



Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper June	30357	26972	27861	28751	29879	31008	31897	Sell 29300-400 TP 28000-27650 SL 29900
Jeera June	14094	14514	14820	15126	15546	15966	16272	Sideways
TMC June	8748	7854	8104	8354	8652	8950	9200	Sideways
Chilli June	8573	8907	9227	9546	9881	10215	10535	Sideways
Cardamom June	745	814	851	888	957	1026	1062	Sell at 970-962 TP 880/865 SL 1005



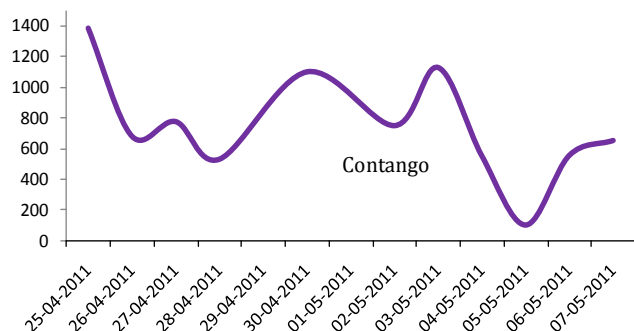
Pepper

Review

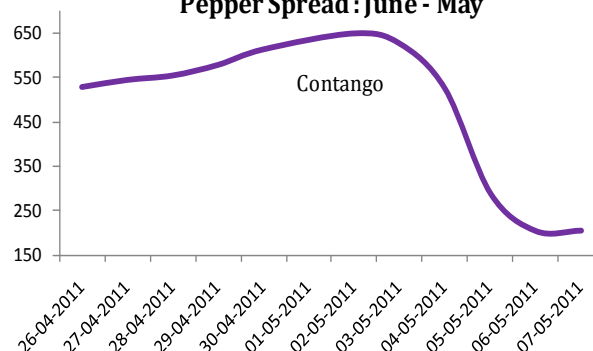
Pepper futures witnessed heavy volatility in prices on both side movements during last week. Futures started the week on negative note on profit selling on previous gains. However, futures took smart recovery on lower level buying. Tight availability at spot market supported the upside. Prices made a new all time high of 29,490 levels at Indian futures. Reports of drastic ease down in Vietnam's pepper prices pressurized the prices in Indian market and futures reversed the trend. Prices witnessed huge volatility due to increased speculative activity at market. Market moved against the fundamentals and turned bearish. Nonetheless, towards the end of the week prices bounced back on short covering at lower levels. Indian pepper prices also became competitive in international market. However, recovery was not enough to reverse the trend and futures ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
May	29150	29490	27836	28571	-1.99	50230	-32.29	7428	-20.51
Jun	29800	30118	28100	28776	-3.32	31388	21.87	10005	51.50
Jul	30102	30599	28451	29188	-3.53	2592	-10.12	921	20.08

Pepper Basis : Futures - Spot



Pepper Spread : June - May



Outlook

Pepper futures are projected to resume the upside on buying interest initially in coming week. 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. However rumours of fall in Vietnam pepper prices might create pressure on prices. Global supply situation has been tightening which might support the prices. 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. However, heavy speculative activity against the fundamentals might pull down the prices.

Factors to watch out

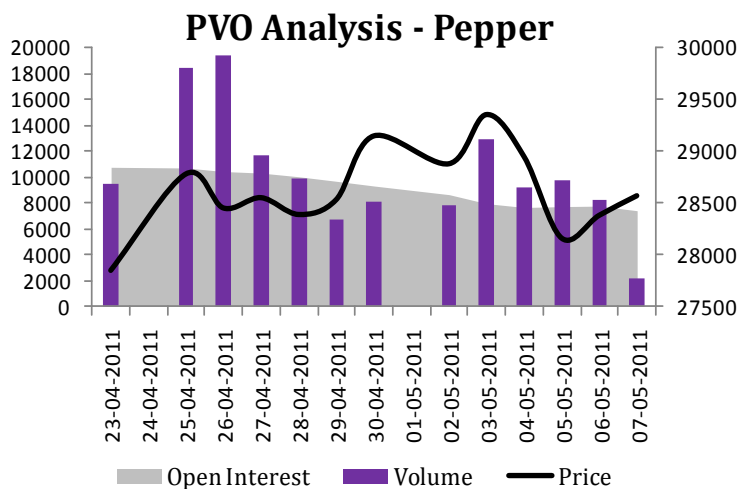
- ✦ Average daily prices at spot market of Kochi increased by ₹300 and ended the week on higher side to ₹27,100 and ₹27,900 per quintal for Ungarbled and MG-1 grade respectively
- ✦ Prices quoted by India in international market were \$6700-6900 per ton remained inline with other producer countries
- ✦ Stock positions at the NCDEX accredited warehouses are at 3140 tons as on May 6th 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 29th against \$3.86 per kg quoted in the same period last year

Derivative Analysis

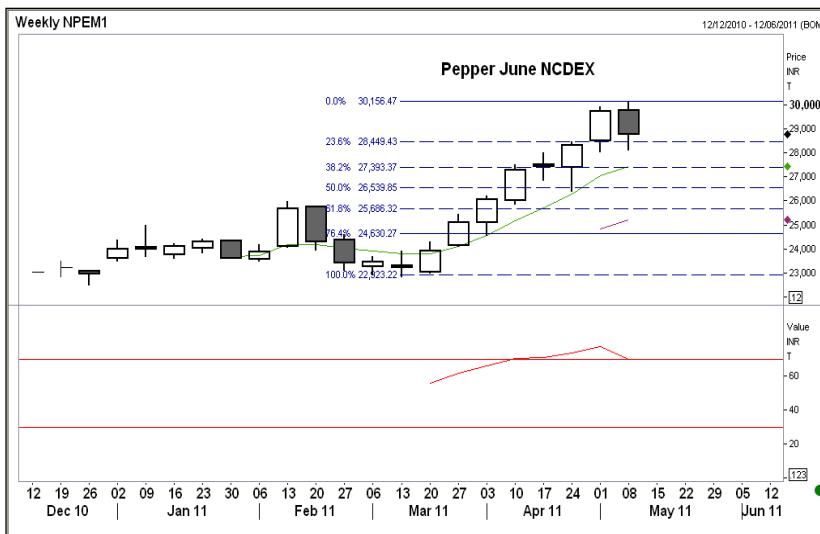
The NCDEX Pepper June contract prices are falling while volumes and open interest are rising. However, quantum of rise in volumes and open interest has been declined. This indicates traders are now less interested in selling this commodity and might resumed buying in near term.



Technical

Pepper June contract in NCDEX platform made a new all time 28751 and settled down at 28776.

In weekly chart market is trading far above short term moving average indicating a slight correction may happen for the next week in the prices. A small black candle stick is witnessed this week after seven consecutive up-close suggesting the correction might continues for the next week also. The support level is seen at 27400 which is 38.2% retracement of the range 22323-30156 as per fibonacci principle. 27400 is also a major support level to watch as it is a support level for short term Exponential Moving Average (EMA)-8. The technical indicator RSI (14) is trading at 0.72 signaling an over bought mode.



Overall we expect a slight correction in pepper prices for the coming week and recommend selling.

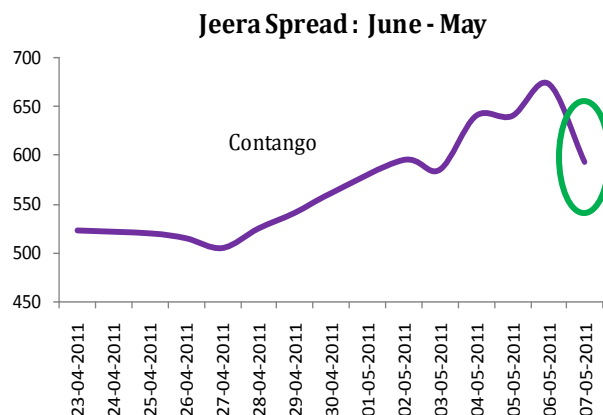
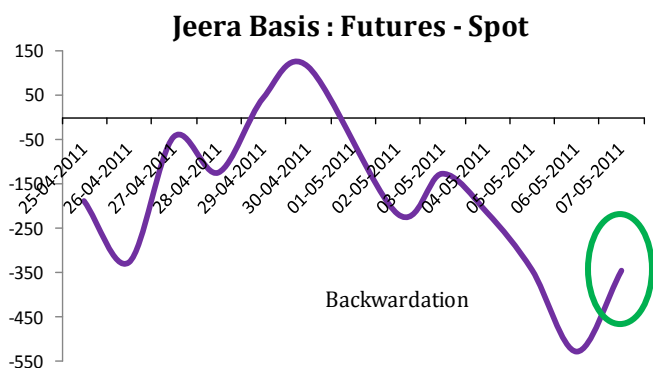


Jeera

Review

The jeera futures traded on down during the week ended on May 7th taking cues from poor export and domestic demand at spot market. Futures started the week on negative note on fresh selling at previous gains. However, prices at futures witness small recovery on short covering but failed to sustain and resumed bearish trend. Reduced stokiest buying at spot market also pressurized the prices. Though arrivals were declined at spot market of Unjha but overall bearish sentiments on sluggish demand pulled down the prices and futures ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
May	15140	15140	14261	14506	-4.55	37599	-7.95	13041	-25.25
Jun	15659	15660	14934	15099	-4.18	26331	22.26	20547	10.11
Jul	16460	16540	15605	15683	-3.60	1683	125.76	1008	166.38



Outlook

Jeera futures are expected to trade volatile in coming week on mixed sentiments prevailing at spot market. Lack of active buying at spot market is likely to pull down the prices. However, declining arrivals at spot market might provide support to the prices from. Concern on production estimates from Syria and Turkey might weigh on prices. As per traders, demand is not coming for jeera at both domestic and export front which is likely to increase bearishness in market.

Factors to watch out

- Spot market of Unjha witnessed decline in arrivals during the week, arrivals remained in the range of 7,000-8,000 bags (Each bag=55 Kg.)
- Fall in arrivals in last few days at spot market of Unjha might support the prices from sharp fall
- According to traders, decline in production is expected to be around 10-15% only against the earlier expectations of 25-30% decline
- NCDEX accredited warehouses are at 126451 tons as on May 6th 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 29th 2011 higher against \$3.35 per kg quoted in the same period last year



SPICES WEEKLY

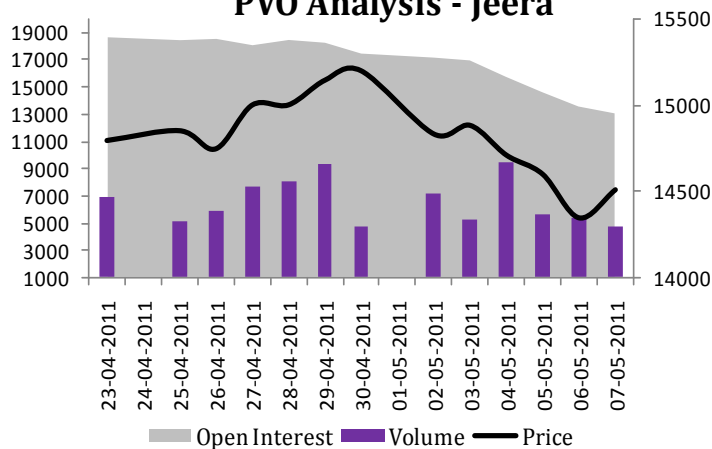


A weekly fundamental and technical report on spices

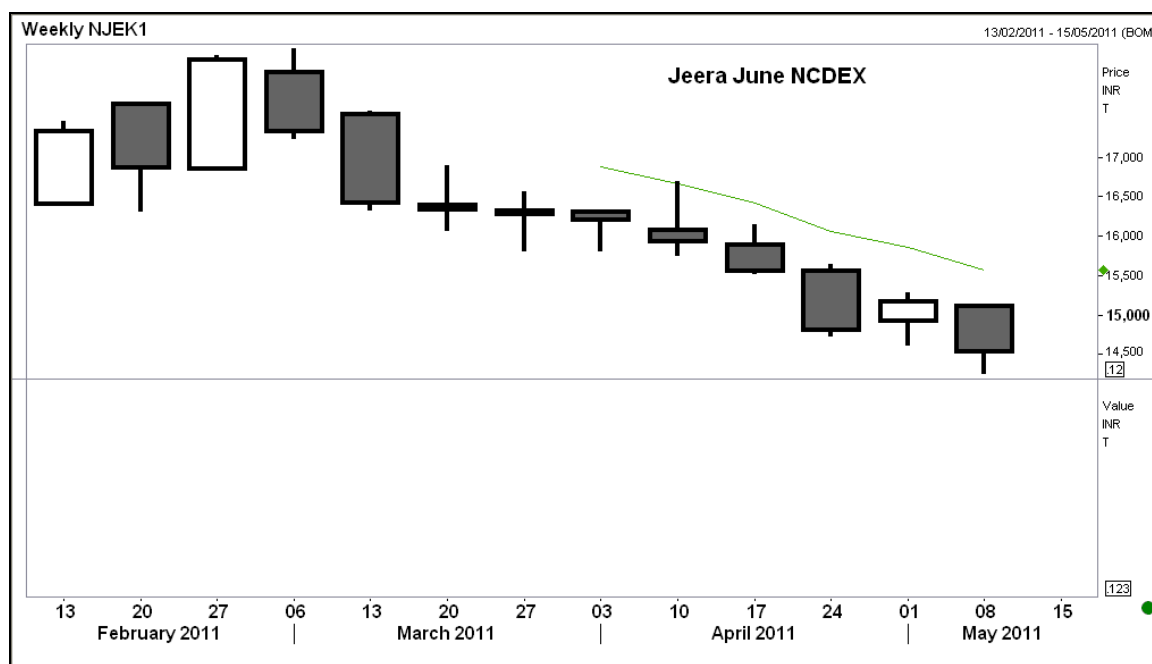
Derivative Analysis

The NCDEX jeera 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.

PVO Analysis - Jeera



Technical





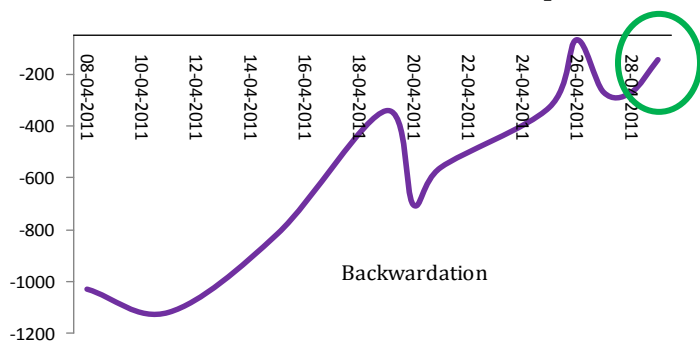
Turmeric

Review

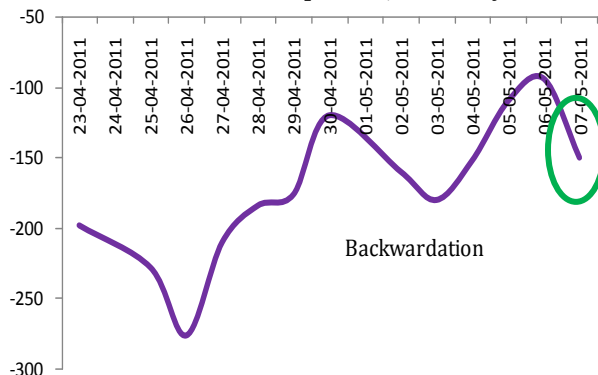
The NCDEX turmeric futures witnessed drastic fall in prices on lack of buying interest during last week. Prices at futures started the week on negative note on continued selling. Decline in stokiest buying pull down the prices, while farmers were not ready to sell below ₹10,000 per quintal thus they reduced supply. However, bulk buyers were also not interested in buying in anticipation of further fall in prices due to higher production estimates. Spot market of Nizamabad was also closed whole week due to some labour problem. Thus, in absences of fresh spot market activity futures also witnessed subdued trade activity. However, futures took small recovery towards the closing but overall trend remained bearish and futures ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
May	8864	8864	8270	8506	-3.67	16745	-28.56	12355	-13.54
Jun	8564	8936	8552	8710	-4.06	6170	36.79	7055	1.13
Jul	8624	8860	8484	8668	-3.58	580	268.80	660	106.78

Turmeric Basis : Futures - Spot



Turmeric Spread : June - May



Outlook

Turmeric futures are likely to extend bearish trend in coming week on poor demand domestic and export front. According to traders, traders are not interested in buying at keeping the stocks due to increased production this year. Moreover, stable arrivals at spot might also add to the down side. However, fall in futures is expected to less as futures are trading much below the spot prices. According to traders in May demand always remains sluggish due to rise in mercury levels.

Factors to watch out

- ❖ Spot Markets of Nizamabad will resumed its trade activity Monday onwards
- ❖ As per trade sources, turmeric production in 2011 is estimated around 65 lakh bags against 45-48 lakh bags last year (Each bag=70Kg.)
- ❖ As per trade sources, huge difference in prices as compared to November-December farmers are not ready to sell but higher production estimates are keeping buying activity very sluggish
- ❖ NCDEX warehouse stock of Turmeric as on May 6th 2011 was 705 tons

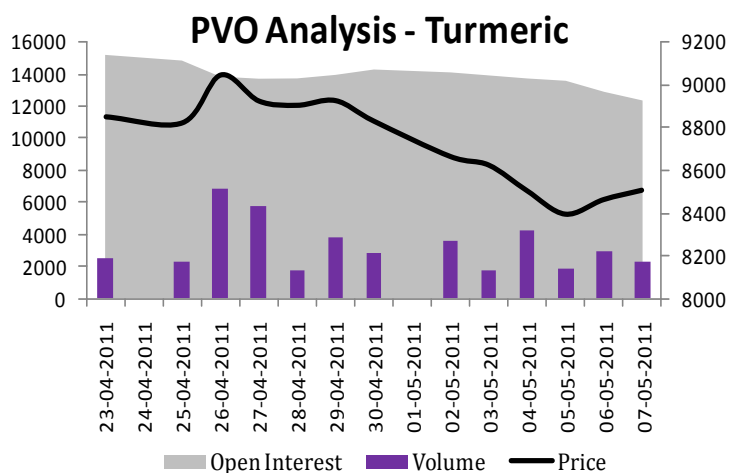


A weekly fundamental and technical report on spices

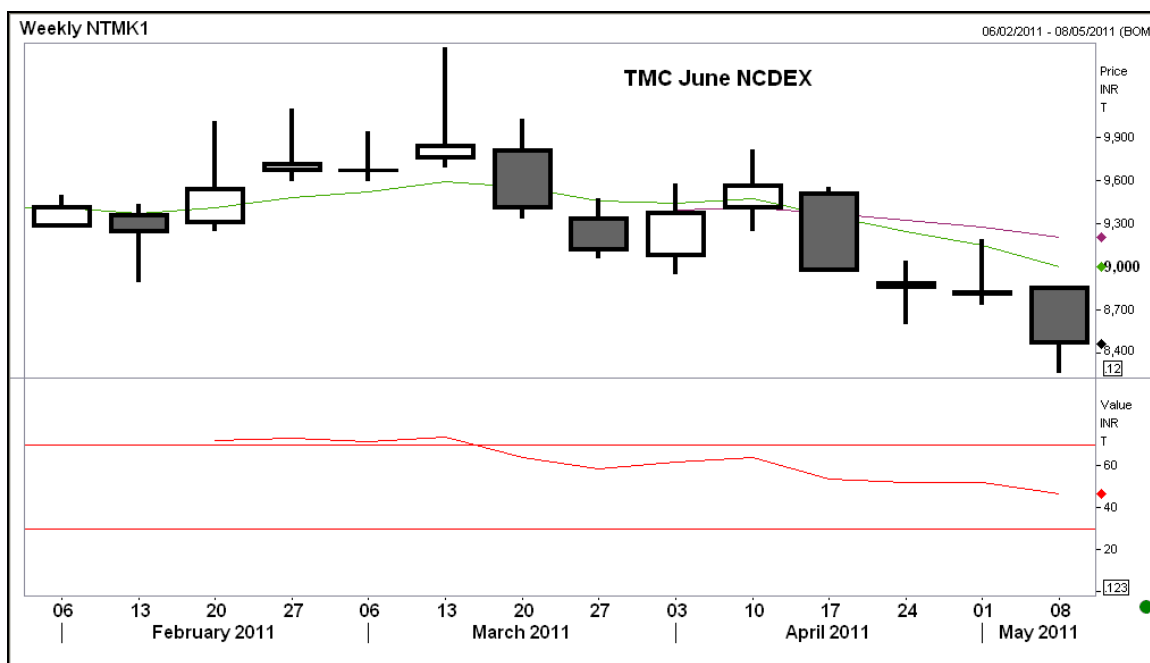
- As per Spices Board data, international price of Turmeric in New York market remained unchanged to \$6.28 per kg during the week ended April 29th 2011 higher against \$4.30 per kg quoted in the same period last year

Derivative Analysis

The NCDEX turmeric 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.



Technical



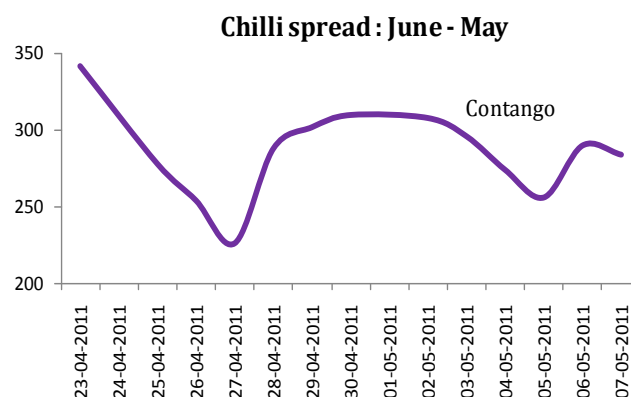
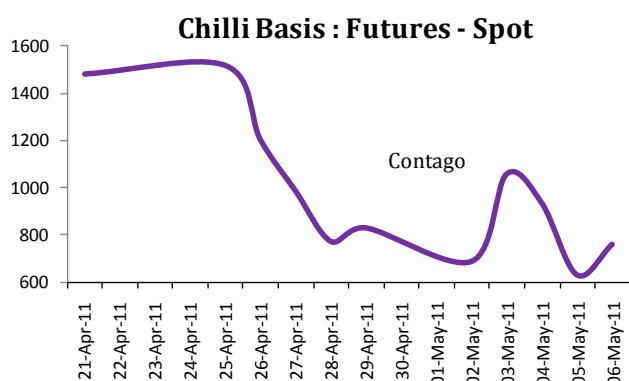


Chilli

Review

The Chilli futures traded continued the down trend on extended selling at futures due to reduced demand at spot market. From starting of the week futures witnessed huge fall in prices. However, prices witnessed smart recovery on short covering on previous huge losses. As market is going to be closed for one month after May 10th or 15th thus, overall spot market activity remained very sluggish. However, declining arrivals at spot market of Guntur further limited the losses during the week. However, prices witnessed heavy volatility towards the end of the week giving negative closing.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jun	9530	9896	9242	9496	-1.31	25715	-27.54	13080	-9.26
Jul	9736	10200	9504	9780	-1.53	9890	-29.93	6585	2.81
Aug	10710	11608	10592	11544	-0.94	1750	-34.40	1055	21.70



Outlook

Chilli futures are expected to trade slightly positive in coming week on short covering at earlier losses. However, overall trend is likely to remain sluggish on poor demand from traders. Spot market of Guntur will be closed from May 15-20th 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

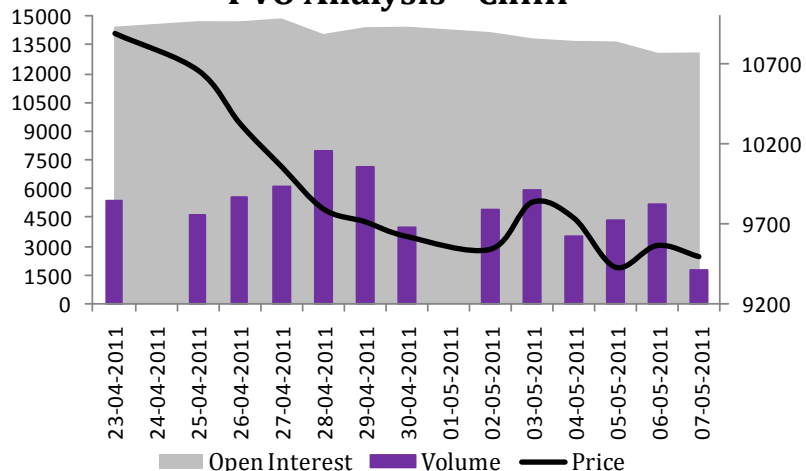
- Prices at spot market of Guntur were reported in the range of ₹8000-8500 per quintal for loose while arrivals were hovering around 40,000-80,000 bags (Each bag= 55 Kg.)
- Spot market of Guntur will be closed for 1 month from may 20, 2011
- NCDEX warehouse stock of Chilli as on May 6th 2011 was 9089 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 April 29th 2011 against \$2.54 per kg quoted in the same period last year



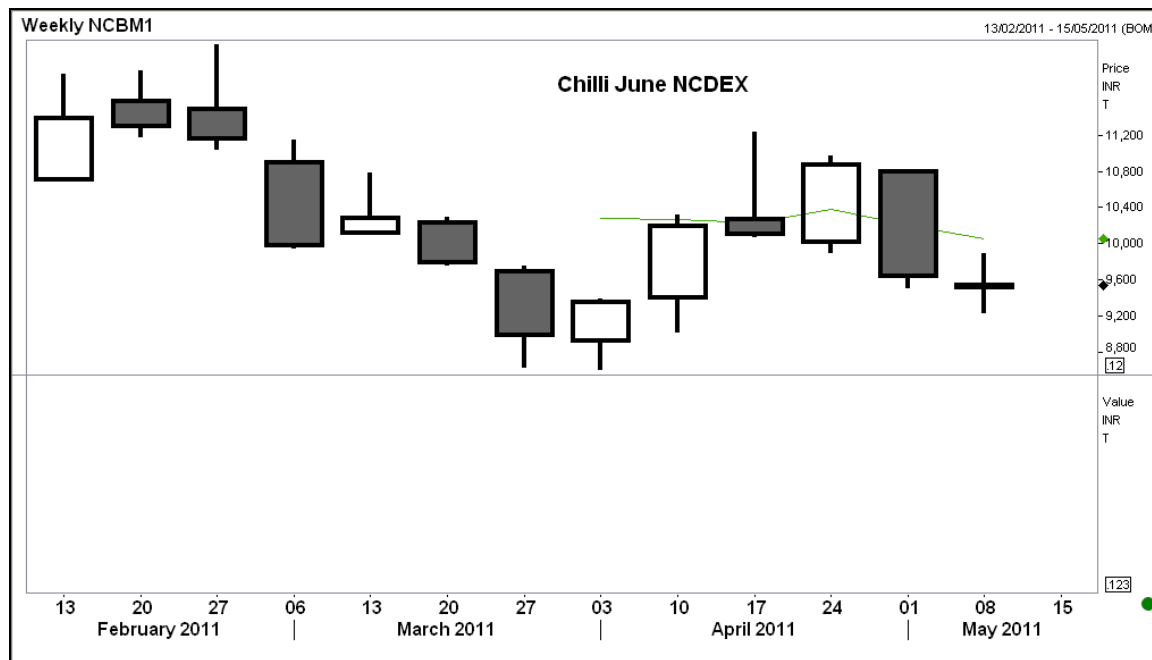
Derivative Analysis

The NCDEX chilli June contract prices, volumes and open interest all are falling. However, fall in volume was more as compared to prices. This indicates now people's interest in selling this commodity is reducing which might turn out positive for the prices as people might start lower level buying.

PVO Analysis - Chilli



Technical





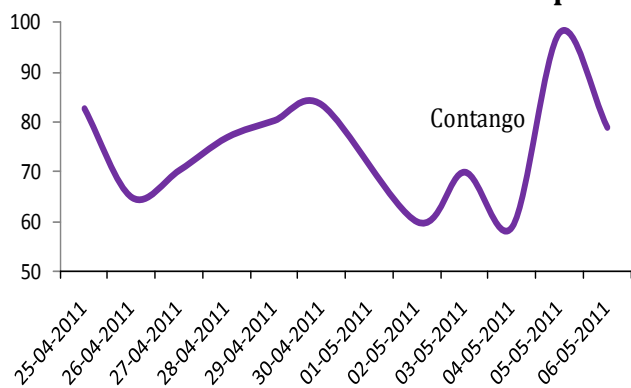
Cardamom

Review

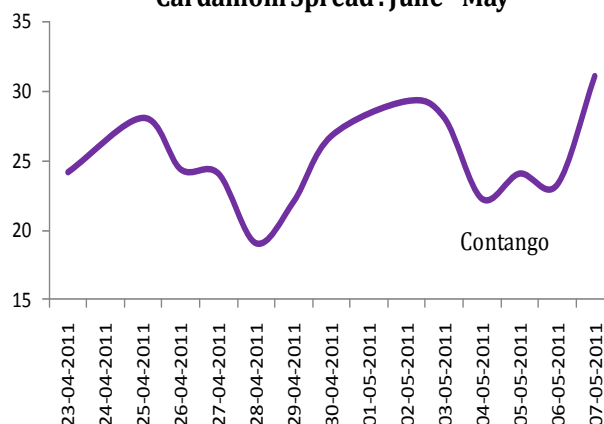
The cardamom futures witnessed huge fall on lack of demand from investors during last week. Futures started the week on negative note on extended selling. Increased arrivals at spot market also pressurized the prices and futures below ₹800. Favourable weather conditions in major growing regions of Kerala are supporting the crop growth which created pressure on prices. However, prices witnessed small recovery in prices but failed to sustain the gains and overall bearish cues from spot market pull down the futures prices.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
May	988.8	988.8	883	887.5	-10.23	6529	29.13	1038	-34.26
Jun	1010	1014	904.5	918.6	-9.53	4605	57.01	1020	-14.14
Jul	1149.9	1149.9	1075.2	1079.5	-8.89	454	82.62	656	12.59

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 initially in 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

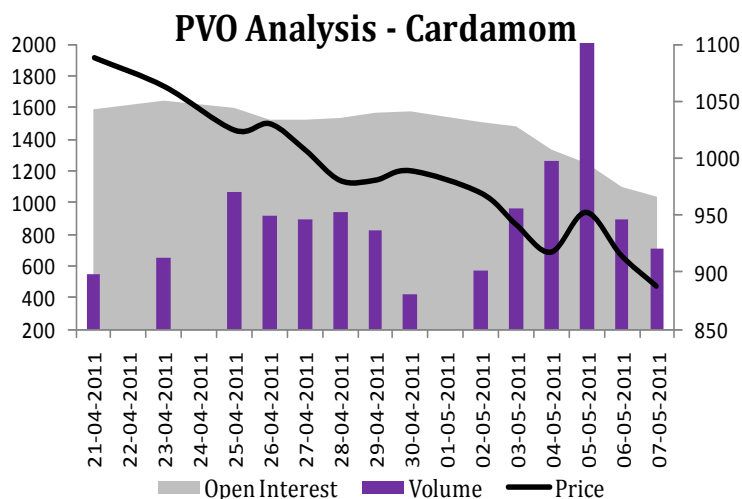
- ❖ Daily average arrivals at auctions increased to 50-60 tons during this week; while average auction prices hovered in the range of ₹691-946 per Kg.
- ❖ Prices at spot were fall below ₹700 per Kg. and is remaining down on lack of active trade participation
- ❖ Total arrivals during the current season 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 May 6th 2011 was 20.6 tons



- As per Spices Board data, international price of Cardamom in Saudi Arabia market come down to \$25.31 per kg during the week ended April 29th 2011 however, it was lower than \$31.61 per kg quoted in the same period last year

Derivative Analysis

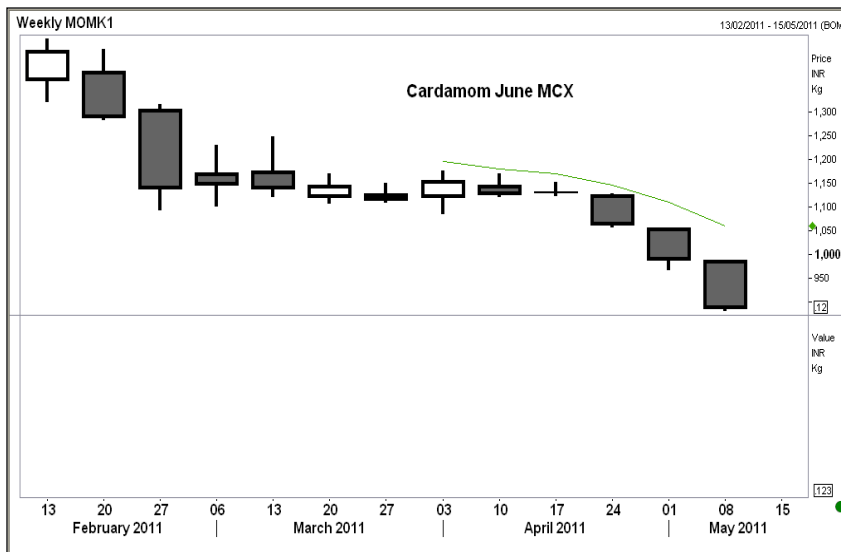
The MCX cardamom June contract, prices and volumes are falling while open interest is rising. It is a good indication that a sharp rally against downtrend will develop creating a sell point for downtrend.



Technical

Cardamom June MCX Cardamom prices are on their down trend this week and settled with substantial loss at 918.6.

In weekly chart a Black Opening Morubozu candle stick is witnessed suggesting continuation of bearishness. Market is sustaining below the short term weekly Exponential Moving Average EMA (8) suggesting further weakness in the trend. Crucial support is seen at 865 which is a support level for lower trend line of the short term trend channel pattern witnessed in chart above. Resistance for this week is at 975 which is a resistance level of the upper trend line of the trend channel pattern.



Resistance for this week is at 975 which is a resistance level of the upper trend line of the trend channel pattern.

We expect cardamom prices to remain on the downside for the coming week and recommend selling for the coming week.



SPICES WEEKLY



A weekly fundamental and technical report on spices

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