



## Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper July	31584	25011	26218	27425	29616	31807	33014	Sell at 27800 TP 27000 SL 28200
Jeera July	13074	13337	13784	14231	14494	14757	15204	Buy above 14350 TP 14800 SL 14000
TMC July	7733	6867	7373	7878	8167	8455	8961	Buy at 7295-7320 TP 7500/7550 SL 7200
Chilli July	7825	7945	8163	8380	8501	8621	8839	Buy at 8320 TP 8700 SL 8150
Cardamom July	752	783	826	870	900	930	974	Buy at 850-842 TP 902 SL 830

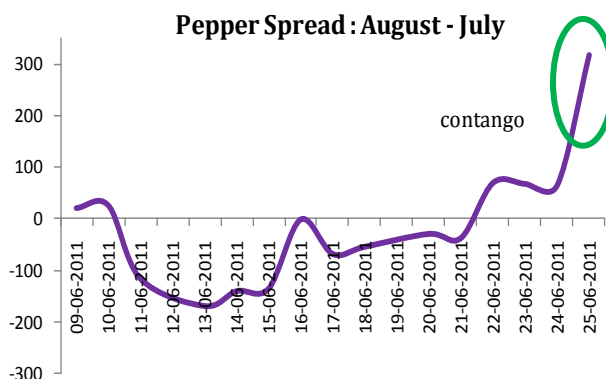


## Pepper

### Review

Pepper July futures continue the bearish trend on poor demand amid heavy fluctuation in prices during last week. From starting of the week futures resumed down side. Higher Indian prices in international market kept export demand away from India. However, later on prices witnessed smart recovery on lower level buying. Indian prices also quoted in line with other countries. Nonetheless, overall trend remained down side biased as traders lost confidence in market due to heavy volatility. Thus, bearish sentiments amid poor export demand futures traded down and ended with around 5.92% losses.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jul-11	29081	30600	27200	27426	-5.92	59901	95.23	6980	4.69
Aug-11	29075	30674	27401	27743	-4.65	14283	389.65	2441	89.22
Sep-11	29130	30600	27620	28040	-3.45	1956	887.88	552	283.33



### Outlook

Bearish trend in pepper futures are projected to continue on poor export demand in coming week. Though Indian prices are competitive in global pepper market still demand is not coming for Indian pepper. Due to prevailing heavy volatility in pepper prices investors and exporters both are not interested in bulk buying. However, removal of additional margin of 4% from July and August contract might support the prices. Indian prices in global pepper market for MG-1 ASTA declined to \$6450-6500 per MT.

### Factors to watch out

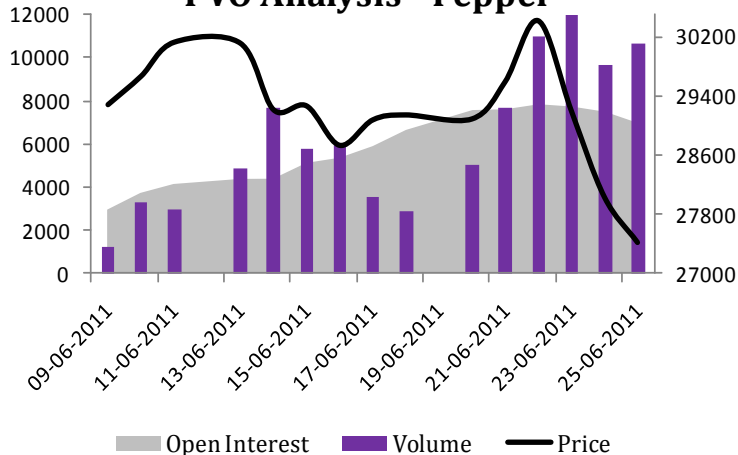
- ❖ Average daily prices at spot market of Kochi declined sharply by ₹1000-1100 per quintal and ended the week at ₹26,200 and ₹27,000 per quintal for Ungarbled and MG-1 grade respectively
- ❖ As per rules and regulations of exchange additional long margin of 4% has been removed from July and August contract
- ❖ Stock positions at the NCDEX accredited warehouses were at 4508 tons as on June 24<sup>th</sup> 2011
- ❖ As per Spices Board data, international price of pepper in New York market improved a bit to \$6.72 per kg during the week ended June 17<sup>th</sup> against \$3.90 per kg quoted in the same period last year



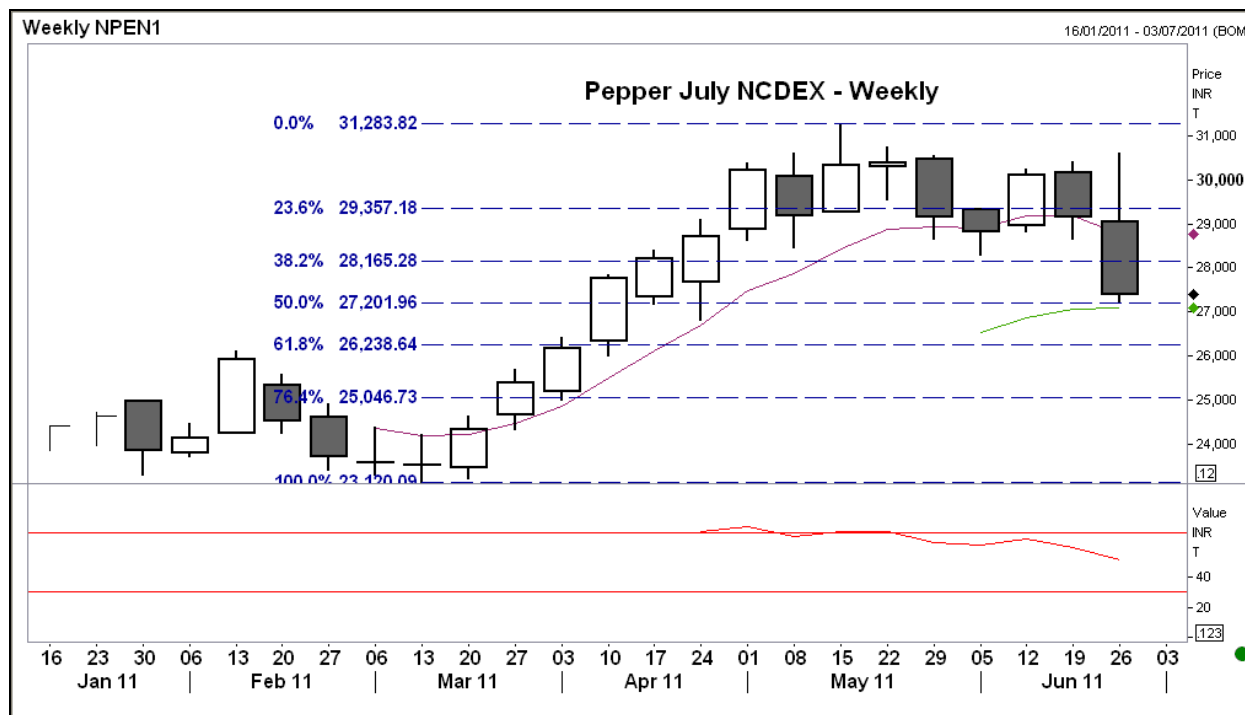
## Derivative Analysis

The NCDEX Pepper July contract prices have fallen while volumes and open interest have increased. This indicates 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 - Pepper



## Technical





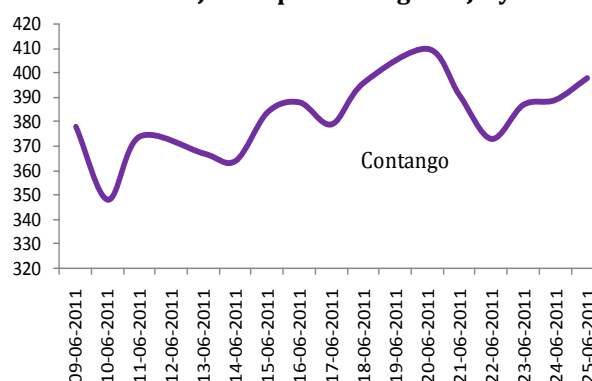
## Jeera

### Review

Jeera futures witnessed smart recovery on short covering during the week ended on June 25<sup>th</sup>. Futures started the week on negative note extending the previous losses. However, futures resumed uptrend on lower level buying. However, overall gains remained limited due to subdued demand from stockiest across the spot markets. Reports of rains in Gujarat region also pushed the prices and futures ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jul-11	13936	14310	13600	14255	2.29	37551	14.24	14967	-21.75
Aug-11	14303	14699	13956	14653	2.24	14727	14.88	17535	17.23
Sep-11	14999	15120	14451	14664	2.30	1095	218.08	702	316.67

Jeera Spread : August - July



### Outlook

Jeera futures are expected to trade slightly positive in coming week on fresh buying at lower levels. Declining arrivals across the spot market is likely to support the prices. Due to monsoon rains threat of moisture is increasing in stored crop which might support the prices. However, lack of active demand from stockiest buying at spot market is likely to weigh on prices. Concern on production estimates from Syria and Turkey might also weigh on prices. However, reports of unfavorable weather conditions there at the time of sowing might support the prices.

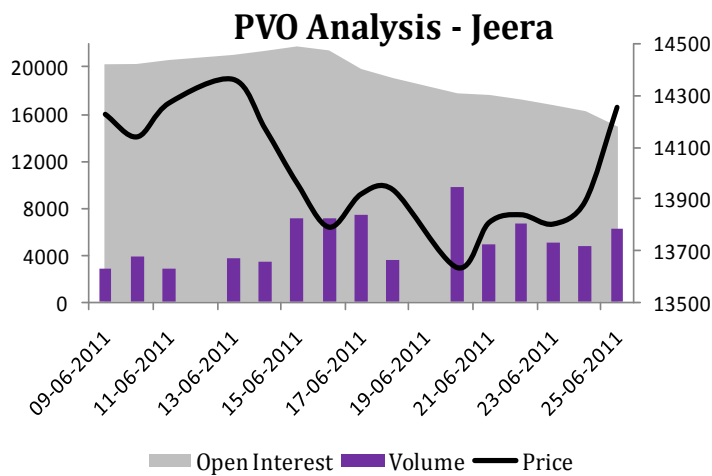
### Factors to watch out

- ♣ Spot market of Unjha witnessed slight fall in arrivals during the week, arrivals remained in the range of 5,000-6,000 bags (Each bag=55 Kg.)
- ♣ According to trade sources, cumin production in Syria and Turkey are expected around 40,000 and 15,000 MT
- ♣ NCDEX accredited warehouse stocks were at 12374 tons as on June 24<sup>th</sup> 2011
- ♣ As per Spices Board data, international price of jeera in New York market remained unchanged to \$3.68 per kg during the week ended June 17<sup>th</sup> 2011 higher against \$3.15 per kg quoted in the same period last year



### Derivative Analysis

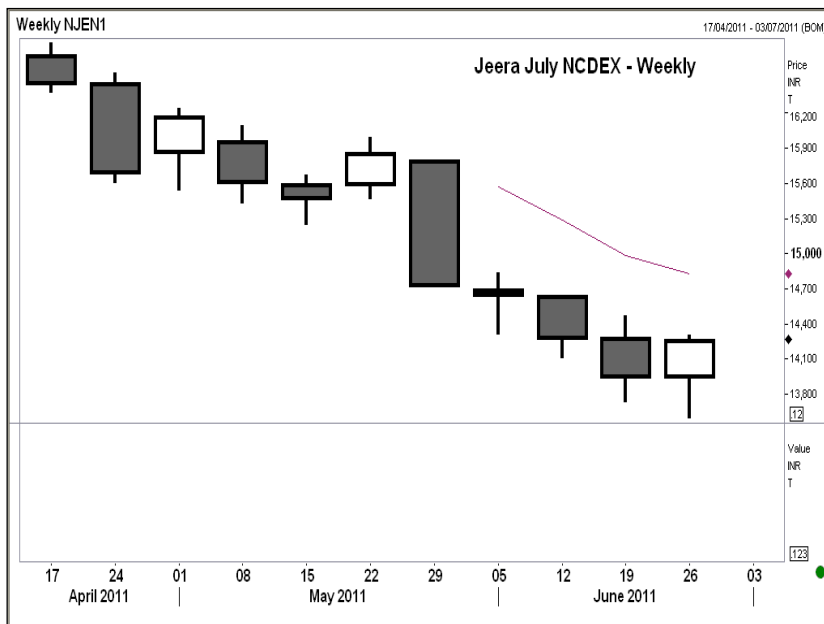
The NCDEX jeera July contract prices and volumes are rising while open interest is falling. It is a good indication that Market is running out of traders willing to open or hold an open long/buy. Traders are liquidating both losing short positions & closing winning long positions. A higher probability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



### Technical

Jeera July NCDEX prices rebound this week and settled at 13936 levels.

A hammer candle stick is witnessed during the week indicating short term bullish reversal in the trend. Prices are trading far below short term exponential moving average (EMA-8) indicating a short term bounce back in the trend. Market is sustaining above the short term trend channel pattern suggesting positive mode to remain in the coming week. The resistance level is seen as 14820 which is 38.6% retracement of the range 16800-13600 as per fibonacci principle.



Immediate resistance is seen at 14350 which are 23.6% of the given range. We expect market to turn bullish after breaching the same. We recommend buying above 14350 levels.



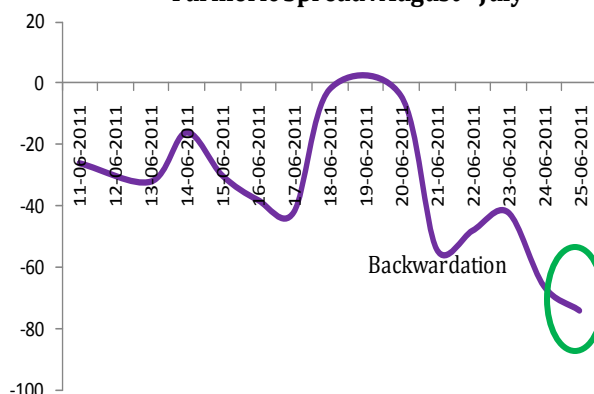
## Turmeric

### Review

The NCDEX turmeric futures witnessed heavy volatility on mixed response from investors during last week. Prices at futures started the week on positive note taking smart recovery on previous losses. Due to sharp decline in prices farmers reduced supply to the market which supported the pull back in prices. Reports of fresh demand from Masala Company at lower levels pushed the prices and futures ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jul-11	7368	7950	7156	7906	6.95	25995	64.79	8380	-0.77
Aug-11	7210	7434	7166	7390	5.98	4690	71.86	4575	1.64
Sep-11	7240	7424	7150	7340	4.74	345	420.29	385	159.74

Turmeric Spread : August - July



### Outlook

Turmeric futures are expected to trade on positive note in coming week. Reduced arrivals across the spot markets are likely to support the prices. Due to drastic fall in prices growers are also becoming reluctant in further selling of their produce. Though demand is subdued from stockiest side still lower level buying in small amount from masala companies might support the prices in near term. Sowing for next season has started in some packets of Tamil Nadu. However, sudden rise in arrivals due to prevailing higher prices in spot market might pull down the prices towards se end of the week.

### Factors to watch out

- Average arrivals at spot markets of Nizamabad and Erode were around 3000 bags and 5000-8000 bags respectively
- According to data released by Spices board, Turmeric exports during April-March 2010-11 fell by 8.75% to 42,500 tons from 46,575 tons during same period last year
- NCDEX warehouse stocks of Turmeric as on June 24<sup>th</sup> 2011 were 2616 tons
- As per Spices Board data, international price of Turmeric in New York market remained stable at \$6.17 per kg during the week ended June 17<sup>th</sup> 2011 higher against \$4.96 per kg quoted in the same period last year

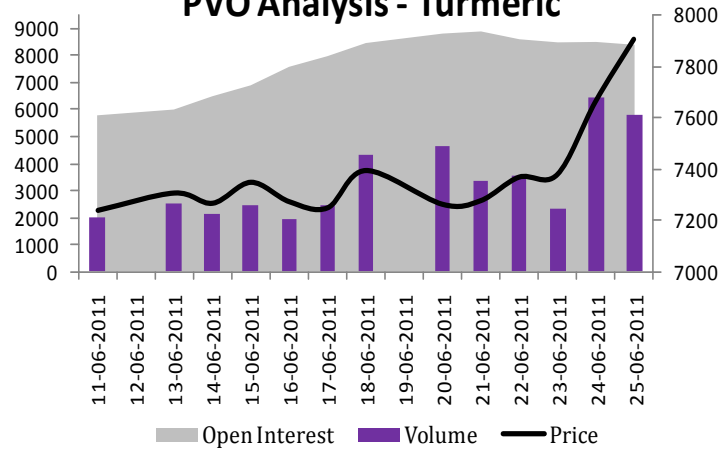


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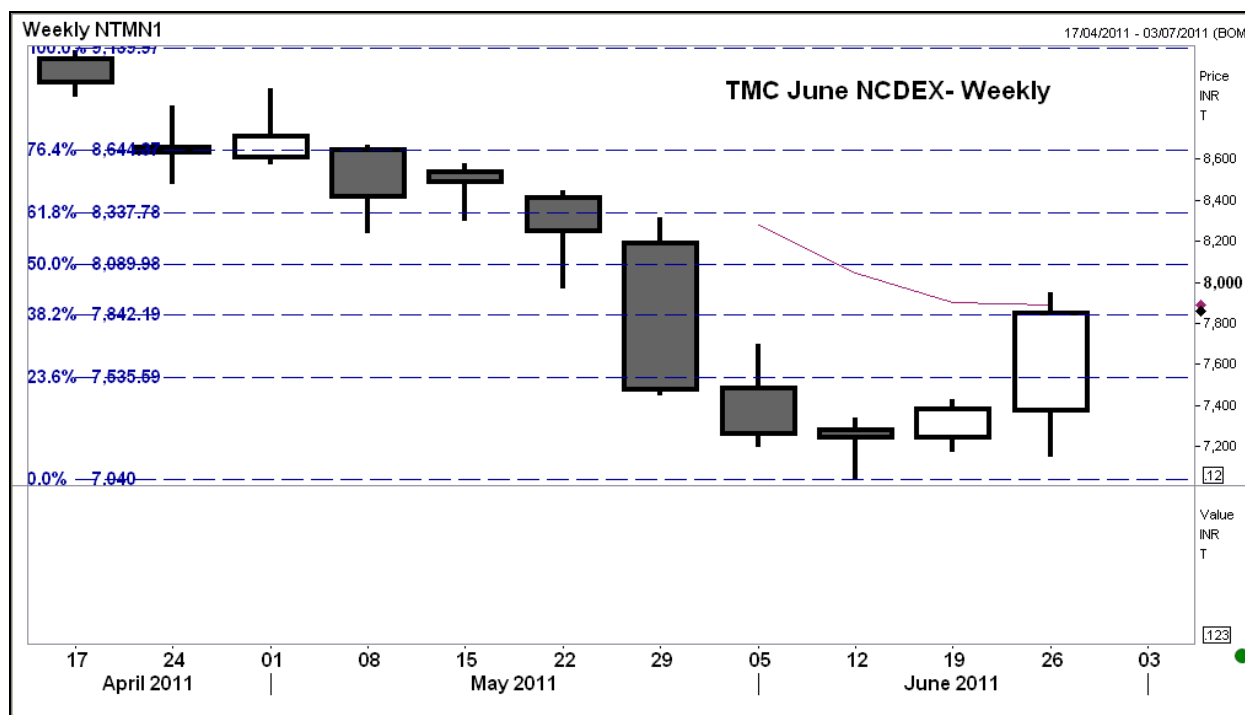
## Derivative Analysis

The NCDEX turmeric July contract prices and volumes are rising while open interest is falling. It is a good indication that 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 - Turmeric



## Technical



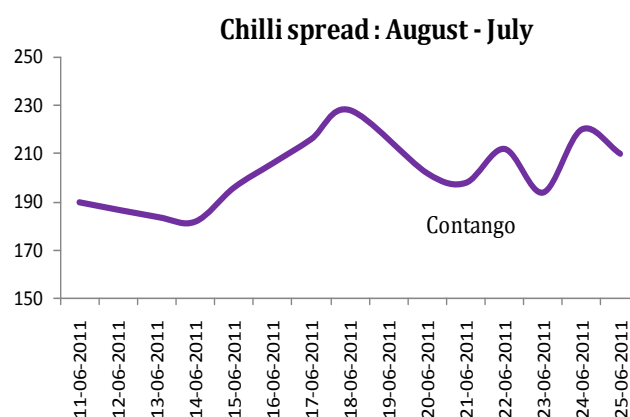


## Chilli

### Review

The Chilli futures continued uptrend on fresh buying during last week. Futures started the week on positive note on lower level buying on previous losses. However, prices reversed the trend towards down side amid sluggish trade activity. However, demand from local traders in small amount supported the prices at lower levels and futures ended the week on slightly positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jul-11	8270	8406	8066	8376	1.70	21680	14.47	10135	-4.97
Aug-11	8410	8684	8256	8586	1.44	10590	128.73	5655	19.30
Sep-11	8630	8952	8614	8742	0.37	1810	0.00	955	15.71



### Outlook

Chilli futures are expected to continue the positive trend in coming week. According to traders, export inquires from Bangladesh and Sri Lanka might support the prices. However, we can see decent corrections initially in the week on profit selling. According to traders, cold storage stocks are around 45 lakh bags against 50-55 lakh bags last year which might support prices in near term.

### Factors to watch out

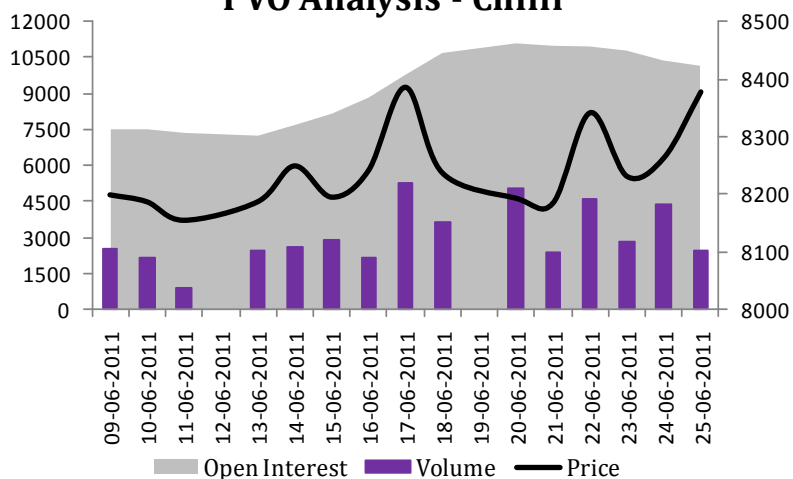
- ❖ Average daily arrivals remained in the range of 25,000-35,000 bags with prices hovering around ₹8200-8600 per quintal (each bag=40Kg.)
- ❖ According to data released by Spices board, chilli exports during April to March 2010-11 risen by 18% to 2,40,000 tons from 20,4000 tons during same period last year
- ❖ NCDEX warehouse stocks of Chilli as on June 24<sup>th</sup> 2011 were 11112 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 June 17<sup>th</sup> 2011 against \$2.54 per kg quoted in the same period last year



### Derivative Analysis

The NCDEX chilli July contract prices and volumes are rising while open interest is falling. It is a good indication that 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.

### PVO Analysis - Chilli

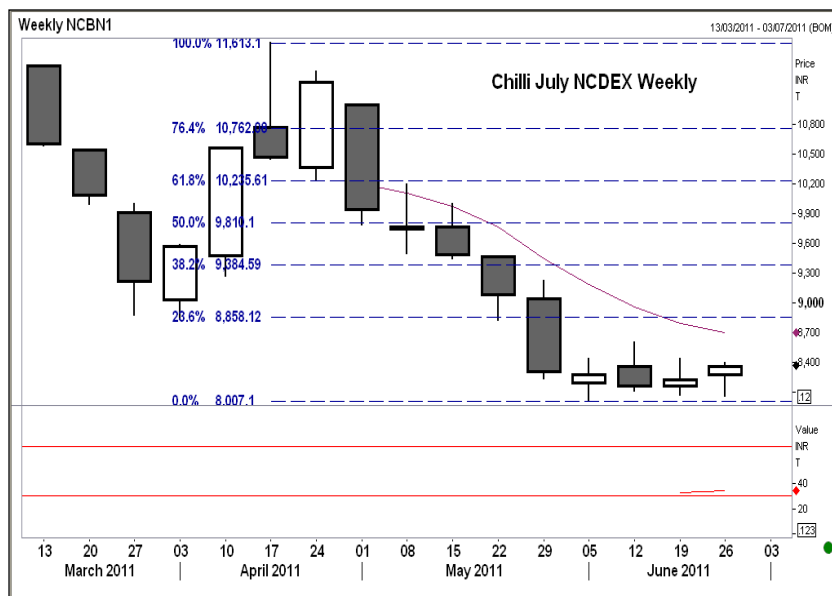


### Technical

Chilli prices witnessed a small recovery this week and settled after a rebound at 8236; low 8066.

Chill prices witnessed a consolidation mode from last 4 weeks consecutively indicating a short term bounce back in the trend. Short term exponential moving average (EMA-8) resistance is at 8700 indicating a bounce back till that level. Another resistance is seen at 8858 which is 23.6% retracement level of the range 11613-8000 as per fibonacci principle. The momentum indicator RSI (14) is trading at 0.34 which is bouncing back after entering into the oversold territory suggesting short term bounce back in the prices.

We expect a short term rebound in the prices and recommend buying for the coming week.





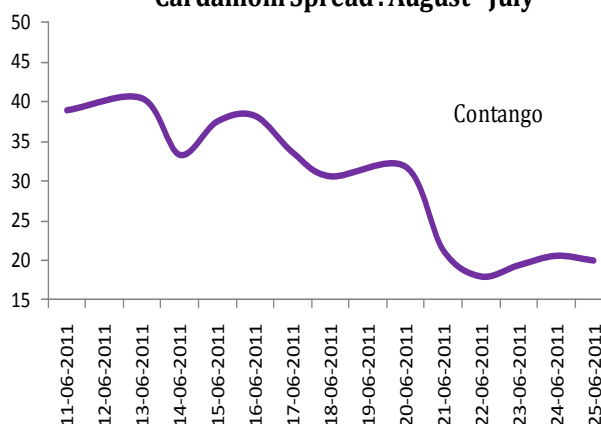
## Cardamom

### Review

The cardamom futures continued the rally on fresh buying at lower levels during last week. Futures started the week on higher note on short covering on previous losses. Reports of active buying from exporters' side amid demand for upcoming Ramadan festival in August supported the prices. However, Poor domestic demand pressurized the prices and futures took decent corrections during the week. However, prices witnessed smart recovery on lower level buying towards the closing and futures ended on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jul-11	819.9	886.9	813.2	868.3	6.58	14940	17.33	1948	-4.88
Aug-11	849.8	909	849.8	888.3	5.09	5176	9.43	1631	-1.63
Sep-11	855.1	919	819.1	841.4	4.96	3783	-20.73	1245	1.82

Cardamom Spread : August - July



### Outlook

Cardamom futures are projected to continue the positive trend in coming week. Fresh buying at lower level is likely to support the prices. However, prices might take decent correction initially on profit selling on higher levels. According to trade sources, export inquire from Gulf amid upcoming festive season might support the prices. Rising prices at spot market if Kerala and Tamil Nadu are likely to add to the upside. However, favourable weather conditions along with monsoon progress in major goring regions of Kerala might restrict the sharp gains.

### Factors to watch out

- ❖ Daily average arrivals at auctions reduced a bit to 45-55 tons during this week; while average auction prices also improved to ₹625-784 per Kg.
- ❖ As per data released by Spices board, chilli exports during April to March 2010-11 declined by 40% to 1,175 tons from 1,975 tons during same period last year
- ❖ According to Spices board of India, total arrivals during the current season from Aug 1<sup>st</sup> week to May 29<sup>th</sup> were up by 6% to 10,368 tons against 9,755 tons in the same period last year

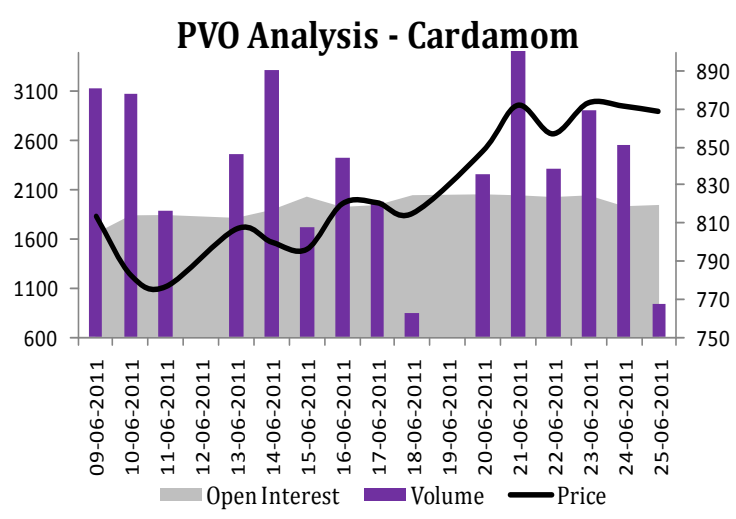


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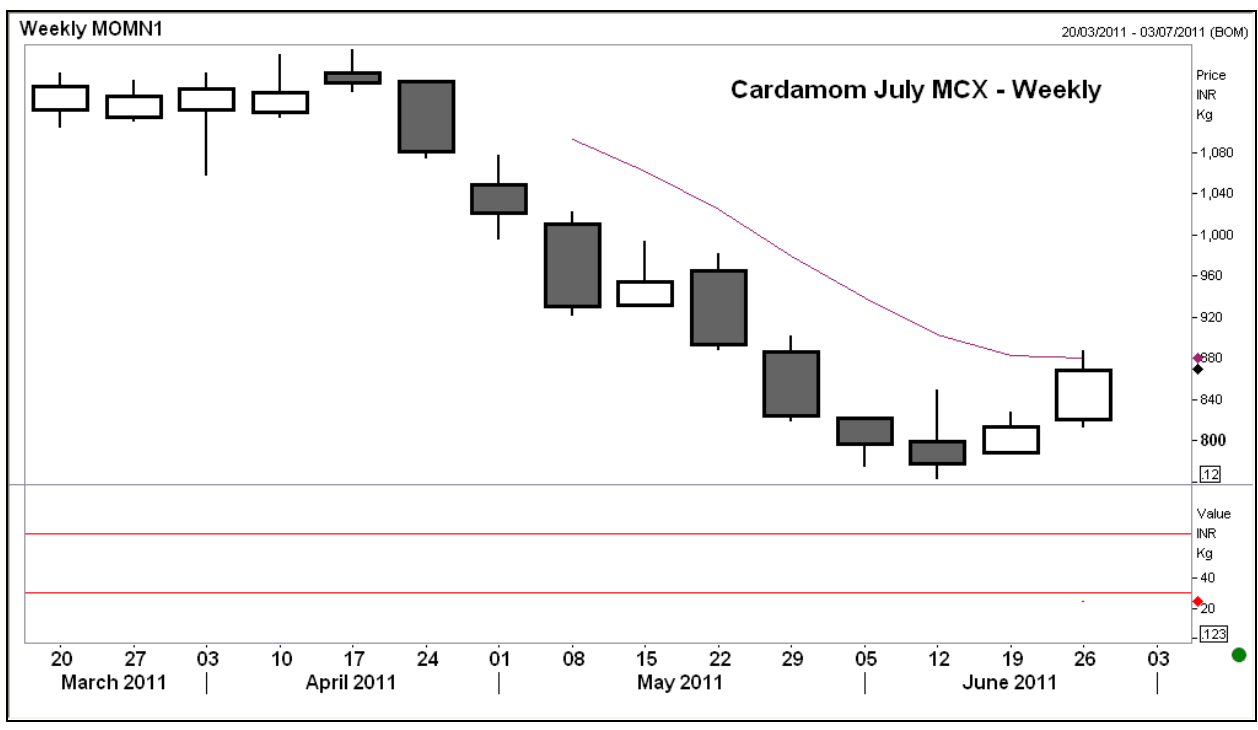
- ❖ MCX warehouse stocks of Cardamom as on June 24<sup>th</sup> 2011 were 12.4 tons
- ❖ As per Spices Board data, international price of Cardamom in Saudi Arabia market improved to \$22.63 per kg during the week ended June 10<sup>th</sup> 2011 however, it was lower than \$36.30 per kg quoted in the same period last year

### Derivative Analysis

The MCX cardamom July contract prices and volumes are rising while open interest is falling. It is a good indication that 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.



### Technical





# SPICES WEEKLY



A weekly fundamental and technical report on spices

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