



Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper Apr	22413	22914	23728	24542	25043	25544	26358	Buy at 24200 - 250 TP 25000-25250 SL 23800
Jeera Apr	14713	15082	15499	15915	16285	16654	17071	Sideways
TMC Apr	9126	9364	9546	9728	9966	10204	10386	Sideways
Chilli Apr	6995	7591	8031	8472	9067	9663	10103	Sideways
Cardamom Apr	1053	1073	1090	1106	1127	1147	1163	Sideways

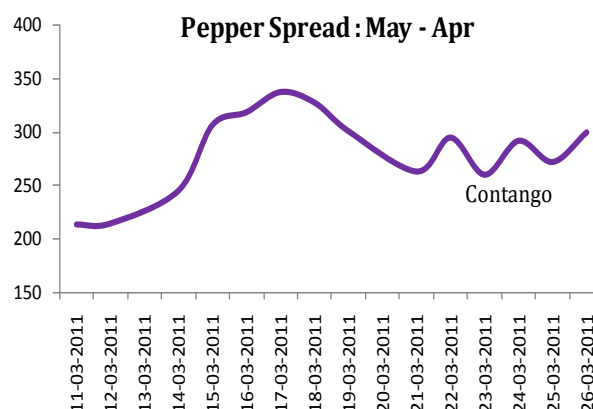
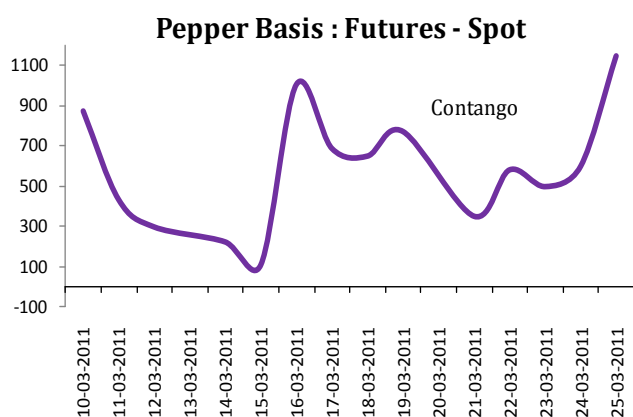


Pepper

Review

Pepper futures continued the positive trend on fresh buying for 3rd consecutive week. From starting of the week prices started trading higher on extended buying. Limited arrivals at spot market also supported the rise in prices. However, sluggish spot market activity limited the gains. Nonetheless, reports of fresh export inquire pushed the prices at spot and futures both. As per trade sources, pepper prices in all the major producer countries witnessed a surge amid demand from overseas. Indian prices were also quite competitive thus Indian spot and futures also witness a rally in prices. However, prices took small corrections on profit booking at higher levels but those corrections further created buying in market. Thus, on overall bullish sentiments prices rallied and ended the week on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr	23450	24730	23415	24488	4.41	42453	0.54	8574	-5.08
May	23750	25024	23501	24788	4.35	11137	194.79	2184	80.65
Jun	24150	25450	24100	25147	5.04	518	29.18	273	67.48



Outlook

The NCDEX pepper expected to extend the bullish trend incoming week on active buying interest taking cues from spot market activity. However, we can see decent corrections on profit selling. But, these corrections might create buying on lower levels. Limited arrivals at spot market might also support the prices. As per trade sources, Indonesia is having some exports shipment related problem therefore exports demand might shift to India. Thus, Exporters are actively buying at spot market which might also support the prices to trade higher. Overall fundamentals of limited supply amid reduced production this year might also support the prices in near term. However, prices are vulnerable to decent correction at higher levels initially.

Factors to watch out

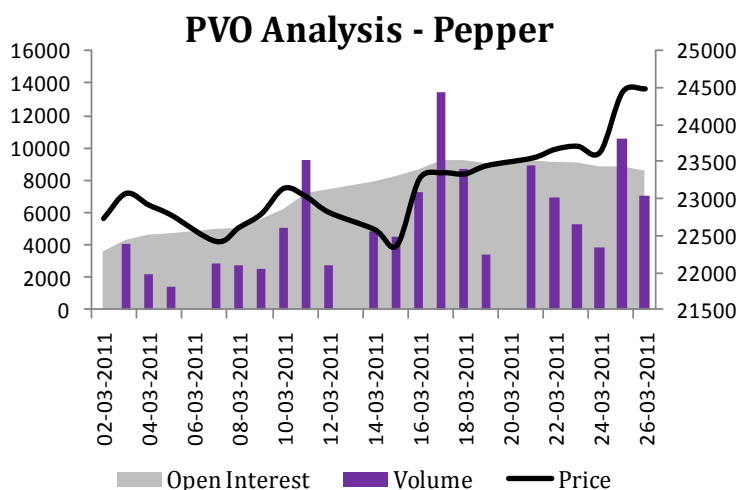
- ❖ Average daily prices at spot market of Kochi increased by ₹700-800 and ended the week on higher side to ₹22,700 and ₹23,500 per quintal for Ungarbled and MG-1 grade respectively
- ❖ Prices quoted by India in international market moved up to \$5300-5450 per ton, Vietnam and Indonesia also quoted higher prices



- ✿ Vietnam and Indonesia are also quoting higher prices. Vietnamese 500 g/l is quoting available at \$4950 and Indonesian Lampung ASTA is at \$5250 per mt
- ✿ News of decline on exports from Indonesia due to some shipping problem might direct overseas buyers towards India for exports
- ✿ At prevailing prices in spot exporters bought good amount of pepper which turned the sentiments towards bullish side
- ✿ Stock positions at the NCDEX accredited warehouses are at 2786 tons as on 25th March 2011
- ✿ As per Spices Board data, international price of pepper in New York market remained unchanged to \$5.51 per kg during the week ended March 18th against \$3.37 per kg quoted in the same period last year

Derivative Analysis

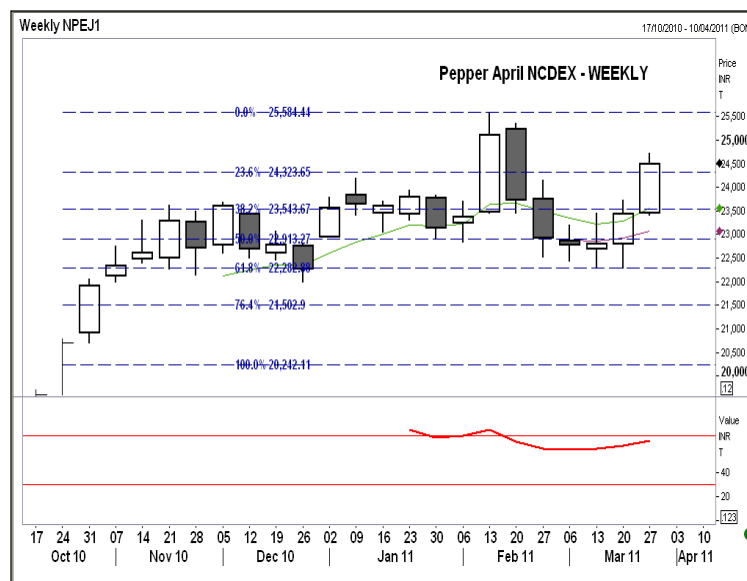
The NCDEX Pepper April contract prices, volumes are rising while open interest is falling. Market has a lot of traders initiating from both sides but larger traders may be liquidating into the higher prices. The market may be vulnerable to large price swings as shorter time frame traders attempt to trade 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 prices soar this week and settled at 24488; high 24730.

In the weekly chart, a long white candle sticks with higher volumes is witnessed suggesting bullish mode for coming week also. The technical indicator RSI (14) is trading at 0.68 suggesting an upside potential for the commodity. Prices settled above 24181 that is 23.6% retracement of the range 19615-25575 as per Fibonacci principle. It means market is expected to remain on the higher side only. Also for this time prices settled above 23547 that is short term EMA (8) indicating strong trend for the coming week also as per moving average principle.



As per above analysis we expect pepper prices to remain on the higher side this week and recommend going long.



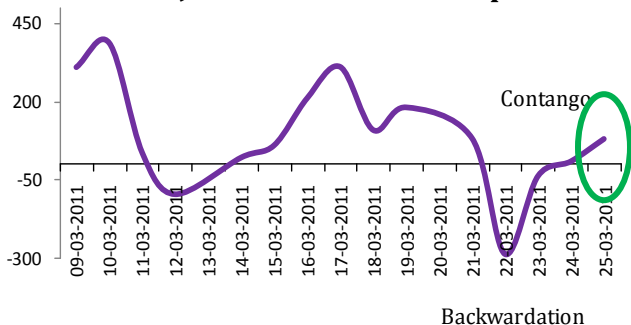
Jeera

Review

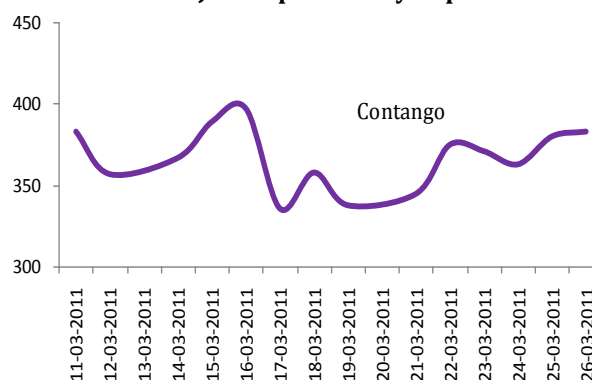
The jeera futures witnessed heavy volatility on speculative activity during the week ended on March 26th. Futures started the week on slightly positive note on short covering on previous week's losses. However, prices reversed the trend and fell drastically taking cues from down spot market activity. Heavy arrivals at spot market pressurized the prices. But, prices bounced back during the week on short covering at lower levels. Though arrivals at spot market were huge prices witnessed heavy volatility on speculative buying. Thus, due to higher arrivals prices resumed the down side and after witnessing volatility futures ended the week on slightly negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr	16031	16238	15452	15881	-1.21	49668	-14.31	15444	-12.69
May	16352	16564	15816	16264	-0.91	21210	46.04	12423	13.73
Jun	16600	17225	16425	16743	-0.62	1590	169.06	690	229.13

Jeera Basis : Futures - Spot



Jeera Spread : May - Apr



Outlook

Jeera futures are expected to extend the bearish trend in coming week on strong selling interest taking cues from spot market activity. Huge arrivals at spot market might pressurize the prices. As per trade sources, arrivals at spot market of Unjha are reporting more than 25,000-30,000 bags. However, prices at futures might show small recovery initially on short covering at lower levels. Nonetheless, overall fundamentals of increased arrivals amid sluggish demand are likely to weigh on prices. However, any reports of export inquiries might lead to heavy volatility in prices.

Factors to watch out

- ❖ Average daily prices at spot market of Unjha were in the range of ₹15,750-16,000 per quintal for NCDEX quality Jeera
- ❖ Fresh arrivals at spot market of Unjha were increased to 25,000-30,000 bags which might remain higher in coming week
- ❖ Poor export demand amid middle east concern as they are the major importers of Indian jeera might also weigh on prices
- ❖ However, news of rains in Rajasthan and Gujarat might support the prices from lower levels

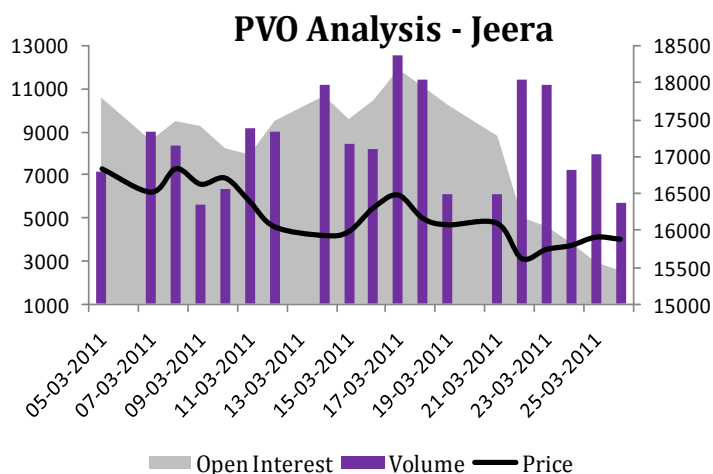


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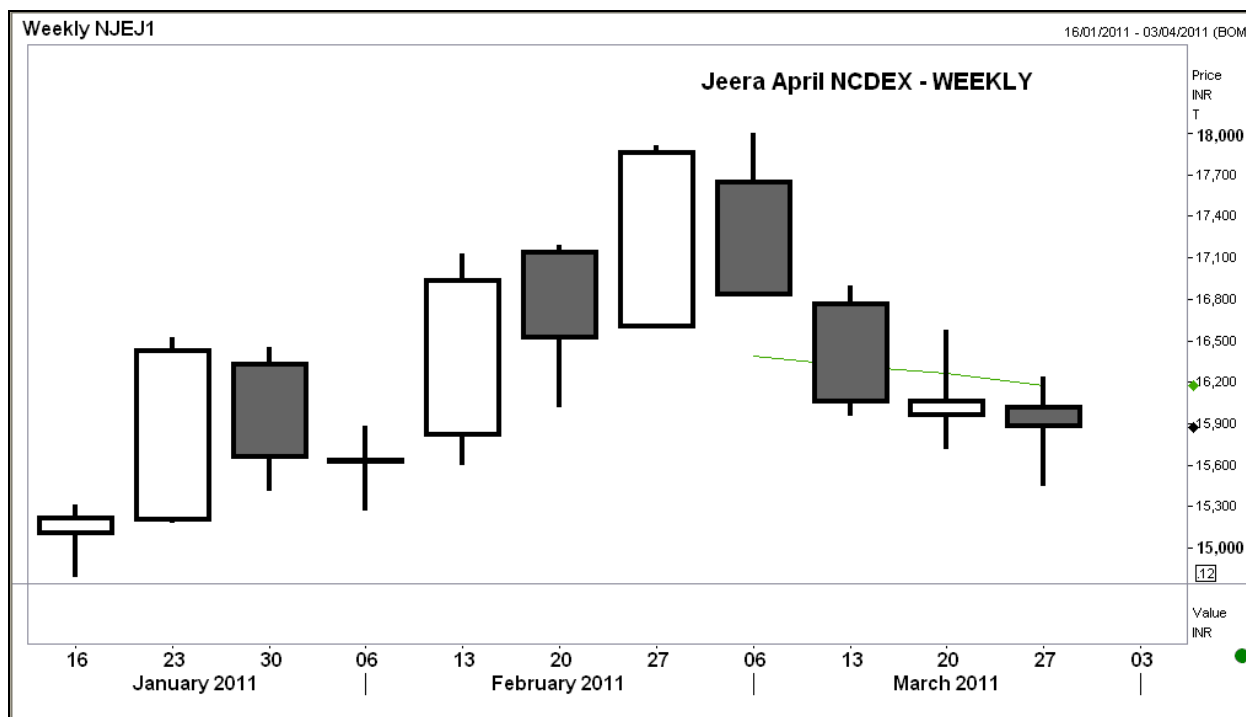
- ❖ As per data released by Spices board, jeera exports during April- January 2010-11 stood around 26,000 tons down by 36% compared to same period last year
- ❖ NCDEX accredited warehouses are at 12101 tons as on 25th March 2011
- ❖ As per Spices Board data, international price of jeera in New York market remained unchanged to \$3.84 per kg during the week ended March 18th 2011 higher against \$3.09 per kg quoted in the same period last year

Derivative Analysis

The NCDEX jeera April contract prices, volumes 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. Technicians view this scenario as a strong position technically because the downtrend will end as all the sellers have sold their positions, creating fresh buying opportunity at lower levels.



Technical





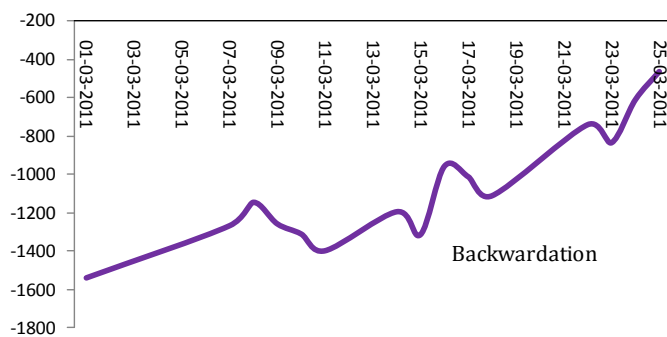
Turmeric

Review

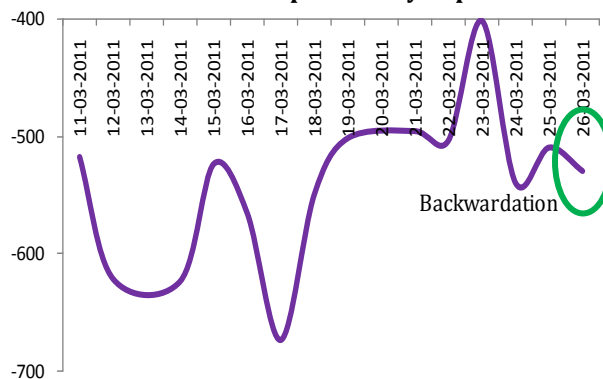
The NCDEX turmeric futures continued the bearish trend on active selling interest during last week. Prices at futures started the week on negative note extending the previous week's losses. Increased arrivals at spot market of Nizamabad and Erode also pressurized the prices. However, prices witnessed good recovery on active short covering at lower levels but prices failed to sustain the gains and resumed down trend on huge arrivals amid subdued bulk buying. Demand at spot market was only hand to mouth as traders were expecting further fall in prices. However, prices at futures witnessed prices resumed the down trend in middle of the week on huge arrivals at spot market. In lieu of higher prices realization farmers brought huge quantity at spot market which pulled down the prices. Nonetheless, on Saturday prices at futures witnessed good buying on lower levels but overall bearish sentiments pressurized the prices and futures ended the week at negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr	9834	10022	9584	9642	-2.67	20415	-19.23	7085	-7.20
May	9822	10022	9336	9404	-3.11	5690	25.04	5090	9.63
Jun	9800	9950	9280	9392	-2.92	1910	12.57	2710	9.23

Turmeric Basis : Futures - Spot



Turmeric Spread : May - Apr



Outlook

Turmeric futures are expected to extend the losses on strong selling interest in coming week. Heavy selling pressure in absence on fresh market cues might also add to the down side. Market activity will remain sluggish due to March closing and spot markets will also remain close till April 6th. Thus, overall trend is likely to remain steady with biased towards down side. However, short covering on lower levels can not be over ruled.

Factors to watch out

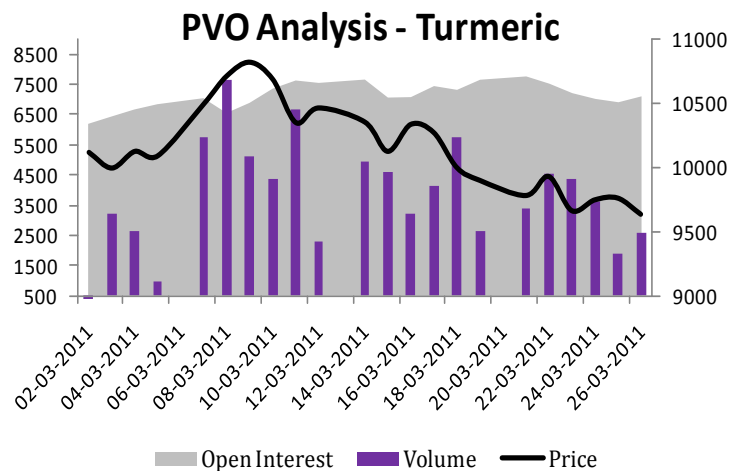
- ❖ Average daily prices at Nizamabad, Erode hovered in the range of ₹11,200-15,000 and ₹11,500-12,000 per quintal
- ❖ Arrivals at Nizamabad and Erode market were 5000-10,000 bags and 22,000-25,000 bags respectively (each bag=70 kg)
- ❖ Spot Markets of Erode and Nizamabad will be closed for 11 days from March 25th to April 5th amid March closing and Ugadi festival



- 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 March 18th against \$3.09 per kg quoted in the same period last year

Derivative Analysis

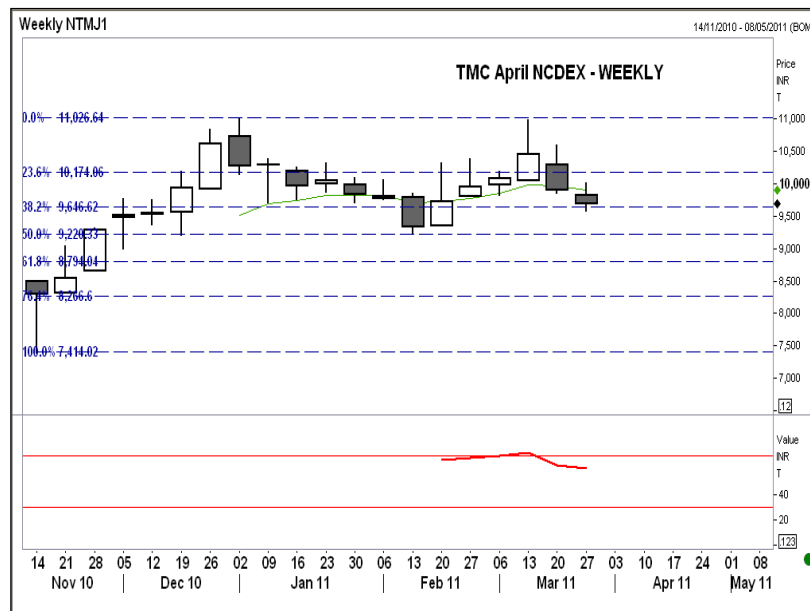
The NCDEX turmeric April contract prices, volumes and open interest all are falling. If the total open interest is falling off and prices are declining, the price decline is being caused by disgruntled long position holders being forced to liquidate their positions. Technicians view this scenario as a strong position technically because the downtrend will end as all the sellers have sold their positions, creating fresh buying opportunity at lower levels.



Technical

TMC Prices came down this week and settled at 9642 almost near to weekly low of 9584.

A black candle stick with long upper shadow suggests selling interest among the traders. In TMC weekly chart 2 similar tops have formed however the double top pattern is not yet confirmed as prices have not given the breakout below the 9230 that is Valley Floor prices. This week prices fails to close below 9630 that is 38.2% retracement of the range 5169-11010, as per Fibonacci principle. So for the coming week 9630 is an important support level to watch as market may trade downside if prices sustains below the given level. The technical indicator RSI (14) is at 0.61 and is declining after making high of 0.76 indicating downside for the coming week. Moving average principle also reveals that the prices might move down side as market settled below 9877 that is short term EMA (8). From the above analysis we conclude that the prices may remain bearish for the coming week and recommend selling on break of 9630.



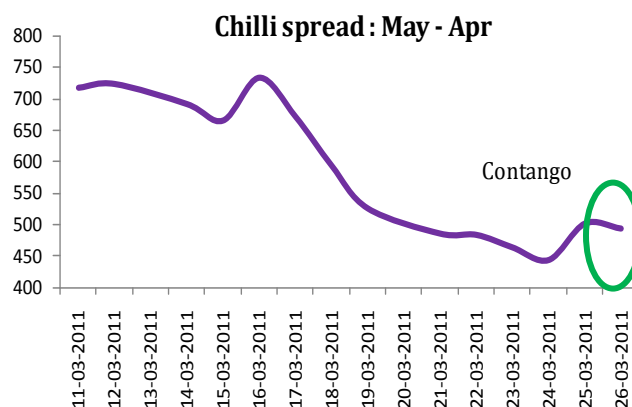
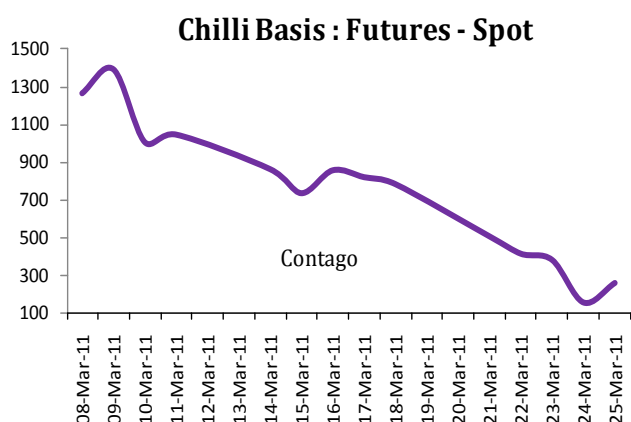


Chilli

Review

The Chilli futures witness bearish trend on heavy selling pressure during last week. From starting of week prices at futures witnessed huge fall on active selling. Subdued demand amid higher arrivals further added to the down side. Traders were not interested in active buying at they were expecting further fall in prices. Due to financial year closing bulk buyers were also not taking fresh orders. Therefore, overall market activity remained sluggish on lack of active buying interest. On other side, huge arrivals at spot also pressurized the prices. However, prices witnessed small recovery towards the end of the week but failed to sustain the gains and futures ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr	9178	9222	8186	8476	-8.43	23205	24.36	7950	-17.87
Jun	9718	9748	8634	8970	-8.30	16485	112.03	7295	24.70
Jul	10550	10550	9992	10074	-8.60	780	210.90	440	167.05



Outlook

The NCDEX Chilli futures are expected to extend the losses initially in the coming week on continued selling pressure. However, a smart recovery on losses can be seen during the week on lower levels. Nonetheless, sluggish spot market activity amid subdued demand may pressurize the prices. Increasing arrivals spot market might also add to the down side. Moreover, in coming week spot market activity is likely to remain sluggish due to March closing. However, any sudden demand from overseas investors might lead to volatility in prices.

Factors to watch out

- ❖ Daily average arrivals at Guntur market were 50,000- 80,000 bags of new crop (each bag=40 kg)
- ❖ Spot market of Guntur activity is likely to be sluggish as market might be closed for most of the days amid March closing
- ❖ Daily Prices were came down to ₹6700-7500 per quintal for 334 variety and ₹8200-9000 per quintal for Teja variety
- ❖ As per trade sources, Chinese chilli crop has be improved by 10-15% this year from last year's losses
- ❖ As per news sources, export demand is likely to remain sluggish for chilli as most of the importing countries has tighten their food safety standards to zero tolerance level



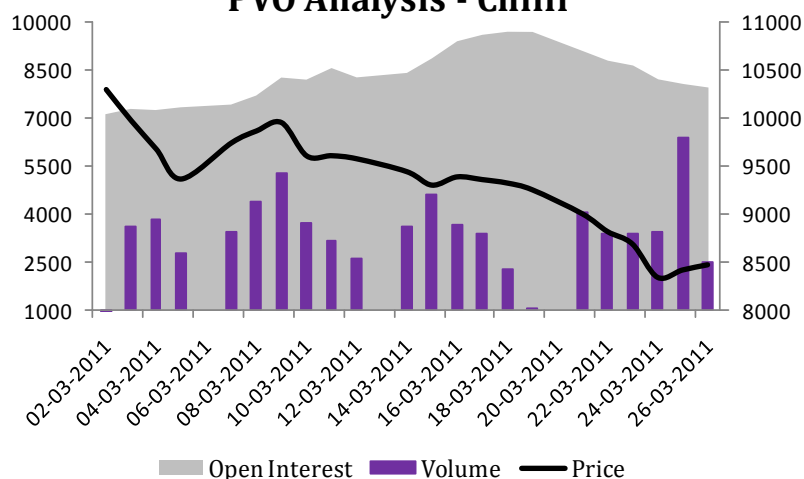
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- ✿ However, any fresh inquires for export might support the prices at lower levels
- ✿ NCDEX warehouse stock of Chilli as on 25th March 2011 was 4522 tons
- ✿ As per Spices Board data, international price of chilli in New York market was unchanged to \$3.64 per kg during the week ended March 18th 2010 against \$2.54 per kg quoted in the same period last year

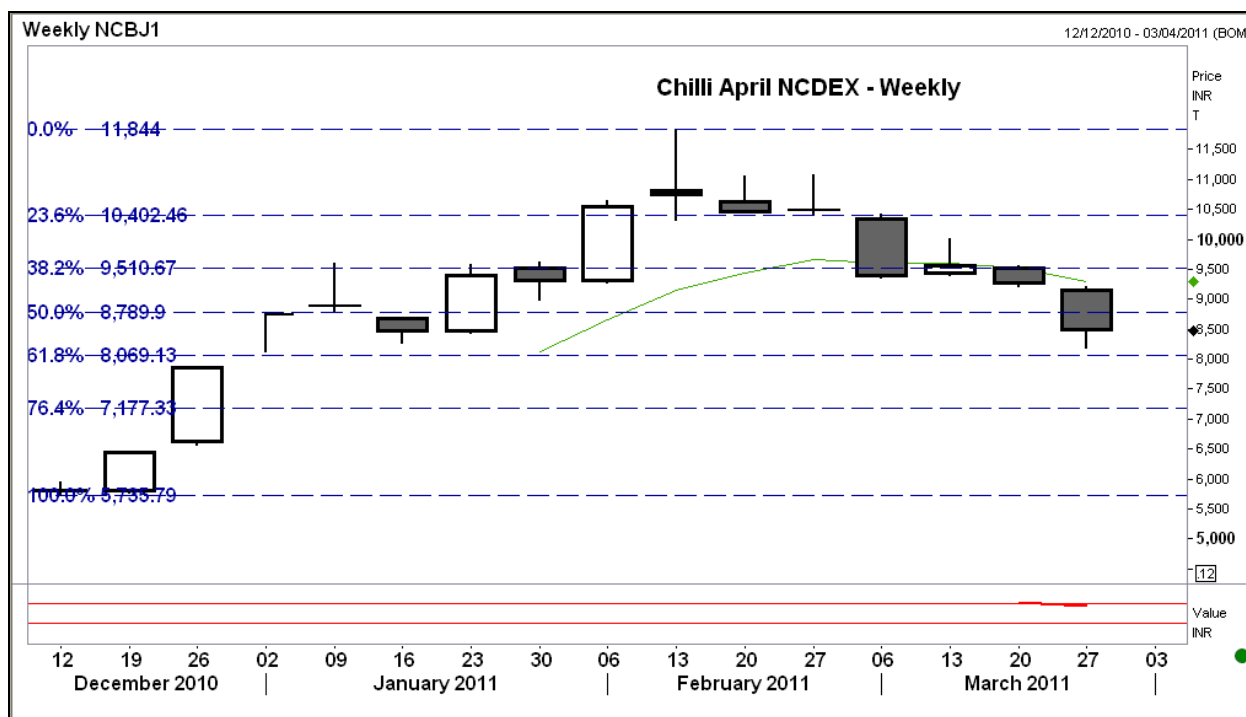
Derivative Analysis

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

PVO Analysis - Chilli



Technical



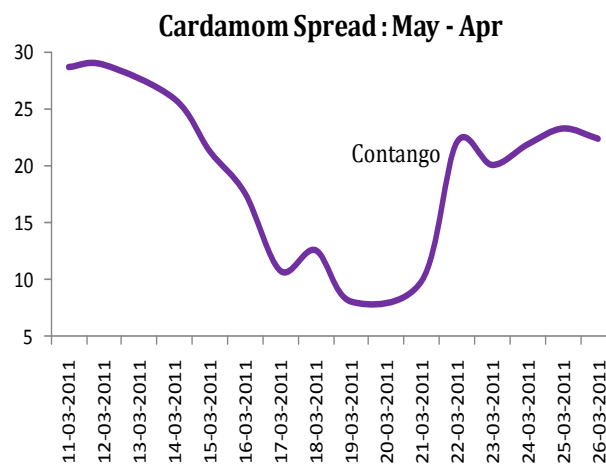
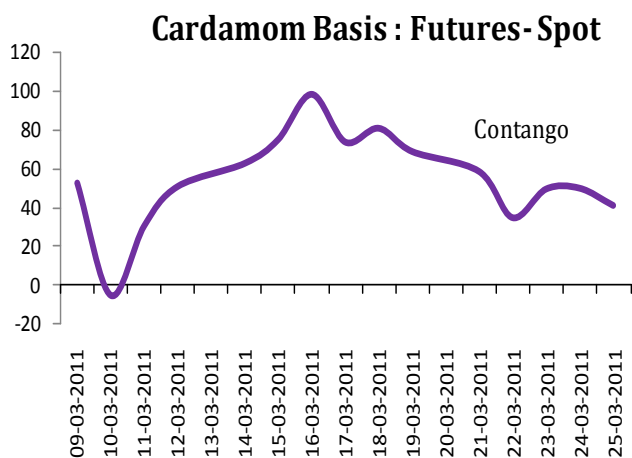


Cardamom

Review

The cardamom futures shaded all the gains on active selling during the week ended on March, 26. Futures started the week on lower note on profit selling at higher levels. Stable arrivals at spot auctions further added to the down side. However, prices witnessed small recovery during the week on short covering but failed to sustain the gains. Strong selling interest on previous week's gains reversed the trend on negative side. However, rumors of fresh buying emerging from north India limited the losses but overall bearish sentiments pulled down the prices and futures ended the week on lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
apr	1130	1130	1093.1	1105.8	-2.76	4941	-22.25	1464	-0.34
May	1113.5	1149	1110.9	1128.2	-1.49	2054	1.38	722	-1.77
Jun	1176.9	1252.8	1131.6	1145.2	-1.11	1332	-7.36	920	0.19



Outlook

Cardamom futures are projected to witness very volatile movement in coming week on mixed sentiments prevailing market. Prices might continue the losses on strong selling interest initially in coming week. However, we can see smart recovery on lower level buying later in the week. Overall market activity might remain sluggish amid mixed cues from spot market. Nonetheless, stable arrivals from producing belt are likely to weigh on prices.

Factors to watch out

- ❖ Daily average arrivals at auctions have started declining and average arrivals increased to 12-40 tons; while average auction prices hovered in the range of ₹919-1137 per Kg.
- ❖ As per trade sources, due to prolong harvesting this season gap between new crop and this crop will be reduced which might pressurize the prices
- ❖ As per data released by Spices board, cardamom exports during April- January 2010-11 stood around 780 tons up by 49% compared to same period last year



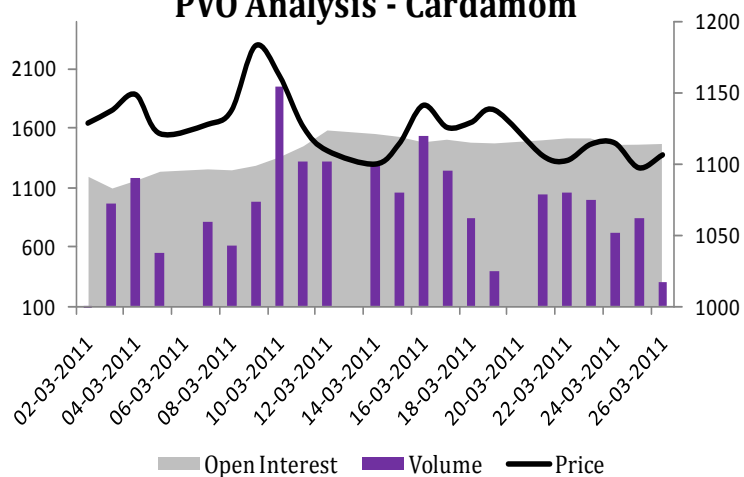
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- ✦ Total arrivals during the current season from Aug 1 to Feb 27, stood at 7,201 tonnes. Of which 7,049 tonnes were sold. Arrivals in the same period last year was around 7,267 tons
- ✦ MCX warehouse stock of Cardamom as on 25th March 2011 was 27.5 tons
- ✦ As per Spices Board data, international price of Cardamom in Saudi Arabia market remained unchanged to \$27.98 per kg during the week ended March 18th 2011 however, it was higher than \$28.27 per kg quoted in the same period last year

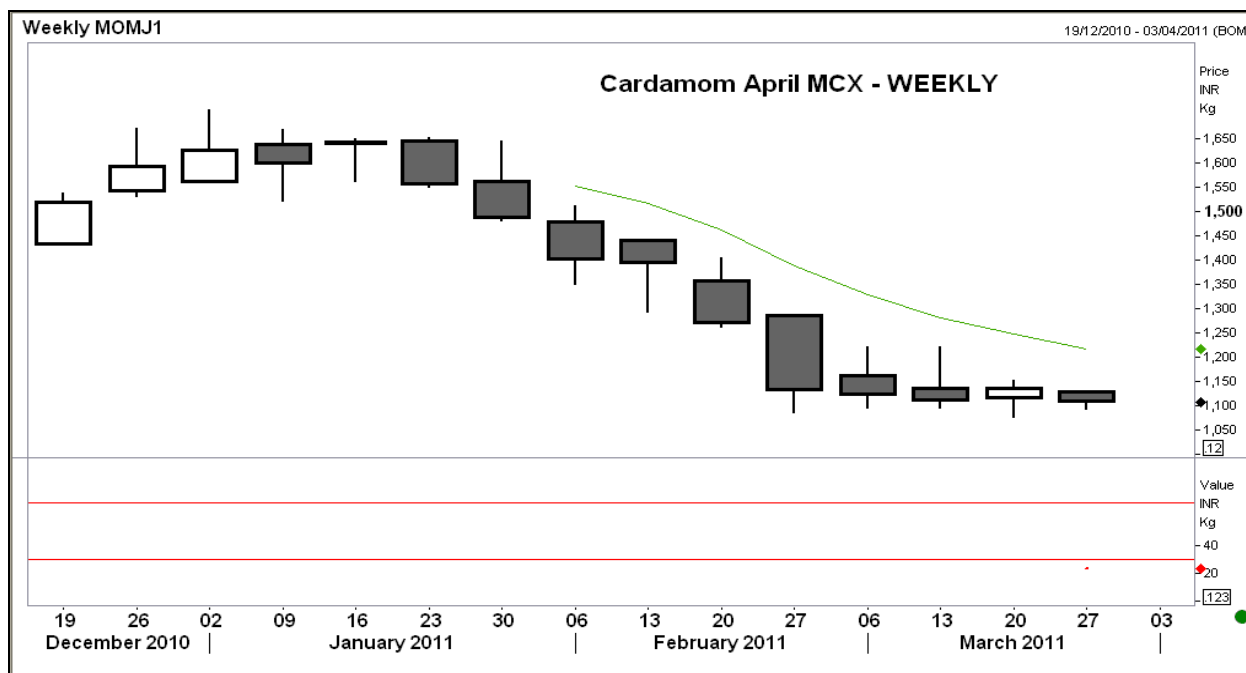
Derivative Analysis

The MCX cardamom April contract prices, volumes 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. Technicians view this scenario as a strong position technically because the downtrend will end as all the sellers have sold their positions, creating fresh buying opportunity at lower levels.

PVO Analysis - Cardamom



Technical





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