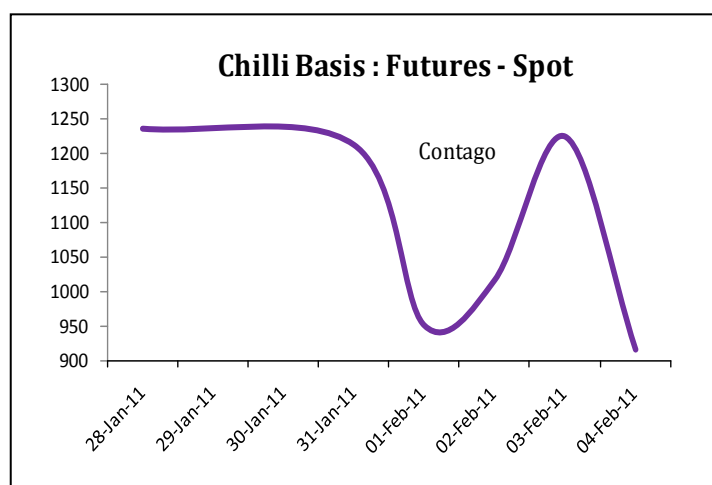


Chilli

Review

The Chilli futures witnessed huge volatility 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. Thus on overall bullish sentiments futures hit 4% upper circuit for consecutive 3 sessions and most active contract crossed 10,000 levels. However, after that prices took sharp corrections on profit booking at higher levels. Futures hit 4 % lower circuit for consecutive 2 sessions shading all the gains made. Nonetheless, on bullish cues from spot market prices bounced back at futures plat form and traded higher giving higher closing W/W.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	9084	10362	9022	9490	5.12	20590	-0.63	2495	-37.07
Mar	10060	11168	9884	10388	4.65	37275	51.62	7430	20.23
Apr	9290	10642	9272	10574	2.36	13340	64.28	5160	26.36



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 inquires to pick up in coming day which might further add to the upside.

Factors to watch out

- ❖ Daily average arrivals at Guntur market were 25,000-30,000 bags of new crop and 10,000- 15,000 bags of old crop (each bag=40 kg)
- ❖ Daily Prices were hovering in the range of ₹7500-8000 per quintal for fresh crop while ₹8000-8800 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



SPICES WEEKLY

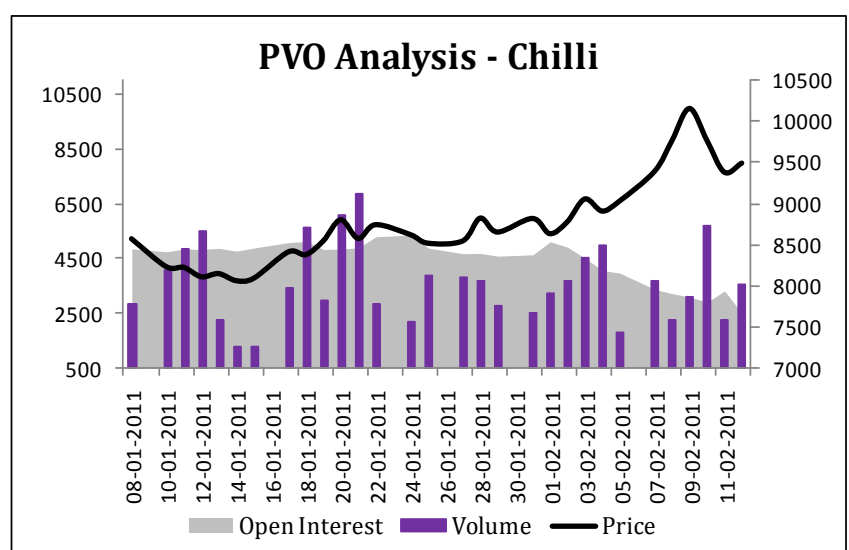


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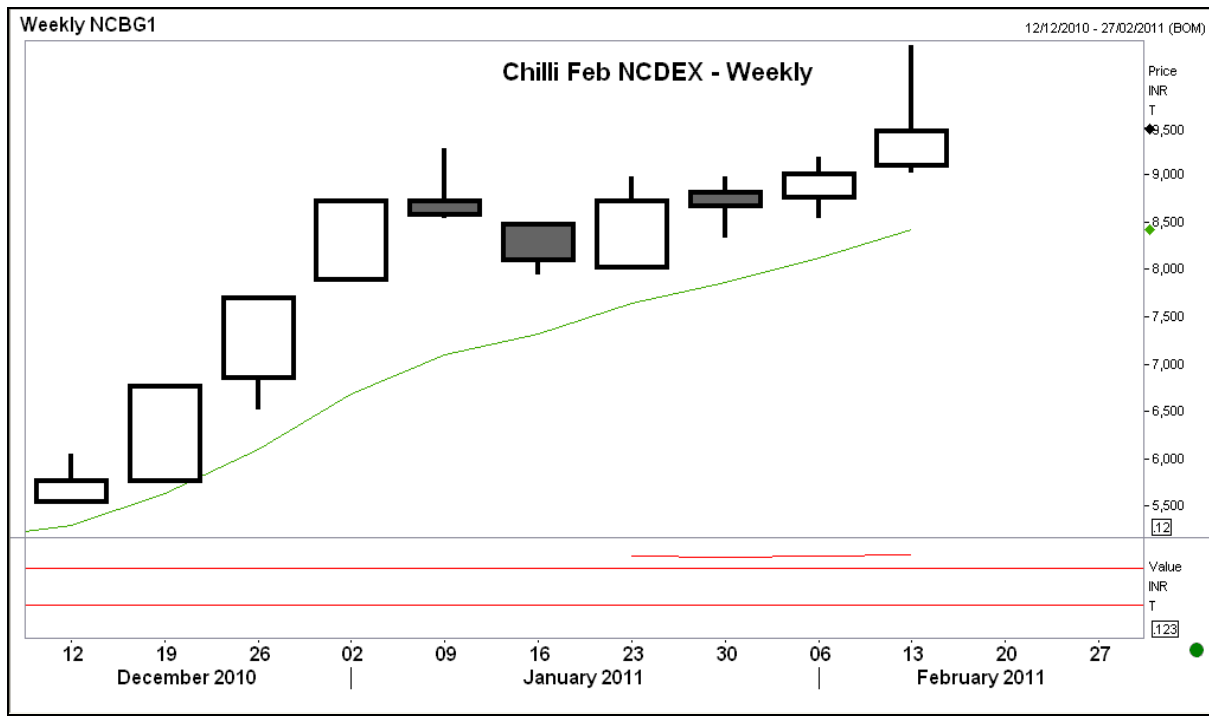
- ❖ NCDEX warehouse stock of Chilli as on 10th February 2011 was 60 tons
- ❖ As per Spices Board data, international price of chilli in New York market was almost unchanged to \$3.20 per kg during the week ended February 4th 2011 against \$2.54 per kg quoted in the same period last year

Derivative Analysis

The NCDEX chilli February contract prices are rising while volume and open interest are falling. Market is running out of traders willing to open or hold an OPEN LONG/BUY. Traders are liquidating both losing short positions & closing winning long positions. A higher probability the market is set to retrace in price lower.



Technical



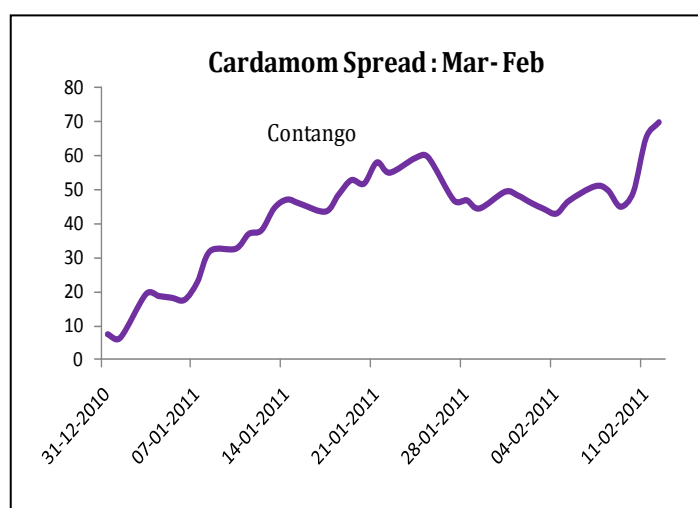
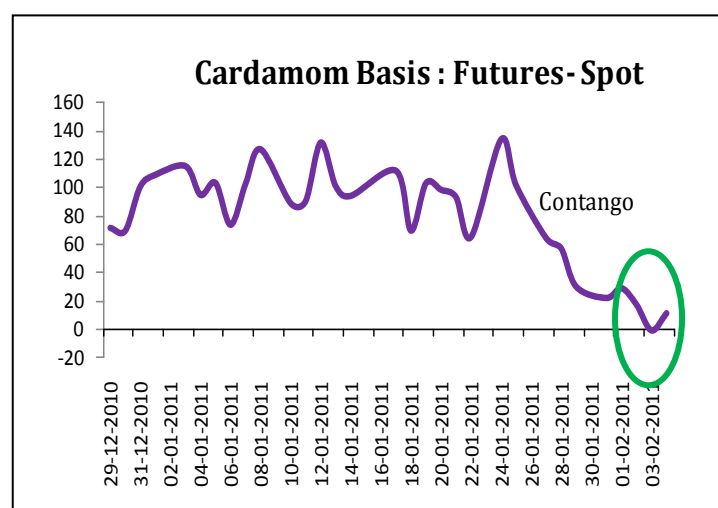


Cardamom

Review

The cardamom futures extended the bearish trend on lack of active buying interest during last week. Futures started the week on lower note on extended selling pressure. As per trade sources, weather conditions have become favourable for crop therefore growers are now bringing more produce for auction. Thus, increased arrivals at spot auction amid poor demand further added to the down side. However, prices reversed the trend on fresh buying at lower levels 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
Mar	1375	1402	1241.5	1351	-1.04	10915	59.02	1478	47.65
Apr	1442.4	1442.4	1292.9	1393.7	-0.48	3461	-8.85	1112	10.65
May	1464	1470	1322	1427.9	-0.35	1588	-18.35	962	22.70



Outlook

Cardamom futures are expected to extend the bearish trend in the coming week. Subdued demand amid increasing arrivals at spot auctions might pressurize the prices. However, prices might show recovery on short covering as prices are falling from consecutive 6 week. However, overall lack of active buying interest is likely to pressurize the prices. Week export demand 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 ₹1072-1247 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

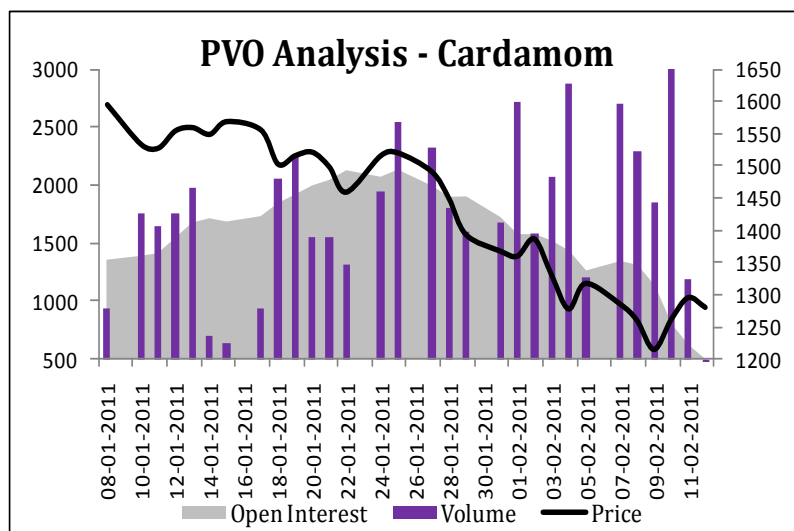


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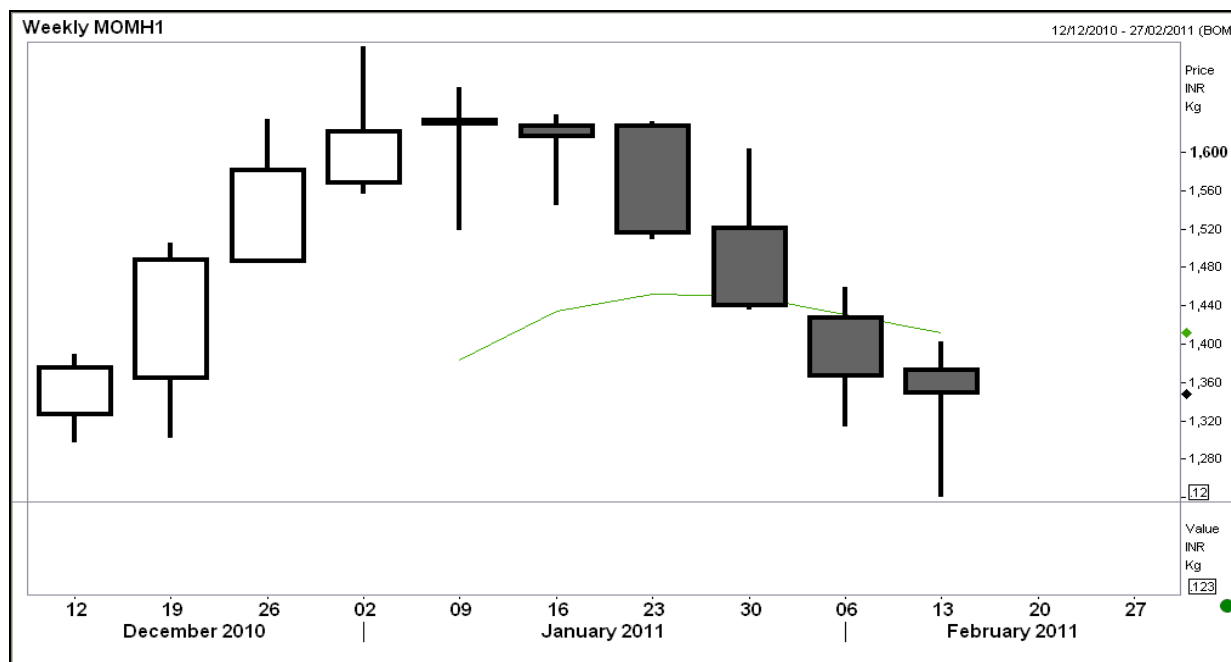
- ✦ Total quantity arrived at spot market during the current season till January 14th is around 6,466 tons. Of which, 6,331 tons of cardamom was sold.
- ✦ MCX warehouse stock of Cardamom as on 10th February 2011 was 24.5 tons
- ✦ As per Spices Board data, international price of Cardamom in Saudi Arabia market came down to \$29.88 per kg during the week ended February 4th 2011 however, it was higher than \$27.80 per kg quoted in the same period last year

Derivative Analysis

The MCX cardamom March contract prices are falling while volume and open interest are rising. 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





SPICES WEEKLY



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