



## Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper May	28850	26857	28013	29170	29834	30499	31655	Buy at 28650-28750 TP 29350 then 29700 SL below 28220
Jeera May	14131	14375	14793	15210	15455	15699	16117	Buy at 15050-15100 TP 15500/800 SL 14750
TMC May	9281	8473	8647	8822	9091	9361	9535	Sideways
Chilli June	7845	8683	9151	9620	10457	11295	11763	Sell at 9950-9920 TP 9300- 9220 SL 10330
Cardamom May	864	917	952	988	1040	1093	1128	Sideways

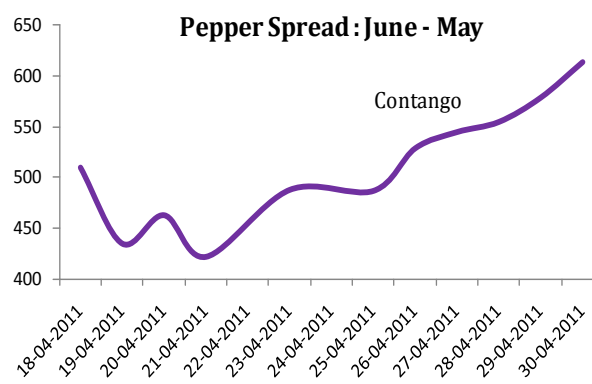
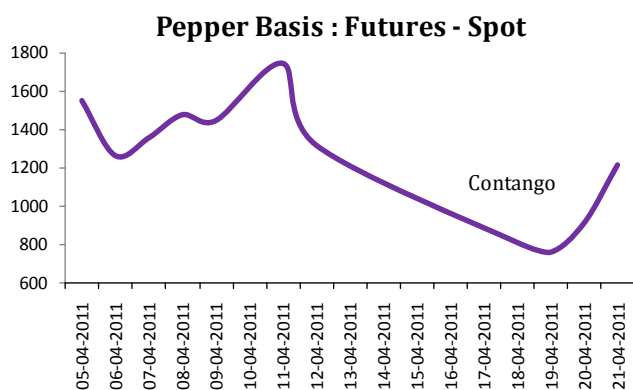


### Pepper

#### Review

Pepper futures witnessed huge rally on back of prevailing bullish fundamentals of tight supply amid good demand. Futures started the week on positive note on follow through buying. Reports of drastic ease down in Vietnam's pepper prices pressurized the prices in Indian market. However, lower availability at spot market pushed the prices and futures resumed the uptrend on fresh buying on corrections. Strong demand from US and Europe also added to the bullish trend and futures touched to the all time high levels of 29,342 at Indian futures. Indian pepper prices also became competitive in international market. Other major producer like Indonesia and Brazil are also not having much stock to offer. Therefore futures witnessed sharp rally in prices and active May contract hit fresh contract high giving positive closing W/W.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
May	27975	29342	27521	29151	4.68	74186	65.86	9345	-13.45
Jun	28517	29926	28056	29765	5.05	25756	182.54	6604	94.41
Jul	28870	30380	28624	30256	5.23	2884	379.87	767	156.52



#### Outlook

Pepper futures are projected to extend its bull run on continued buying interest. Strong demand for the produce from both local traders and exporters is likely to render support to the market. Indian traders are getting good export orders from gulf countries. Global supply situation has been tightening thus supporting the prices to continue its uptrend. International pepper prices are increasing due to limited stock levels in Indonesia and Brazil. According to trade sources, Vietnam exported 50% of their stock so far. Market report of decline in Brazilian crop by 10% is likely to render support to the market.

#### Factors to watch out

- ❖ Average daily prices at spot market of Kochi increased by ₹1200-1500 and ended the week on higher side to ₹27,400 and ₹28,200 per quintal for Ungarbled and MG-1 grade respectively
- ❖ Prices quoted by India in international market were \$6800-6900 per ton remained inline with other producer countries
- ❖ Vietnam is quoting higher prices for farm grade pepper. Vietnamese 500 g/l is quoting available at \$5650-5700 per mt against \$5500 mt previous week



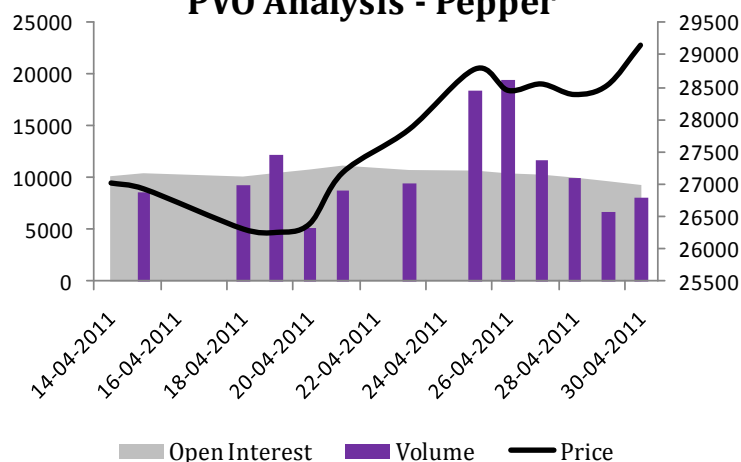
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- ♣ As per traders, Demand from gulf countries are pushing pepper prices in domestic pepper market
- ♣ According to sources, Brazil crop is expected to be down this year with around 10% drop in Lampung crop
- ♣ Stock positions at the NCDEX accredited warehouses are at 3267 tons as on April 29<sup>th</sup> 2011
- ♣ As per Spices Board data, international price of pepper in New York market moved up and reported around \$6.84 per kg during the week ended April 21<sup>st</sup> against \$3.75 per kg quoted in the same period last year

### Derivative Analysis

The NCDEX Pepper May 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.

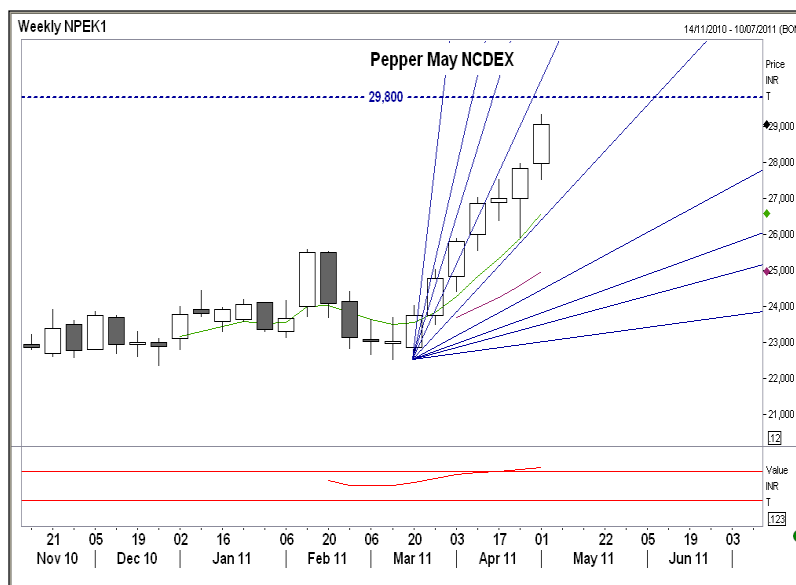
### PVO Analysis - Pepper



### Technical

Prices remained on the higher side this week in pepper May futures in NCDEX platform and made a high of 29342, it settled at 29069.

In daily chart a long black candle stick is witnessed suggesting bullish mode to be continued for the coming week. Market is trading above short and medium term moving average indicating bullishness. As per Gann fan principle prices are sustaining above 45 degree line from the low of 22550 signaling strength in the trend till 29800 which is the 63.75 degree resistance line. The technical indicator RSI (14) is trading at 0.76 suggesting overbought mode but still has potential till 0.80 levels.



Overall, we expect pepper prices to remain on the higher side for the coming week and recommend buying.

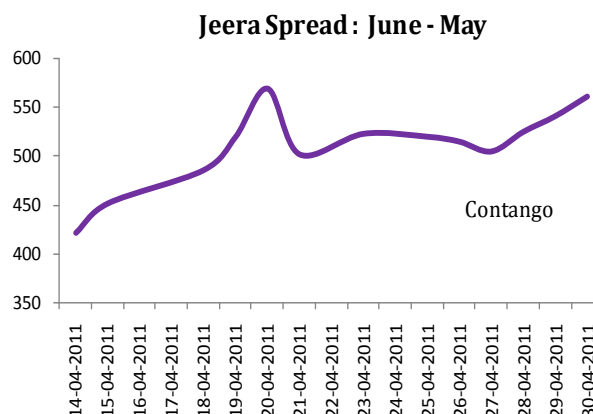
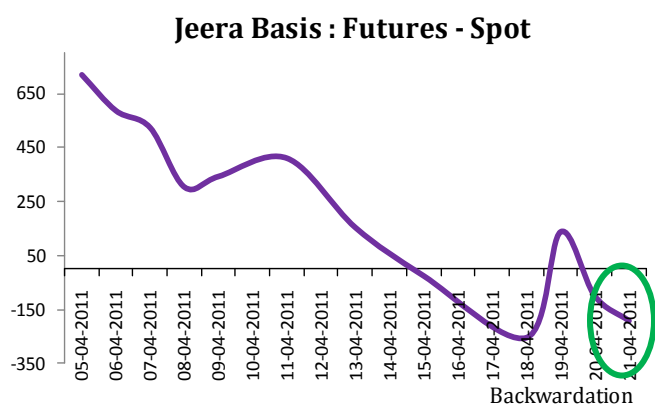


### Jeera

#### Review

The jeera futures traded on positive note taking cues from active spot market during the week ended on April 29<sup>th</sup>. Futures started the week on positive note on short covering at previous losses. However, prices at futures witness small corrections but failed to sustain and resumed buying from lower levels. Decline in arrivals at spot market from producing belt added to the upside. However, subdued export demand limited the huge gains but buying in small amount supported the prices and futures ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
May	14907	15282	14620	15197	2.74	40845	-9.34	17445	-6.44
Jun	15400	15850	15125	15758	2.89	21537	13.95	18660	10.30
Jul	16460	16540	15605	15683	3.17	1683	123.53	1008	174.40



#### Outlook

Jeera futures are expected to trade slightly up in coming week on continued buying interest. Declining arrivals at spot market might also support the prices. However, a small corrections on profit booking initially in the week. Nonetheless, reports of stokiest buying might support the prices. Rumors of some overseas inquires might support the prices to trade higher. However, concern on production estimates from Syria and Turkey might limit the gains.

#### Factors to watch out

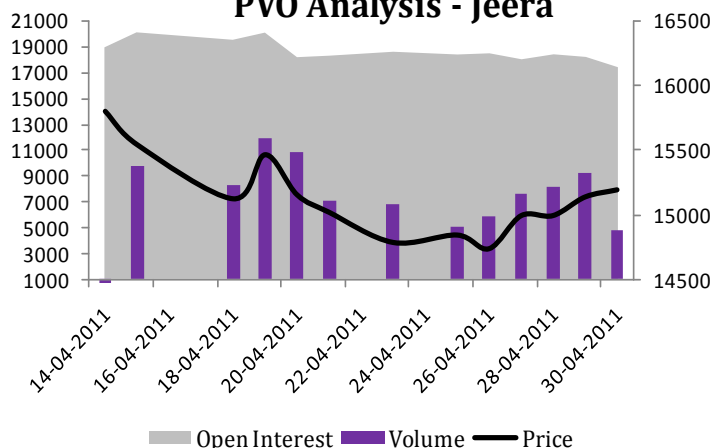
- ❖ Spot market of Unjha witnessed decline in arrivals during the week, arrivals remained in the range of 15,000-20,000 bags (Each bag=55 Kg.)
- ❖ Fall in arrivals in last few days at spot market of Unjha is supporting the prices to trade up
- ❖ According to traders, decline in production is expected to be around 10-15% only against the earlier expectations of 25-30% decline
- ❖ As per trade sources, by May-June crop expectations for Syria and Turkey will also arrive at the market
- ❖ NCDEX accredited warehouses are at 13021 tons as on April 29<sup>th</sup> 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 April 21<sup>st</sup> 2011 higher against \$3.35 per kg quoted in the same period last year



### Derivative Analysis

The NCDEX jeera May contract prices are rising while volumes 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.

### PVO Analysis - Jeera

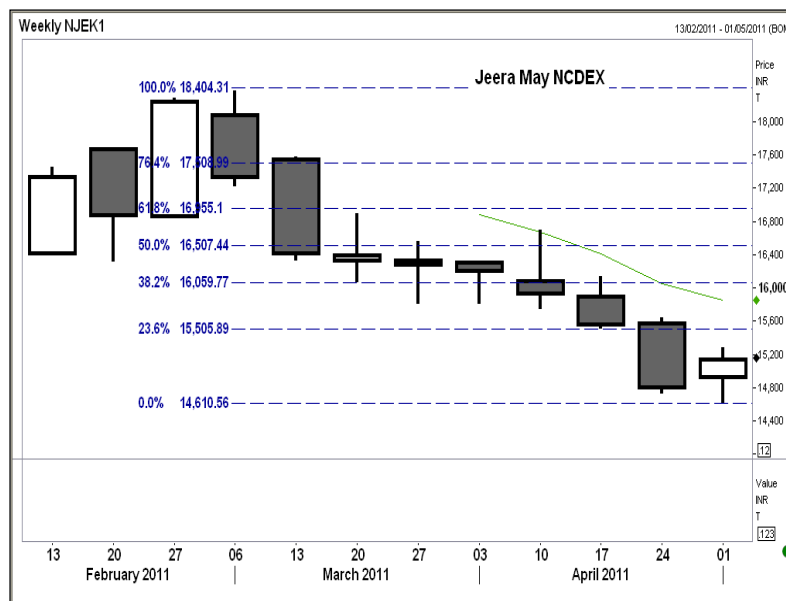


### Technical

Jeera made a low of 14620 and settled higher at 15,197 this week.

In weekly chart a high wave candle stick is witnessed suggesting indecision at lower level. Market is sustaining below short term moving averages suggesting weakness in the trend. The resistance level for the coming week is seen at 15500 which is 23.6% retracement of the range 14610-18404 as per fibonacci principle. The next resistance level is seen at 15850 weekly EMA - 8. Volume is rising at lower levels indicating entrance of bulls.

Overall, we expect Jeera prices to recover and recommend buying with strict stop loss.





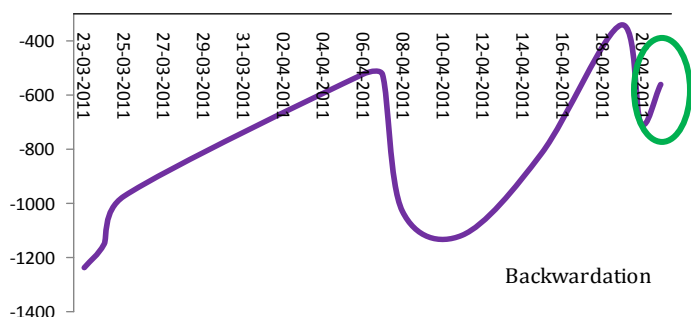
## Turmeric

### Review

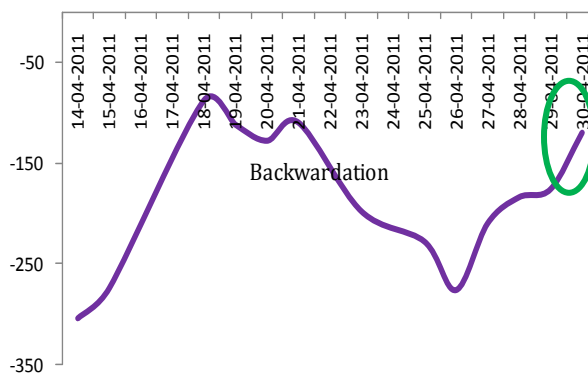
The NCDEX turmeric futures witnessed a very choppy trade during last week. Prices at futures started the week on negative note on continued selling. However, Prices witnessed smart recovery on short covering which created further selling opportunity in market. However, overall trend remained very range bound during the week due to mixed response at spot market. Farmers were not ready to sell below ₹10,000 per quintal. On other side stokiest were also not interested in bulk buying. Thus, taking cues from spot market activity futures witnessed subdued trade activity but overall bearish trend weigh on prices and futures ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
May	8810	9186	8742	8830	-0.23	23440	-2.11	14290	-6.02
Jun	8612	8912	8398	8652	0.67	9140	-32.49	6910	2.10
Jul	8624	8860	8484	8668	0.65	580	7.76	660	34.09

**Turmeric Basis : Futures - Spot**



**Turmeric Spread : June - May**



### Outlook

Turmeric futures are likely to trade on slightly positive note in coming week due to reduced supply at spot market. According to traders, if prices remain below ₹10,000 supply to market will be affected but on these prices they are not interested in buying. Thus, reduced demand from stokiest side is expected to pressurize the prices. However, stable arrivals at spot might limit the sharp losses. Major spot market of Nizamabad will be closed in coming week therefore buyers may shift to Erode which might support the prices.

### Factors to watch out

- ❖ Spot Markets of Nizamabad will be closed for whole week due to labour problem
- ❖ Demand from other part of country has also slowed down which is also weighing on the prices
- ❖ As per trade sources, turmeric production in 2011 is estimated around 65 lakh bags against 45-48 lakh bags last year (Each bag=70Kg.)
- ❖ NCDEX warehouse stock of Turmeric as on April 29<sup>th</sup> 2011 was 705 tons
- ❖ As per Spices Board data, international price of Turmeric in New York market remained unchanged to \$6.84 per kg during the week ended April 21<sup>st</sup> 2011 higher against \$4.08 per kg quoted in the same period last year



# SPICES WEEKLY

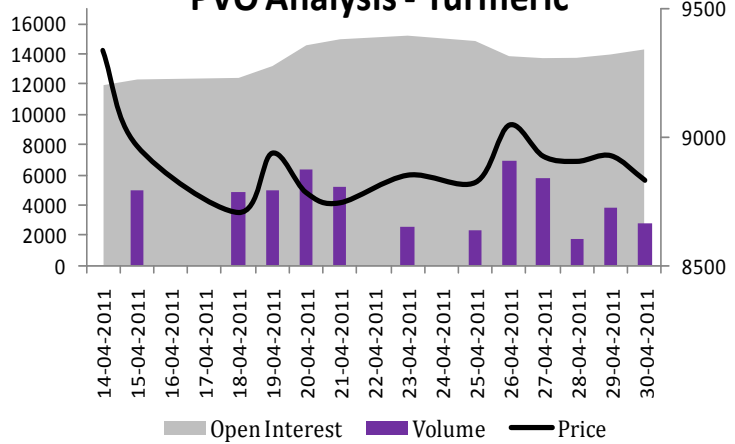


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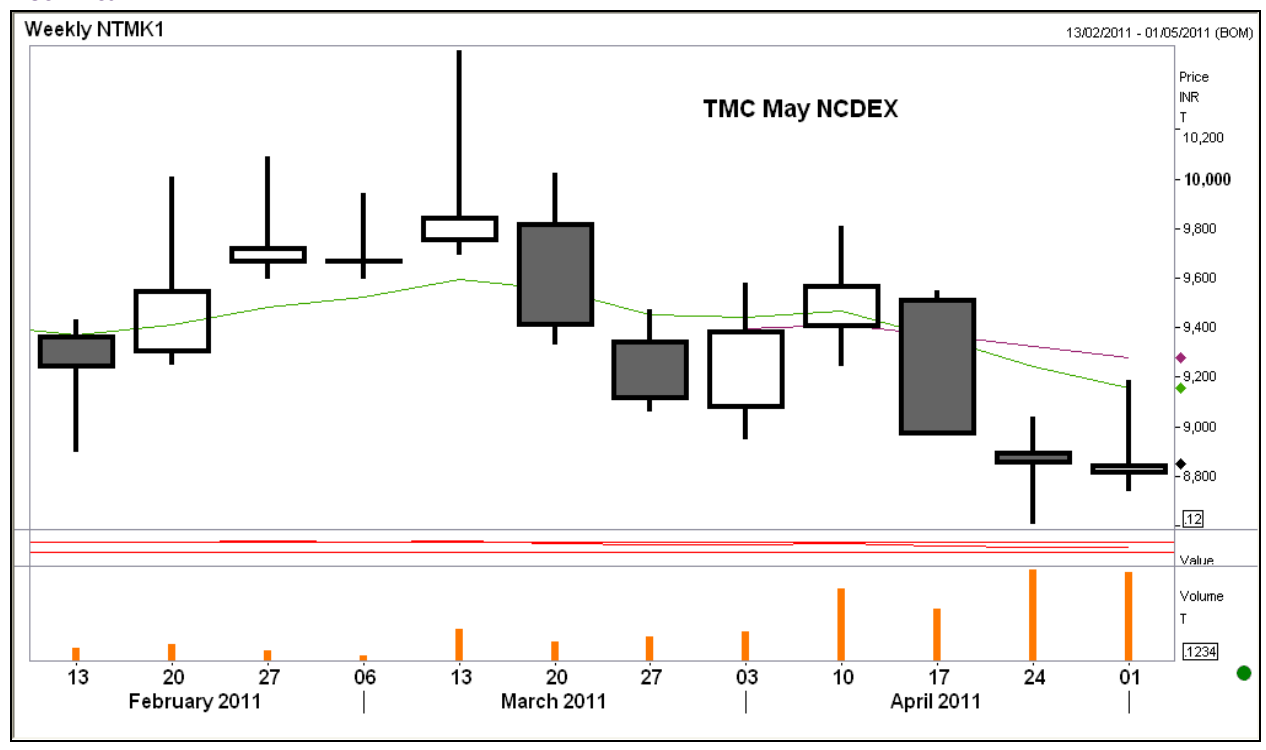
## Derivative Analysis

The NCDEX turmeric May 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 - Turmeric



## Technical



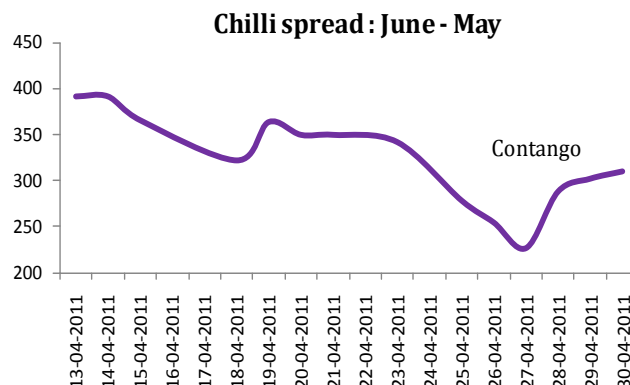
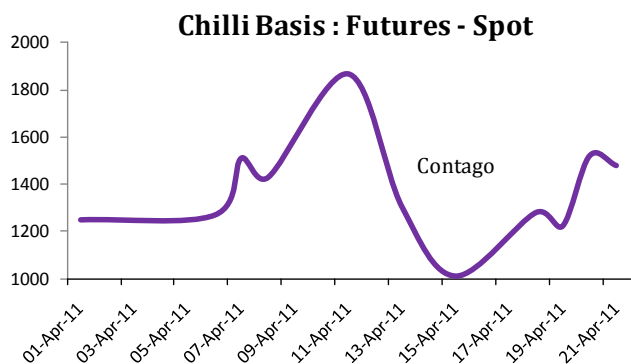


## Chilli

### Review

The Chilli futures traded resumed down trend on heavy selling pressure at futures due to reduced demand at spot market during the week ended on April 30, 2011. From starting of the week futures witnessed huge fall in prices. However, overall bullish sentiments pushed the prices. Declining arrivals at spot market of Guntur further added to the upside. However, during the week prices witnessed volatility on profit selling and buying back. However, heavy rains on Friday pushed the prices. Thus, taking cues from spot market futures also traded up and futures ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jun	10826	10826	9520	9622	-11.66	35490	24.92	14415	0.00
Jul	11010	11010	9790	9932	-11.59	14115	45.67	6405	21.08
Aug	10710	11608	10592	11544	-11.59	1750	61.14	1055	50.71



### Outlook

Chilli futures are expected to extend the down trend on reduced demand from stokiest demand in coming week. However, prices might take smart recovery on short covering during the week but this recovery is likely to create further selling opportunity in market. Spot market of Guntur will be closed from May 15-20<sup>th</sup> for 1 month. Thus, market activity is remaining very sluggish and traders are also not interested in buying. However, if there will be sudden fall in arrivals then we can see huge volatility in prices during the week. Nonetheless, US and European countries are moving towards China for export demand which is creating pressure on Indian prices. Therefore we expect prices are likely to trade down side on near term.

### Factors to watch out

- ❖ Prices at spot market of Guntur were reported in the range of ₹8000-8500 per quintal for loose while arrivals were hovering around 40,000-80,000 bags (Each bag= 55 Kg.)
- ❖ As per news sources, export demand from Bangladesh, Malaysia is good which is supporting the prices
- ❖ However, rising arrivals as market is going to be closed for month in May are likely to create pressure on prices
- ❖ Spot market of Guntur will be closed for 1 month from may 20, 2011
- ❖ NCDEX warehouse stock of Chilli as on April 29<sup>th</sup> 2011 was 8387 tons



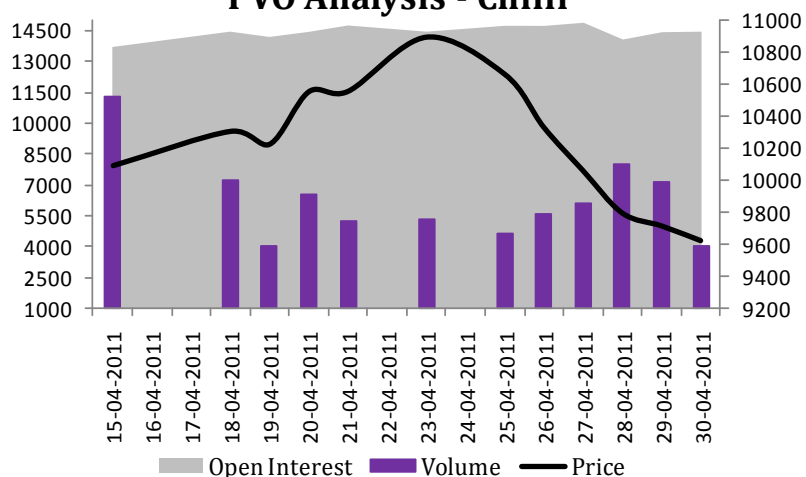
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As per Spices Board data, international price of chilli in New York market was unchanged to \$3.64 per kg during the week ended April 21<sup>st</sup> 2011 against \$2.54 per kg quoted in the same period last year

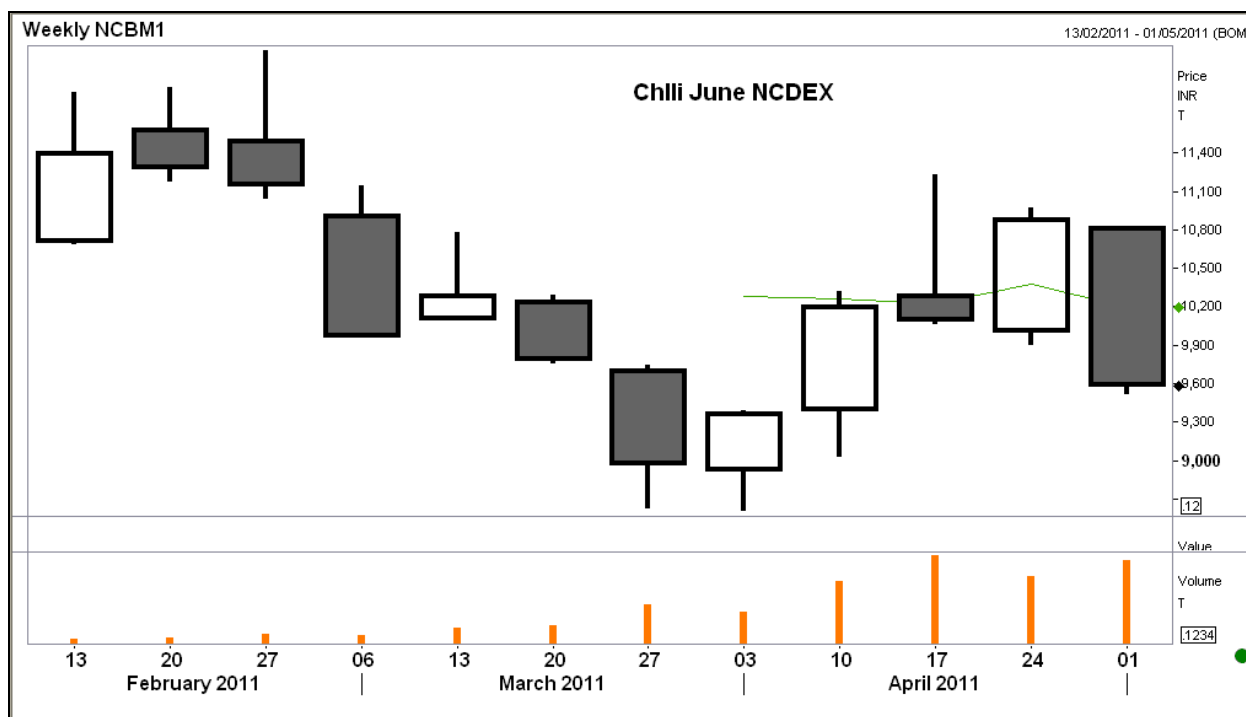
### Derivative Analysis

The NCDEX chilli June contract prices are falling while volumes 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 trend.

### PVO Analysis - Chilli



### Technical





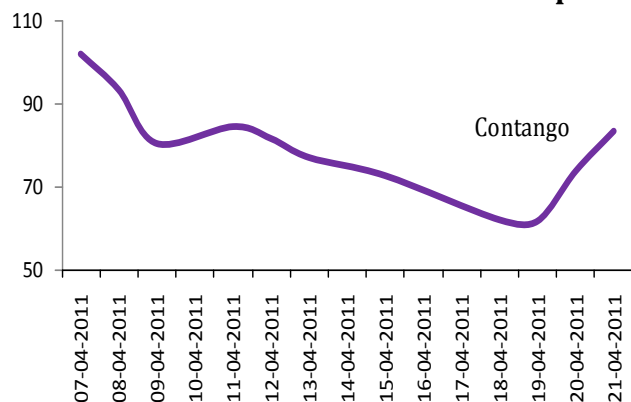
### Cardamom

#### Review

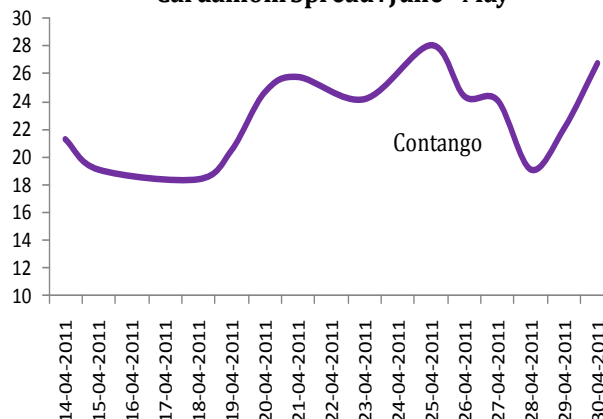
The cardamom futures continued the down trend on lack of demand investors during last week. Futures started the week on negative note on extended selling. Increased arrivals at spot market also pressurized the prices and futures hit the 16 month's lower levels. Due to the favourable weather conditions in major growing regions of Kerala is supporting crop growth which further created pressure on prices. Normal to good monsoon expectations also giving prospects to increase in production for next crop and added to the down side. Thus, overall bearish cues from spot market and futures ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
May	1057	1057	969	988.6	-6.95	5056	31.60	1579	-4.13
Jun	1060	1076.9	993.2	1015.4	-6.55	2933	82.51	1188	-2.54
Jul	1159	1180	1139.5	1146.7	-5.51	239	158.59	577	28.35

#### Cardamom Basis : Futures- Spot



#### Cardamom Spread : June - May



#### Outlook

Cardamom futures are projected to extend the bearish trend on continued selling in coming week. Rise in arrivals at spot market may pressurize the prices to trade lower. However, prices are likely to witness a smart recovery on lower levels during the week while, this recovery is likely to create further selling opportunity in market. As per trade sources, growers who were earlier hoarding the stock in lieu of prices rise are now releasing their stocks. According to the growers, weather conditions are favourable for the crop which is also weighing on prices.

#### Factors to watch out

- ❖ Daily average arrivals at auctions increased to 50-70 tons during this week; while average auction prices hovered in the range of ₹814-945 per Kg.
- ❖ Prices at spot were fall below ₹900 per Kg. and is remaining down on lack of active trade participation
- ❖ According to growers current rains might reduce the gap between old and new crop which is likely to put pressure on prices

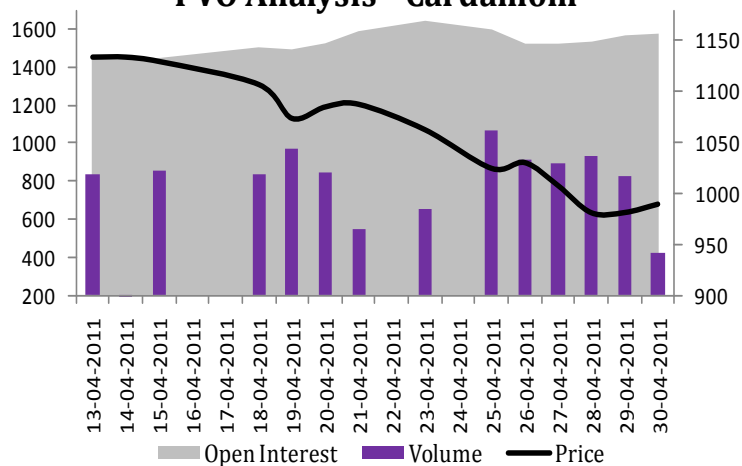


- ✿ Total arrivals during the current season from Aug 1 to April 24, stood at 9,056 tonnes. Of which 8,825 tonnes were sold. Arrivals in the same period last year was around 9,040 tons
- ✿ MCX warehouse stock of Cardamom as on April 29<sup>th</sup> 2011 was 20.6 tons
- ✿ As per Spices Board data, international price of Cardamom in Saudi Arabia market come down to \$25.98 per kg during the week ended April 21<sup>st</sup> 2011 however, it was lower than \$31.33 per kg quoted in the same period last year

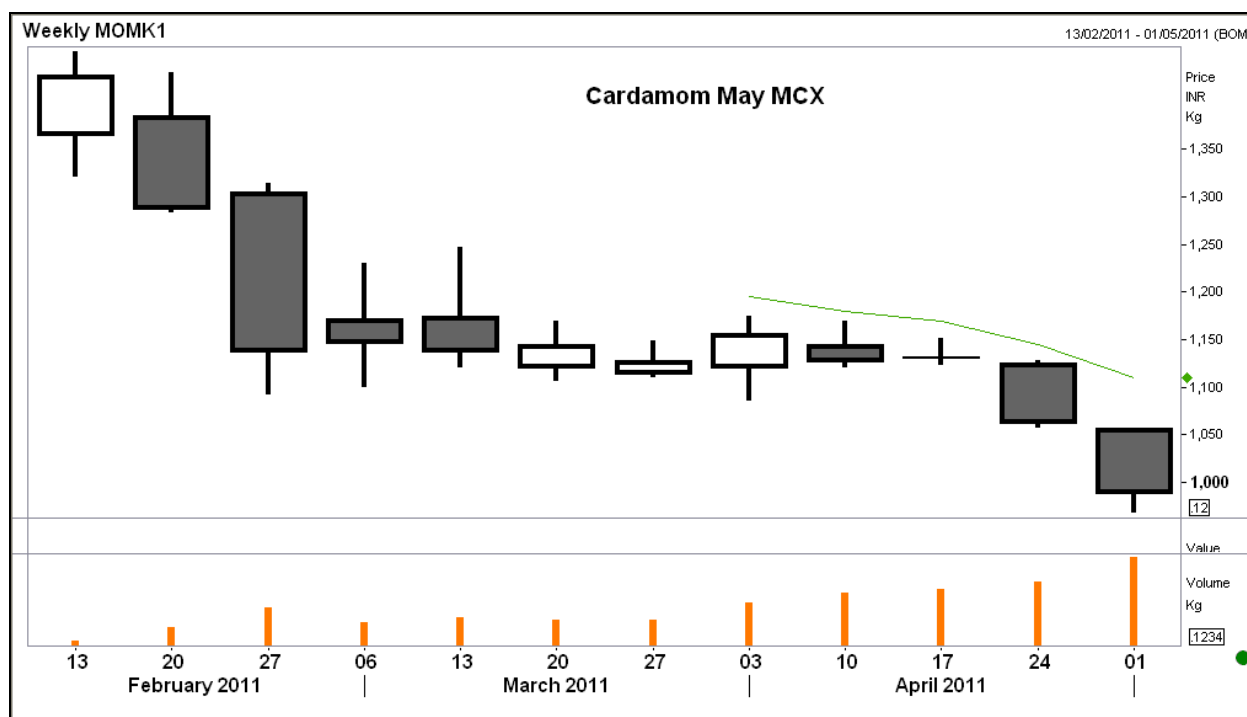
### Derivative Analysis

The MCX cardamom May contract prices and volumes are falling while open interest is rising. 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 trend.

### PVO Analysis - Cardamom



### Technical





# SPICES WEEKLY



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