



## Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper Aug	26578	27250	28537	29825	30496	31168	32455	Buy at 29200-250 TP 30000 then 30300 SL below 28700
Jeera Aug	13907	14515	15693	16870	17479	18087	19265	Buy at 16300-400 TP 17000 Strict SL below 16000
TMC Aug	6687	6837	7121	7406	7555	7705	7989	Sideways
Chilli Aug	7931	8091	8413	8734	8895	9055	9377	Sideways
Cardamom Aug	705	735	755	776	806	836	857	Buy at 860-866 TP 910 SL 838

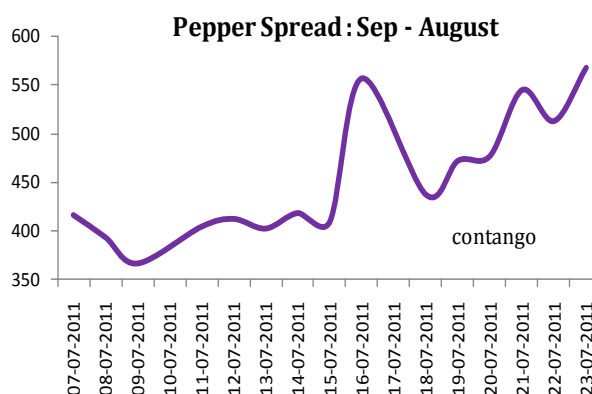


## Pepper

### Review

Pepper August futures continued the rally on follow through buying during last week. Initially prices took decent corrections back of subdued spot market activity. Limited availability in all the major producer countries also pushed the prices. Though Indian prices quoted higher than other origins but good export inquires. However, towards the end of the week futures took sharp corrections as investors booked profits. However, overall positive trend limited the fall and futures ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Aug-11	28400	29959	27921	29593	4.49	38130	70.81	10531	40.23
Sep-11	28612	30470	28401	30161	4.44	5366	253.49	2327	64.80
Oct-11	29345	30800	28875	30503	4.20	910	89.19	805	19.26



### Outlook

Positive trend in pepper futures are projected to continue fresh buying in coming week. Limited availability across the major producer countries is likely to support the uptrend. According to trade sources, availability is with exchange only. Indian prices are slightly higher in global pepper market however; demand for Indian pepper due to its premium quality might support the prices. Indian prices in global pepper market for MG-1 ASTA declined to \$6600-6700 per MT. Domestic demand ahead of festive season might all add to the positive trend. However, most of the overseas buyers are now on summer holidays which might limit the sharp gains.

### Factors to watch out

- Average daily prices at spot market of Kochi risen by ₹800-1000 per quintal and ended the week at ₹28,000 and ₹29,000 per quintal for Ungarbled and MG-1 grade respectively
- Vietnam has exported around 68,216 tons of pepper during January to June in 2011 and it has left with 26,381 tons for next 7 month till next crop hit the market
- According to IPC, During January-June 2011, Lampung has exported 14,760 tons of black pepper against 12,030 tons in the same period of last year
- Now decline in production in Lampung might cause supply crunch for rest of the year

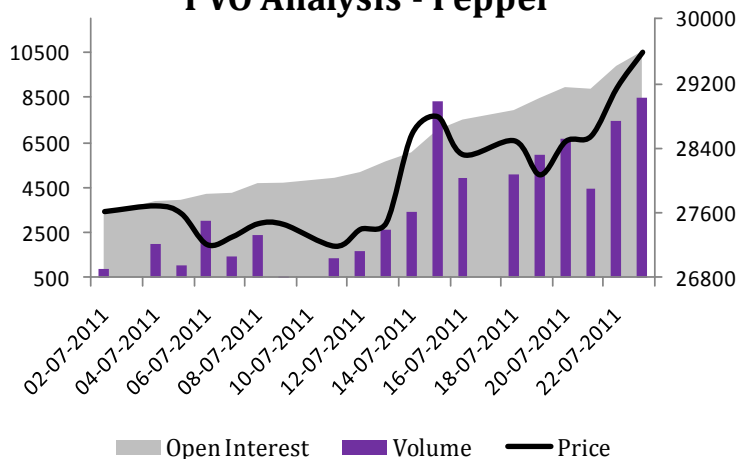


- Stock positions at the NCDEX accredited warehouses were at 4251 tons as on July 22<sup>nd</sup> 2011
- As per Spices Board data, international price of pepper in New York market declined a bit to \$6.72 per kg during the week ended July 15<sup>th</sup> against \$4.152 per kg quoted in the same period last year

## Derivative Analysis

The NCDEX Pepper August contract prices, volumes and open interest all have increased. This indicates that 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.

## PVO Analysis - Pepper

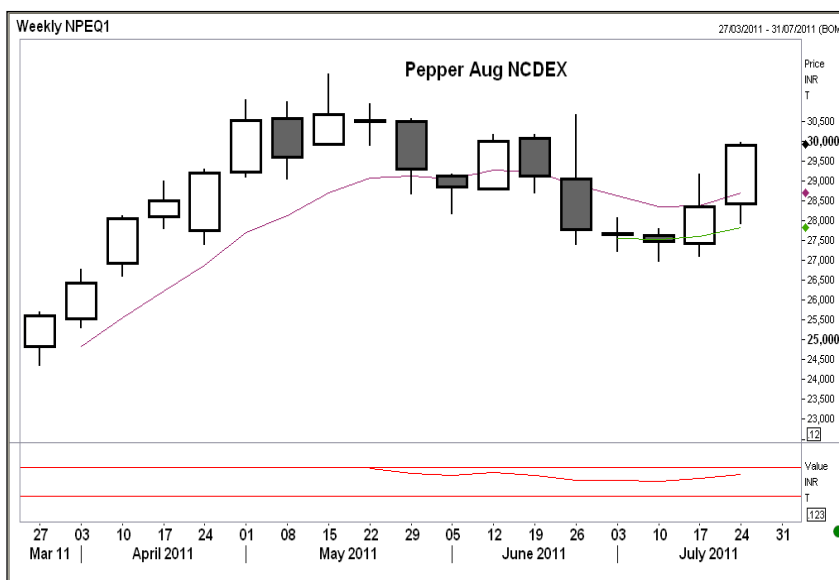


## Technical

Prices are continuously running bullish since last 2 week and this week also it settled at 29593.

A long white candle stick witnessed during the week is suggesting that the bullish mode may continue for the coming week also. Prices are sustaining above the short and medium term moving averages indicating strength in the trend. However, on the upside immediate resistance is seen at 30000 which is trend line resistance of the drawn by joining 2 well defined peaks of 31687-30674. The momentum indicator RSI (14) is seen at 0.59 signaling upside potential for the market.

We recommend buying for the coming week.





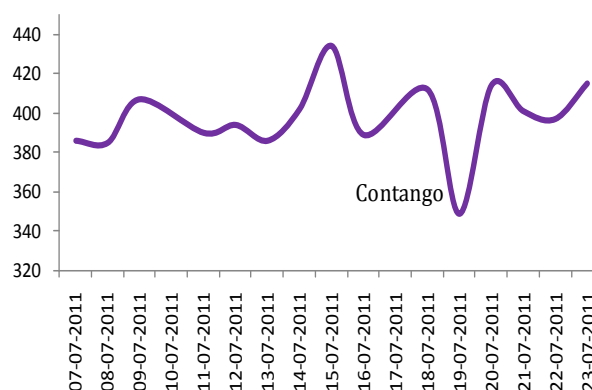
## Jeera

### Review

Jeera futures witnessed huge rally on fresh buying during the week ended on July 23<sup>rd</sup>. Futures started the week on higher note extending the previous week's gains. Reports of delay in arrival from Syria and Turkey shifted export demand towards India. Reduced arrivals across the spot markets also supported the upside. However, futures took small correction on profit booking during the week. Nonetheless, overall bullish supported the prices to bounce back and futures ended on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Aug-11	15400	16910	15124	16784	8.49	103761	62.45	19038	-7.45
Sep-11	15751	17348	15532	17199	8.45	26112	115.71	16356	18.01
Oct-11	15981	17700	15965	17593	8.26	3519	156.11	2694	233.83

Jeera Spread : Sep - August



### Outlook

Jeera futures are expected to trade positive in coming week on continued fresh buying at lower levels. Declining arrivals across the spot market is likely to support the prices. Reports of declined estimates of Syrian jeera production might support the prices to trade higher. Due to monsoon rains threat of moisture is increasing in stored crop which might support the prices. However, profit booking at higher levels can not be over ruled.

### Factors to watch out

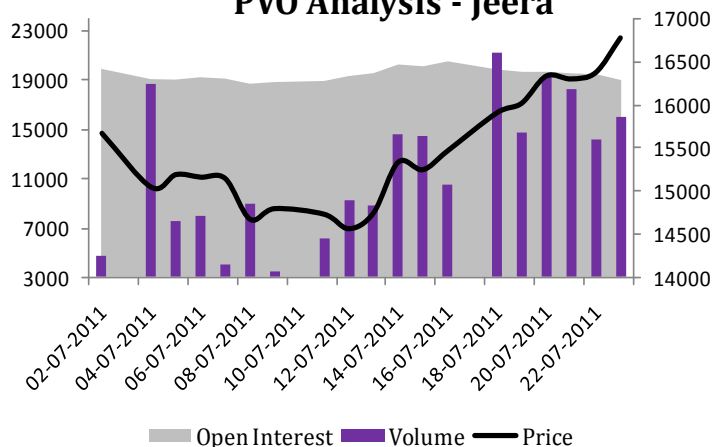
- ♣ Spot market of Unjha witnessed slight fall in arrivals during the week, arrivals remained in the range of 2,500-4,500 bags (Each bag=55 Kg.)
- ♣ According to trade sources, cumin production estimates of Syria and Turkey are declined to 30,000 and 10,000 MT
- ♣ NCDEX accredited warehouse stocks were at 11784 tons as on June 22<sup>nd</sup> 2011
- ♣ As per Spices Board data, international price of jeera in New York market remained stable at \$3.73 per kg during the week ended July 15<sup>th</sup> 2011 higher against \$3.20 per kg quoted in the same period last year



### Derivative Analysis

The NCDEX jeera August contract prices, volumes have increased while open interest has declined. This indicates that 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.

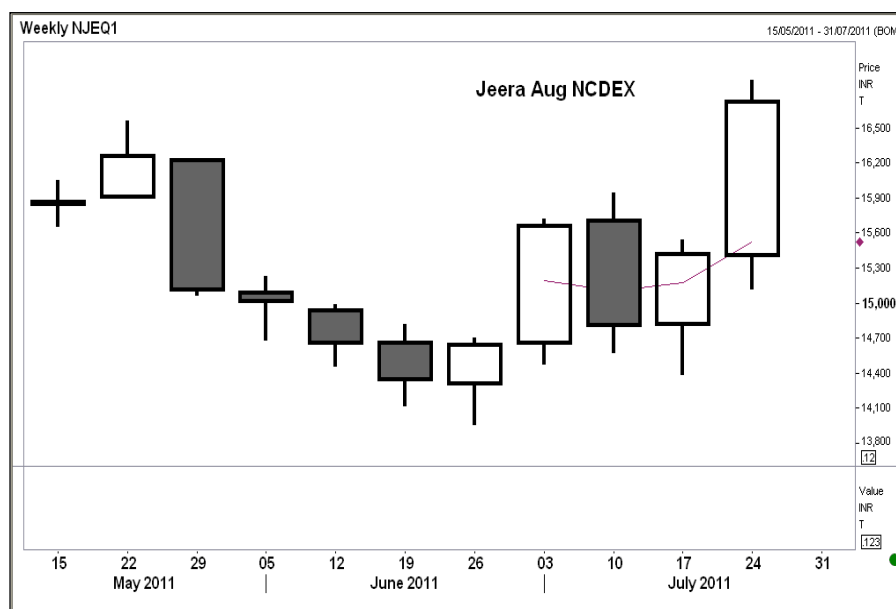
### PVO Analysis - Jeera



### Technical

Jeera prices made a great rally this week and settled at 16784 almost near to the high of 16910.

A long white candle stick witnessed this week suggesting bullishness to be continued for the coming week also. Prices are sustaining above the short and medium term moving averages indicating strength in the trend. The momentum indicator RSI (14) is trading at 0.61 signaling upside potential for the commodity prices. In the weekly chart, Jeera prices given a



breakout of the bullish consolidation chart formation which may lead the Jeera prices to touch the new highs in coming few day.

For this week we expect Jeera prices to remain upside and recommend buying.



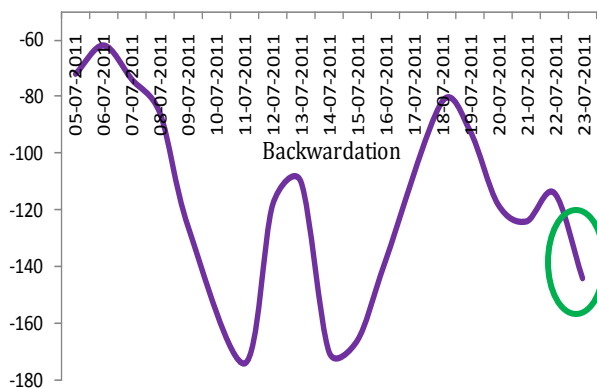
## Turmeric

### Review

The NCDEX turmeric futures witnessed heavy volatility on mixed response from investors during last week. Prices at futures started the week on lower note extending the correction on sluggish demand. Farmers are anticipating bumper crop next year. Therefore, they increased supply to the market which pressurized the prices. Stockiest were also not interested in bulk buying. However, later on prices witnessed smart recovery towards the closing of the week on short covering and futures ended the week on slightly positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Aug-11	7234	7420	6986	7392	1.07	26810	61.17	7990	14.22
Sep-11	7508	7520	7138	7176	1.00	5380	79.65	3930	30.79
Oct-11	7080	7334	6920	7250	1.40	920	260.78	440	175.00

Turmeric Spread : Sep - August



### Outlook

Turmeric prices are expected to trade slightly positive initially in coming week amid fresh buying on lower levels at futures. However, overall fundamentals are still weak on rising arrivals across the spot markets. Traders are not getting sufficient orders therefore they are not interested in bulk buying. On other hand farmers also do not want to keep stock as they want money for next season sowing. Thus, they are dumping their produce at spot market which might affect prices negatively during the week. However, any sudden change in demand due to aadi month might limit the losses.

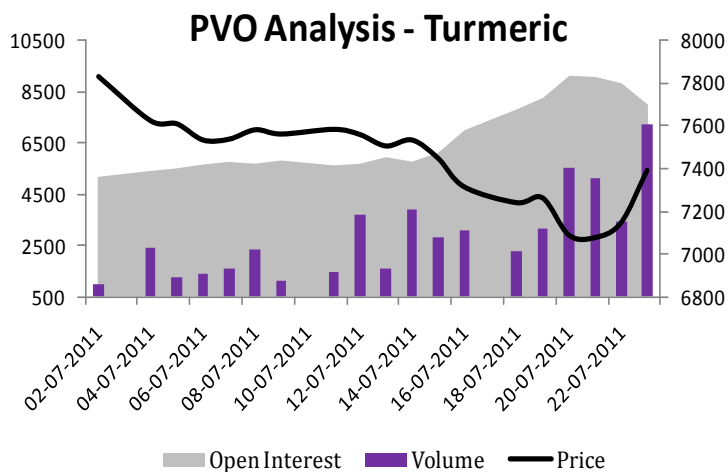
### Factors to watch out

- Average arrivals at spot markets of Nizamabad and Erode were around 1500-2000 bags and 8000-10000 bags respectively
- Traders are expecting again a bumper crop next season which might weigh on prices
- However, emergence of demand due to Aadi month might limit the sharp fall
- NCDEX warehouse stocks of Turmeric as on July 22<sup>nd</sup> 2011 were 4384 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 July 15<sup>th</sup> 2011 higher against \$4.96 per kg quoted in the same period last year

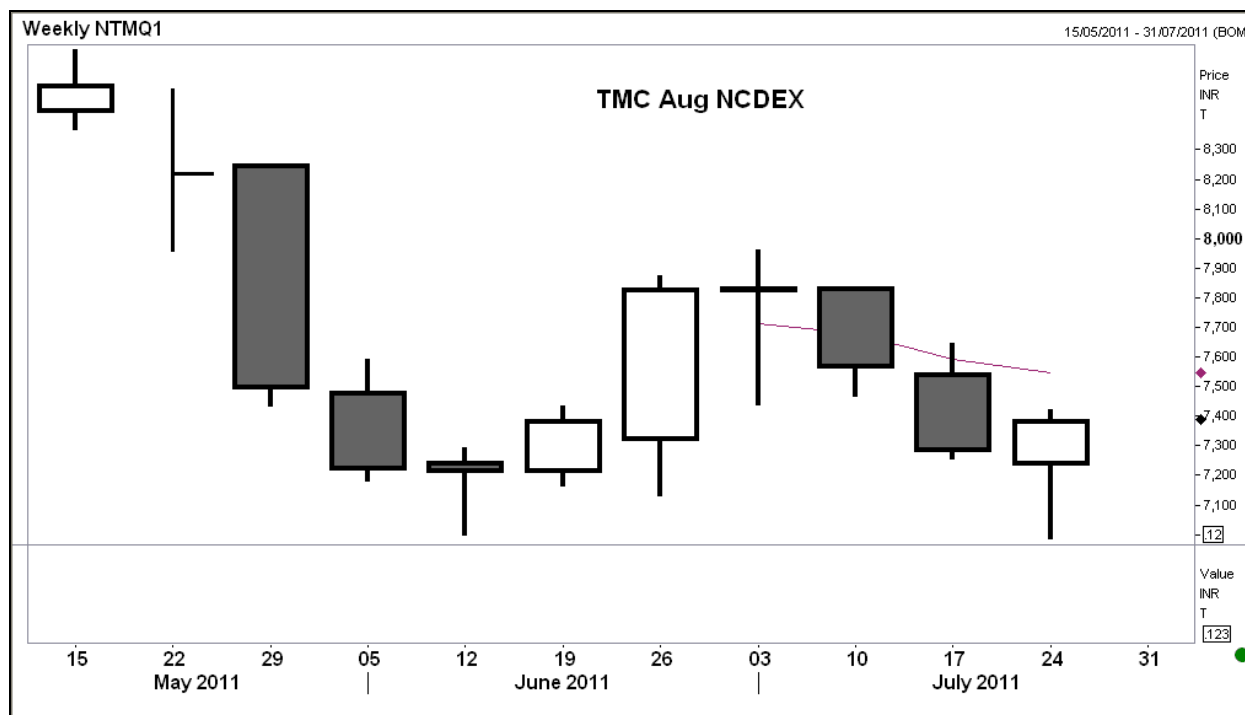


### Derivative Analysis

The NCDEX turmeric August contract prices, volumes and open interest all have increased. This indicates that 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.



### Technical



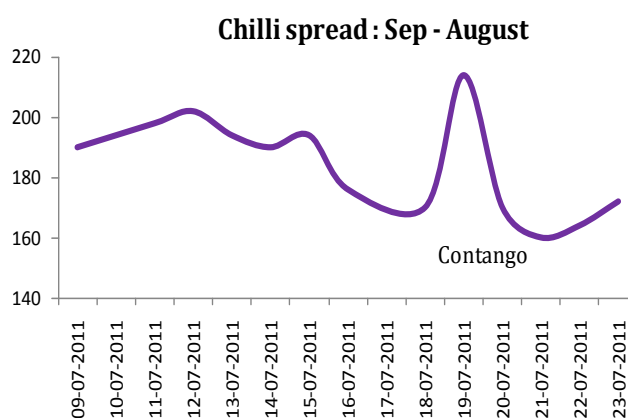


## Chilli

### Review

The Chilli prices resumed positive trend fresh buying on previous losses during last week. Futures started the week on positive note on short covering. Heavy rains in Warangal region affect nursery crop which also pushed the prices. However, later on prices took decent corrections Improved monsoon in major growing regions of Madhya Pradesh supported the sowing activity. Thus on anticipation of increased acreage due traders started releasing their stocks which pressurized the prices. Nonetheless, towards the end of the week Futures resumed uptrend on fresh buying and futures ended in green.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Aug-11	8360	8734	8252	8734	4.95	23280	-14.13	13840	33.01
Sep-11	8518	8906	8430	8906	4.80	8205	95.59	3855	66.88
Oct-11	8670	9056	8610	9056	4.45	2130	54.91	1620	134.78



### Outlook

Chilli prices are expected trade volatile in coming week on mixed sentiments across the spot markets. Active sowing progress in major growing regions of MP is likely to weigh on prices. However, according to traders Guntur is not getting that much rains which will support crop growth. This might support the prices during the week. Traders are expecting domestic demand might improve in coming days. However, any improvement in weather in coming week might reverse the direction on negative side.

### Factors to watch out

- ❖ Average daily arrivals remained in the range of 30,000-35,000 bags with prices hovering around ₹8200-9000 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
- ❖ As of now around 30-35 lakh bags of chilli have been stored in cold storages
- ❖ NCDEX warehouse stocks of Chilli as on July 22<sup>nd</sup> 2011 were 10974 tons

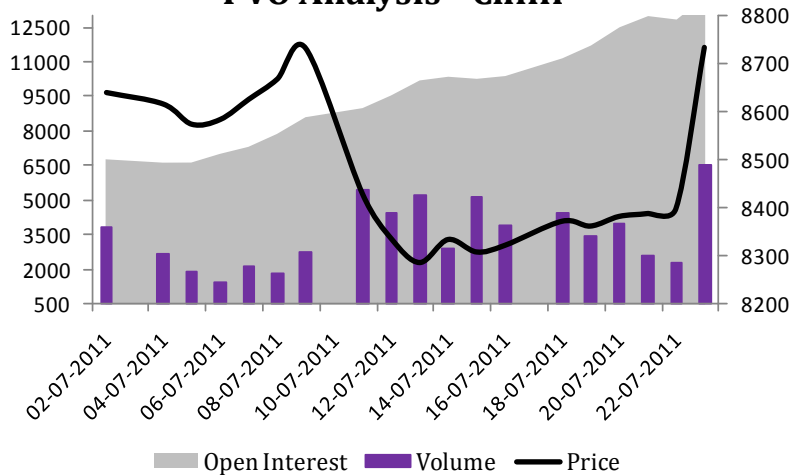


- As per Spices Board data, international price of chilli in New York market was unchanged to \$3.64 per kg during the week ended July 15<sup>th</sup> 2011 against \$2.43 per kg quoted in the same period last year

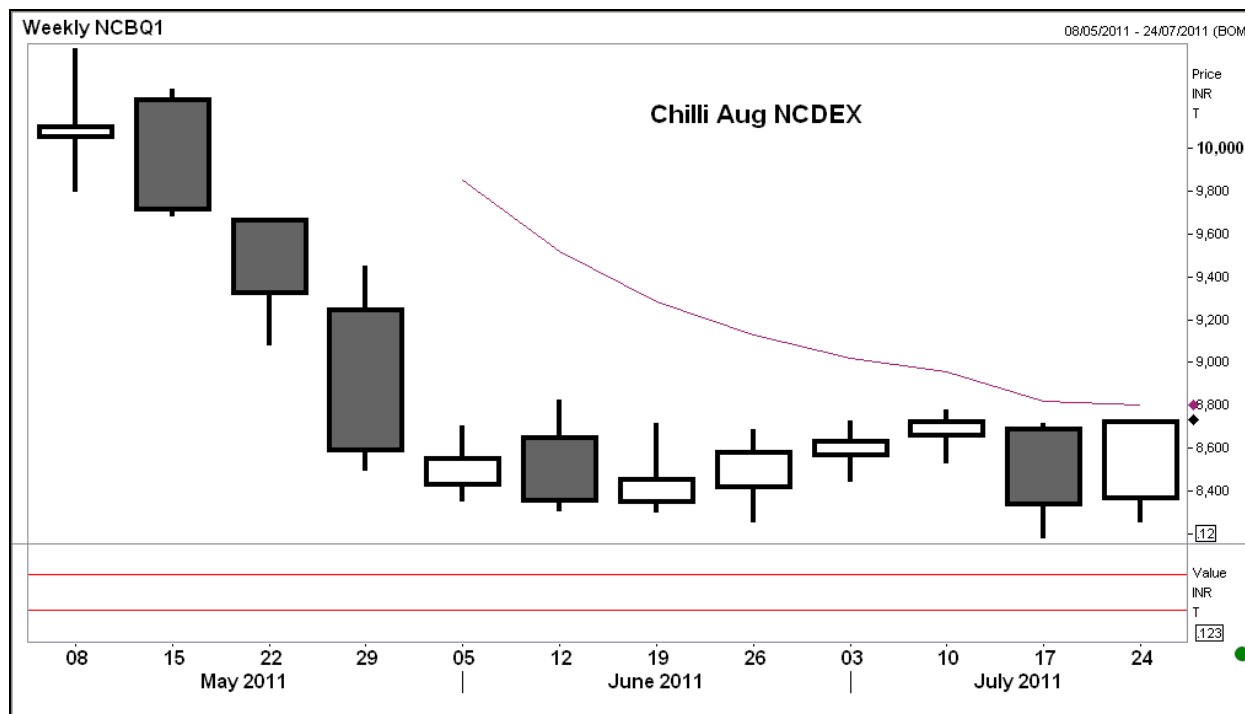
### Derivative Analysis

The NCDEX chilli August contract prices and open interest have increased while volumes have declined. This indicates that market is attracting late buyers & early shorts; market is vulnerable to a sharp correction but likely that that correction will be bought creating a buy point for uptrend.

### PVO Analysis - Chilli



### Technical





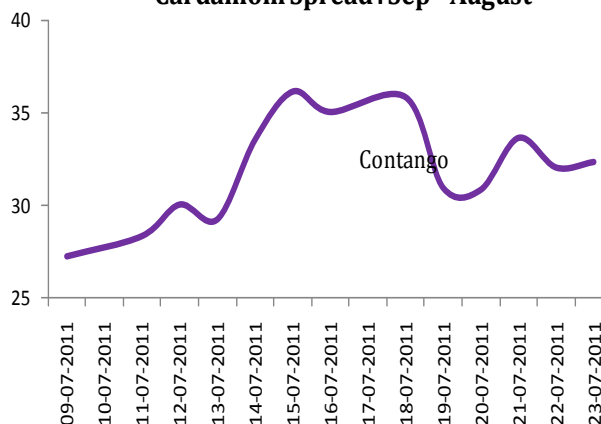
## Cardamom

### Review

The cardamom futures witnessed huge 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, increased arrivals across the spot markets 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
Aug-11	848	891.8	845.3	880	4.45	13202	56.87	2868	-7.54
Sep-11	884.9	925	883	912.4	3.97	4151	76.86	1839	5.81
Oct-11	895.9	923	887	915.4	3.31	693	30.30	727	-7.46

Cardamom Spread : Sep - August



### 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 along with domestic demand 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, rising arrivals at spot market might restrict the sharp gains.

### Factors to watch out

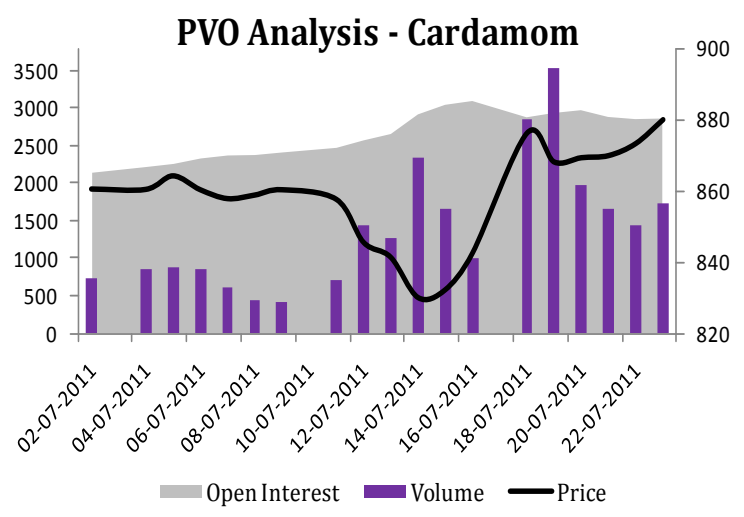
- ❖ Daily average arrivals at auctions reduced a bit to 60-70 tons during this week; while average auction prices also improved to ₹629-698 per Kg.
- ❖ According to Spices board of India, total arrivals during the current season from Aug 1<sup>st</sup> week to July 17<sup>th</sup> were up by 24% to 12,556 tons against 10,160 tons in the same period last year
- ❖ MCX warehouse stocks of Cardamom as on July 22<sup>nd</sup> 2011 were 15.9 tons
- ❖ As per Spices Board data, international price of Cardamom in Saudi Arabia market declined marginally to \$22.18 per kg during the week ended July 15<sup>th</sup> 2011; it was lower than \$35.65 per kg quoted in the same period last year



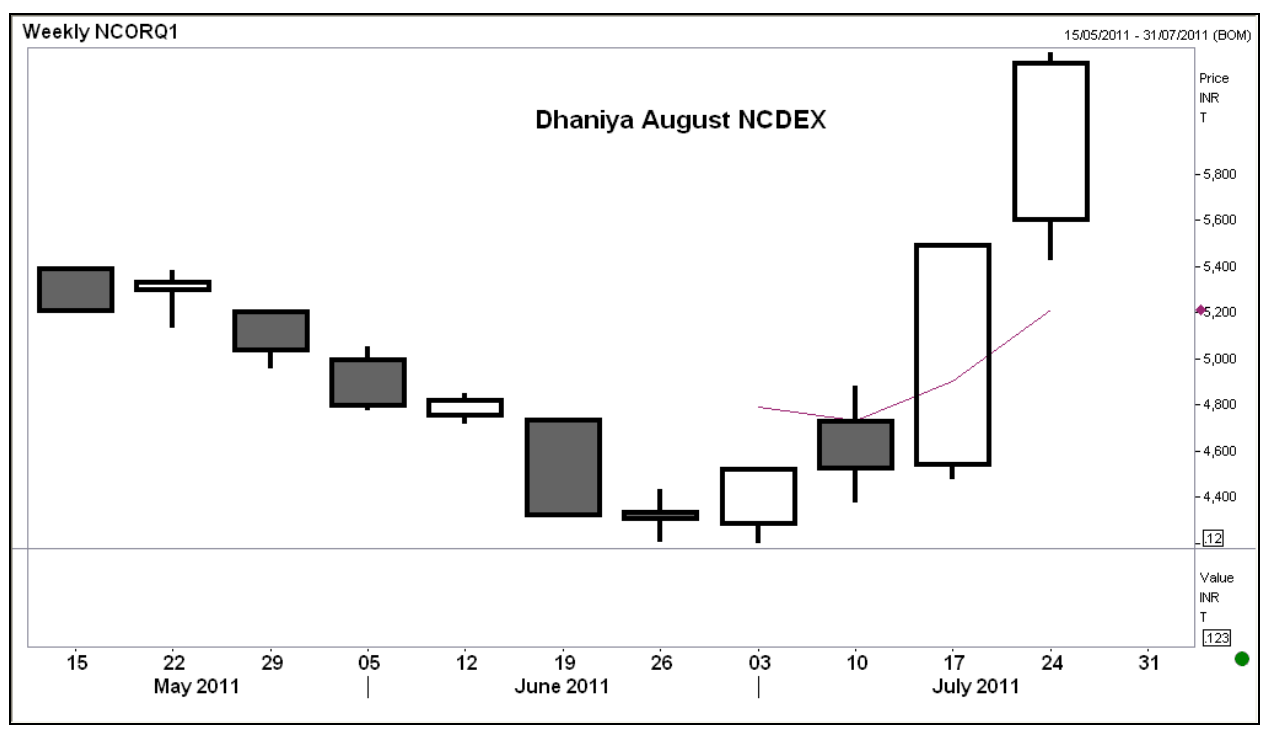
A weekly fundamental and technical report on spices

### Derivative Analysis

The MCX cardamom August contract prices, volumes have increased while open interest has declined. This indicates that 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





# SPICES WEEKLY



A weekly fundamental and technical report on spices

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