



## Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper Aug	28869	29672	30994	32316	33119	33922	35244	Buy at 31800-32000 TP 33800 SL 30800
Jeera Aug	14845	15085	15459	15833	16073	16313	16687	Buy at 15750-15800 TP 16250 then 16500 SL below 15320
TMC Aug	5597	5823	5989	6156	6381	6607	6773	Sideways
Chilli Aug	7805	7963	8153	8344	8501	8659	8849	Sideways
Cardamom Aug	722	749	769	789	815	842	862	Sideways

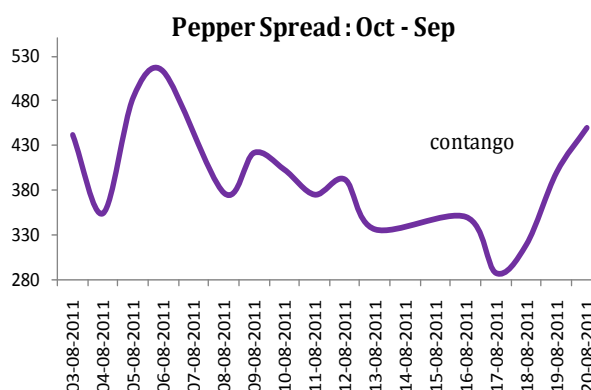


## Pepper

### Review

Pepper prices witnessed huge rally on emergence of fresh demand across the globe. Most of the overseas buyers resumed trading after summer holidays which pushed the global pepper prices. At domestic spot market prices touched new all time high level of ₹30,500 per quintal on fresh demand for festive season. Supply crunch in most of the major pepper growing regions also supported the upside movement. Indian exchanges also witnessed new life time high level of 32600 on strong demand and futures ended the week on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep-11	30475	32600	30475	32403	6.42	38938	73.15	8627	8.43
Oct-11	31199	33077	31199	32853	6.72	5265	298.86	1989	31.46
Nov-11	31799	33375	30993	32976	6.17	262	123.93	128	12.28



### Outlook

Pepper prices are expected to continue positive trend amid strong buying interest among the investors. Rising prices in global pepper market due to emerging fresh demand from overseas buyers is likely to support upside movement. However, Profit booking at higher levels can not be over ruled during the week. Nonetheless, rising festive season demand at domestic front is likely to support the prices. Brazil raised pepper prices to \$7000 per MT against \$6750 per MT quoted earlier. Indian prices for MG-1 ASTA have moved up at \$7250-7300 per MT on strong cues from global pepper market.

### Factors to watch out

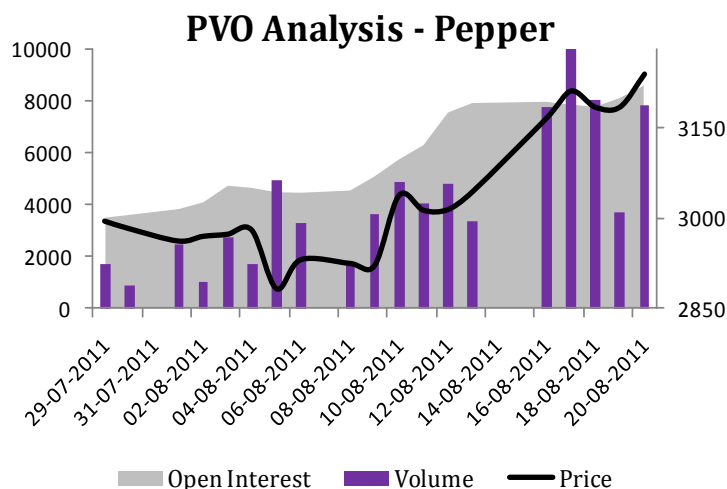
- ✦ Average daily prices at spot market of Kochi shot up by ₹500-800 per quintal and ended the week at ₹30,500 and ₹29,500 per quintal for Ungarbled and MG-1 grade respectively
- ✦ According to International Pepper Community (IPC) during January – June 2011 pepper exports from major growing countries like India, Vietnam, Indonesia, Brazil, Malaysia and Sri Lanka pepper exports have declined by 3% to 1,23,000 MT against same period last year due to supply crunch
- ✦ Stock positions at the NCDEX accredited warehouses were at 3793 tons as on August 19<sup>th</sup> 2011



- ♣ According to data released by Spices board, pepper exports during April- June 2011 were increased by 21% to 5750 tones against 4750 tones in the same period last year
- ♣ As per Spices Board data, international price of pepper in New York market moved up a bit to \$6.84 per kg during the week ended July 22<sup>nd</sup> against \$4.52 per kg quoted in the same period last year

### Derivative Analysis

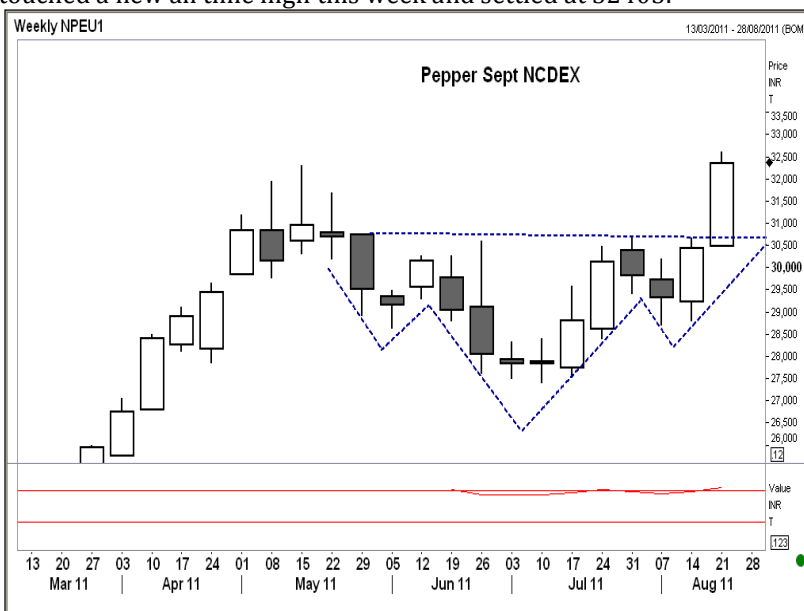
The NCDEX Pepper September contract prices, volumes and open interest all have increased. This indicates that market is attracting larger numbers of traders willing to open positions from the long side and hold them. Traders are more confident that prices will continue to climb in favor of a working long. This scenario is a good clue that UPTREND is secure & that the trend may continue further for a period of time.



### Technical

Pepper prices remained on the elevated levels and touched a new all time high this week and settled at 32403.

In the weekly chart a white opening morubozu candle stick is spotted indicating bullishness to be continued for the coming week also. The good thing to watch in the weekly pepper chart at this point of time is inverted head and shoulders chart pattern is witnessed at elevated levels and prices have breached the neck line resistance settled higher with good volume. Here, we can consider it as a continuation pattern while fundamentally speaking inverted head and shoulders should be a bearish trend reversal one. Next crucial resistance level to watch here is 33900 levels which is 76.4% projections of 23828-32290-27399 as per Fibonacci projection principle. Prices are sustaining above the short and medium term exponential moving averages suggesting bullishness in the trend. From the above analysis we expect pepper prices to continue its northward journey and recommend buying for the coming week.





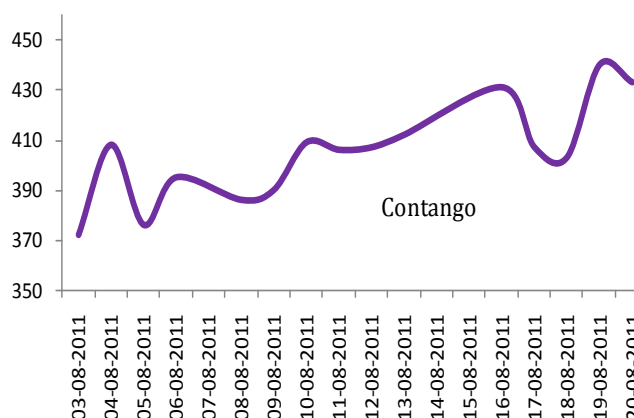
## Jeera

### Review

Jeera prices resumed positive trend amid short covering at lower levels during the week ended on Aug. 20. Sudden decline in arrivals at spot market of Unjha supported the prices to trade up. However, prices took decent correction on profit booking during the week. Nonetheless rising demand across the spot markets amid on going festive season pushed the prices on higher levels and futures ended the week on 2.49% W/W gains.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep-11	15477	15939	15325	15818	2.49	51846	11.00	18723	-6.91
Oct-11	15840	16378	15740	16251	2.56	13026	44.54	16005	47.95
Nov-11	16300	16679	16110	16555	2.32	516	911.76	249	730.00

### Jeera Spread : Oct - Sep



### Outlook

Jeera prices are likely to trade higher in coming week amid emerging demand for festive season. Declining arrivals across the spot market of Unjha is likely to support the prices. Prevailing rainy conditions in major growing regions of Gujarat are creating threat to stored produce which might also add to the upside. However, subdued export demand might limit the gains.

### Factors to watch out

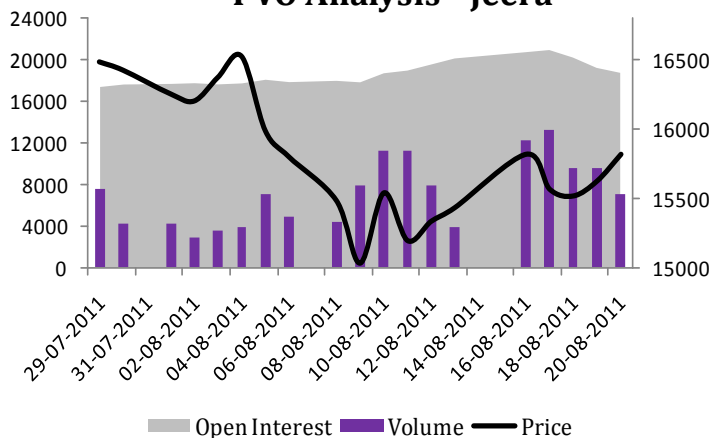
- ♣ Spot market of Unjha arrivals around 4000-4500 bags (1 bag= 60 Kg.)
- ♣ According to trade sources, cumin production estimates of Syria and Turkey are declined to 30,000 and 10,000 MT
- ♣ NCDEX accredited warehouse stocks were at 11531 tons as on August 19<sup>th</sup> 2011
- ♣ As per Spices Board data, international price of jeera in New York market quoted higher at \$4.17 per kg during the week ended July 22<sup>nd</sup> 2011 against \$3.53 per kg quoted in the same period last year



### Derivative Analysis

The NCDEX jeera September 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.

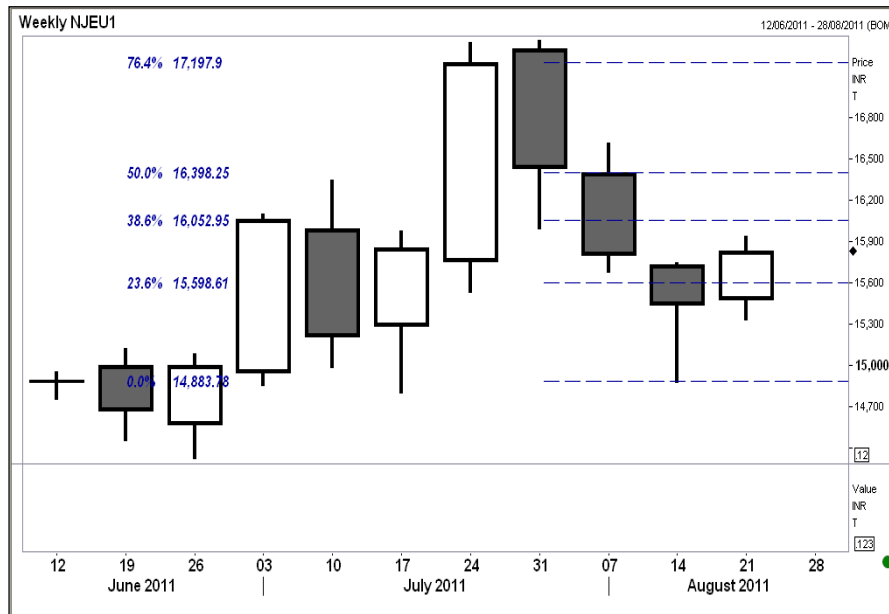
### PVO Analysis - Jeera



### Technical

Jeera Sept futures in NCDEX platform traded higher this week and settled at 15818.

In weekly chart a short white candle stick is witnessed after a hammer indicating continuation of bullish mode for the coming week also. Market settled above the short and medium term moving averages and also previous swing high of 14872 indicating upside potentials for the coming week. The resistance level to watch is 16052 and 16398 which are



38.6% and 50% projections respectively of the range 14320-17360-14872. Prices are also trading above the short term trend line which is drawn by joining 2 well defined peaks of 17340 and 16610.

From the above analysis we expect jeera prices to remain bullish for the coming week and recommend buying for the coming week.

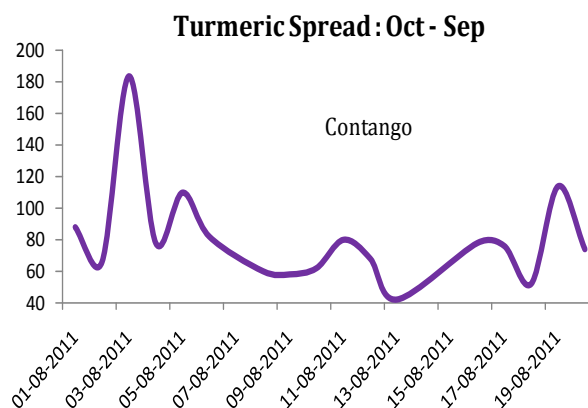


## Turmeric

### Review

The NCDEX turmeric futures continued the fall on back of prevailing bearish trend on mixed response from investors across the spot markets. Prices at futures started the week on lower note extending the correction on sluggish demand. Due to nationwide strike of lorry owners north Indian buyers stopped placing orders. Thus, in absence of fresh orders bulk buyers stayed away from market which pulled down the prices. However, demand from upcountry buyers in small amount limited the sharp fall in prices towards the closing and futures ended the week on slightly negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep-11	6384	6440	6048	6156	-2.81	20985	11.89	11215	57.85
Oct-11	6716	6800	6170	6376	-2.29	3935	-11.56	2120	22.41
Nov-11	6362	6438	6126	6312	-0.09	560	187.18	335	131.03



### Outlook

Turmeric prices are expected to continue the bearish trend in coming week on poor stockiest demand across the spot market. However, a smart recovery on short covering can be seen initially the week which might create selling in market. Overall fundamentals are still weak on rising arrivals across the spot markets. Traders are not getting sufficient orders from upcountry buyers therefore they are not interested in bulk buying. Farmers are anticipating again a bumper crop in next season and therefore they are offloading their stocks at spot market. However, poor sowing progress in AP might support the prices at lower levels during the week.

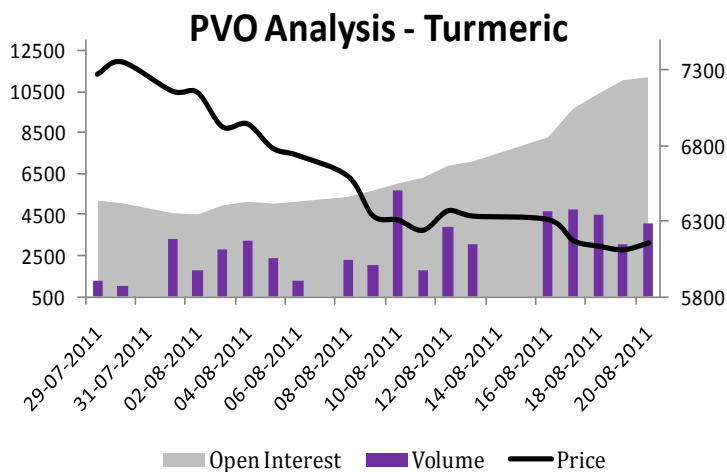
### Factors to watch out

- ✦ Average arrivals at spot markets of Nizamabad and Erode were around 1000-1500 bags and 5000-8000 bags respectively
- ✦ NCDEX warehouse stocks of Turmeric as on August 19<sup>th</sup> 2011 were 7301 tons
- ✦ According to AP Govt. till August 17<sup>th</sup> sowing has been done in 0.60 Lakh Ha as compared 0.69 Lakh Ha previous year
- ✦ 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 22<sup>nd</sup> 2011 higher against \$4.96 per kg quoted in the same period last year

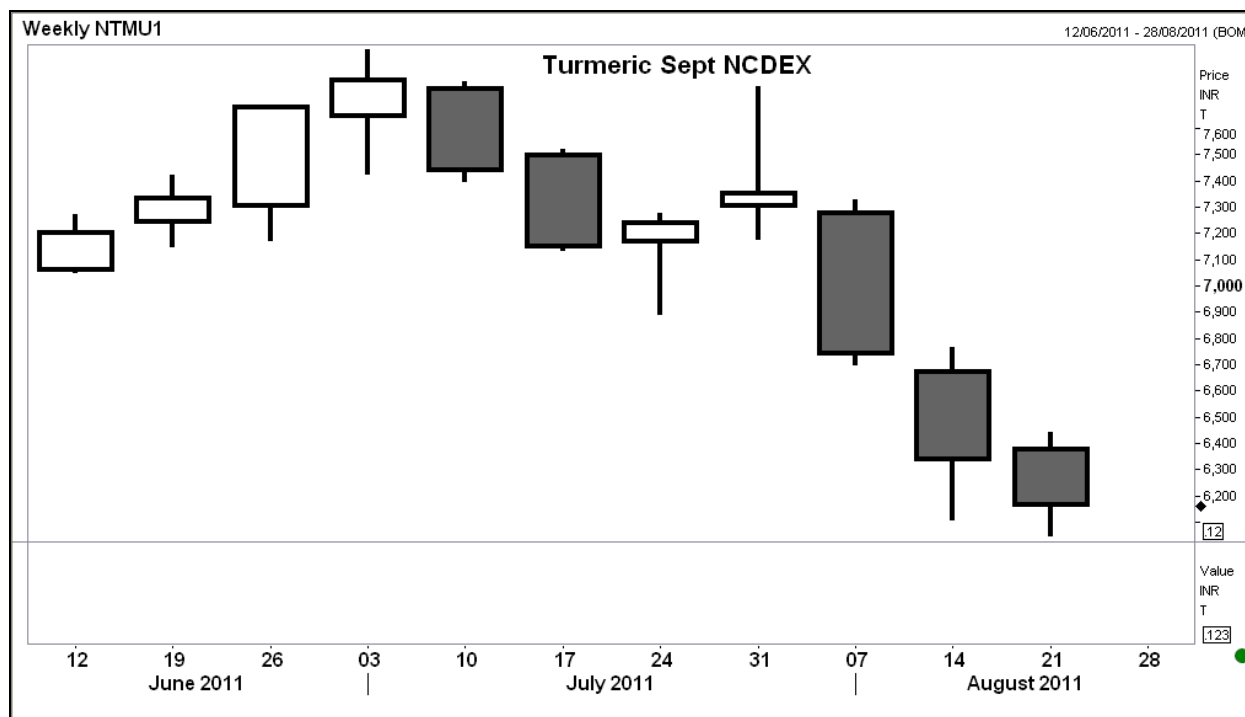


### Derivative Analysis

The NCDEX turmeric September contract prices have declined while volumes and open interest have increased. This indicates that that new money is coming into the market, showing aggressive new short selling. This scenario will prove out a continuation of a downtrend or bearish



### Technical





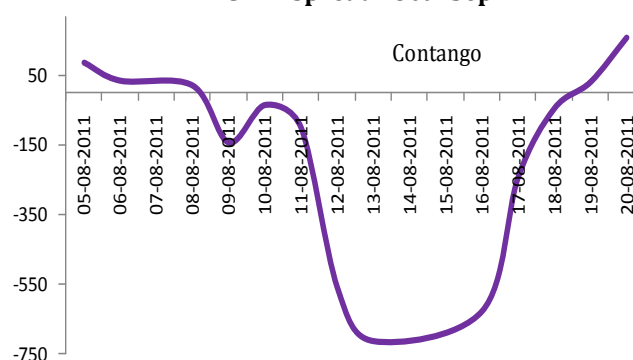
### Chilli

#### Review

The Chilli prices witnessed a very choppy trade on back of sluggish activity across the spot markets during last week. Futures started the week on positive note on short covering. However, later on prices took decent corrections on sluggish export demand. Thus on anticipation of increased acreage due traders started releasing their stocks which pressurized the prices. However, poor sowing progress in Guntur region pushed the prices. Therefore, on cues from spot market futures also traded range bound and ended the week on marginally positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep-11	8152	8468	8120	8348	1.83	15555	-18.90	10820	4.14
Oct-11	8440	8730	8380	8624	2.23	3340	-17.84	2855	56.44
Nov-11	8672	8750	8600	8714	0.48	345	155.56	200	166.67

#### Chilli spread : Oct- Sep



#### Outlook

Chilli prices are expected trade range bound to positive in coming week on mixed sentiments across the spot markets. Poor sowing progress in major growing regions of AP is likely to support the prices. Stable domestic demand across the spot market might add to the upside. However, sluggish export demand is likely to weigh on sentiments.

#### Factors to watch out

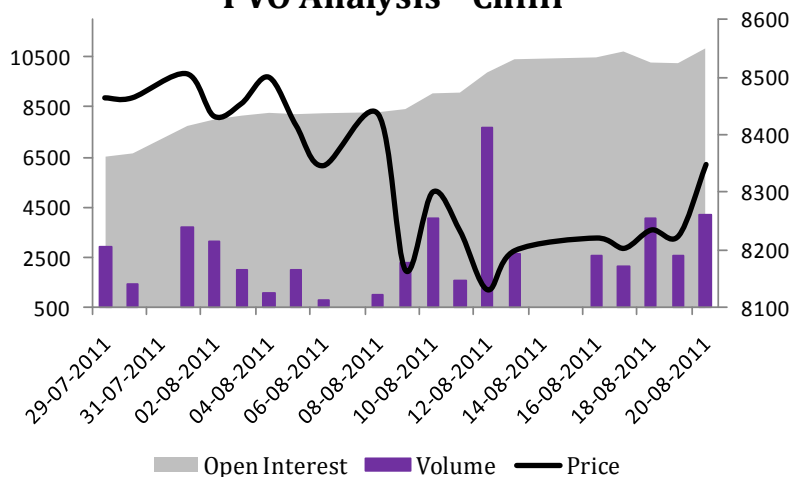
- ❖ Average daily arrivals remained in the range of 25,000-30,000 bags with prices hovering around ₹7800-8400 per quintal (each bag=40Kg.)
- ❖ According to data released by Spices board, chilli exports during April- June 2011 were declined by 37% to 40500 tones against 64000 tones in the same period last year
- ❖ According to AP Govt. till August, 17<sup>th</sup> chilli sowing has been done in 0.37 Lakh Ha as compared 0.53 Lakh Ha previous year
- ❖ NCDEX warehouse stocks of Chilli as on August 19<sup>th</sup> 2011 were 10563 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 29<sup>th</sup> 2011 against \$2.43 per kg quoted in the same period last year



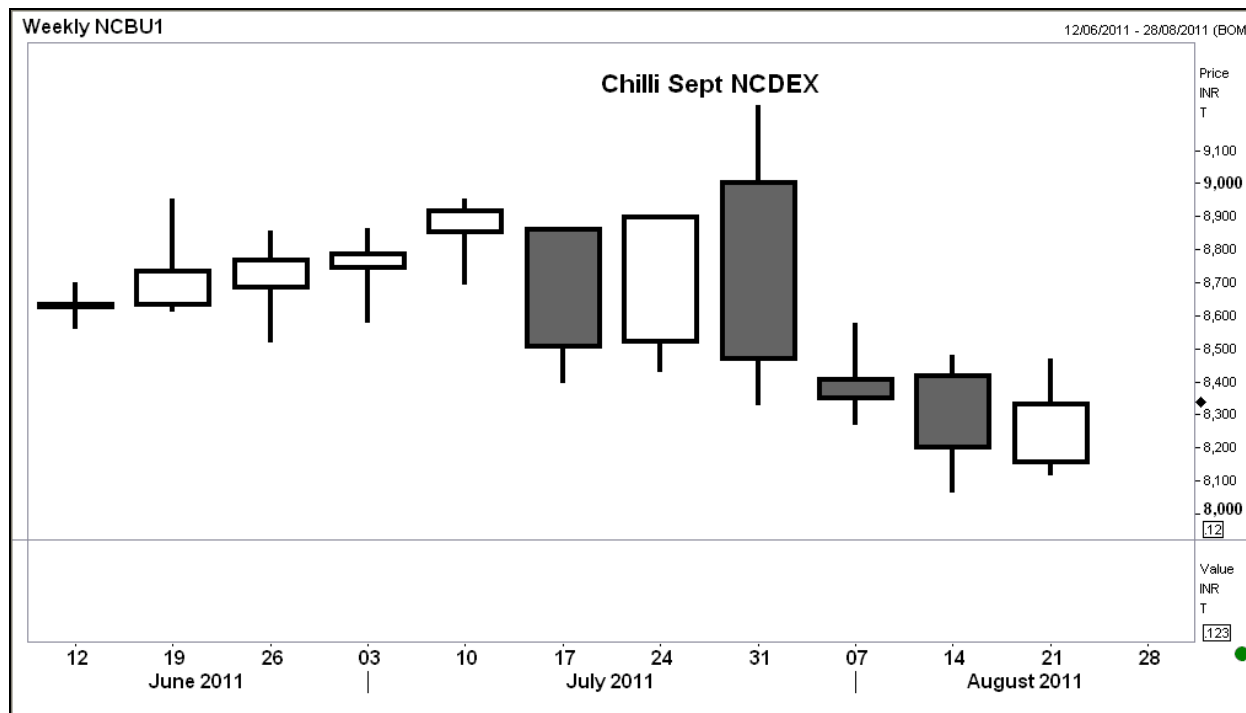
### Derivative Analysis

The NCDEX chilli September contract volumes have declined while prices and open interest have increased. 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



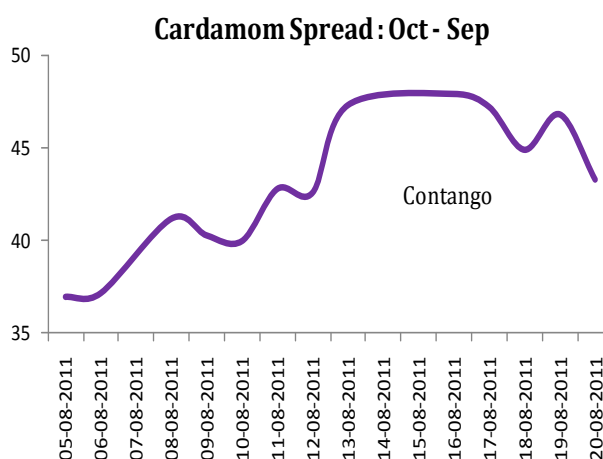


## Cardamom

### Review

The cardamom futures extended the losses continued selling pressure amid rising arrivals. Futures started the week on positive note on short covering at previous losses. Reports of good buying interest at domestic front amid demand for upcoming festive season support the prices. Nonetheless, increased arrivals across the spot markets pressurized the prices and futures took decent corrections during the week and futures ended on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep-11	805	821.5	775	788.9	-1.46	8974	-24.87	2501	-2.95
Oct-11	854	869.7	821	832.2	-1.85	2381	-16.54	1306	26.92
Nov-11	951	951	875.1	878.7	-0.73	898	-51.39	448	6.25



### Outlook

Cardamom futures are projected to continue the bearish trend in coming week. Huge arrivals across the spot markets amid peak arrivals season are likely to pressurize the prices. Sluggish export demand as Ramadan has started and most of the labours will be on holidays, this may also weigh on prices. However, fresh buying at lower level on upcoming festive season in India might support the prices during the week.

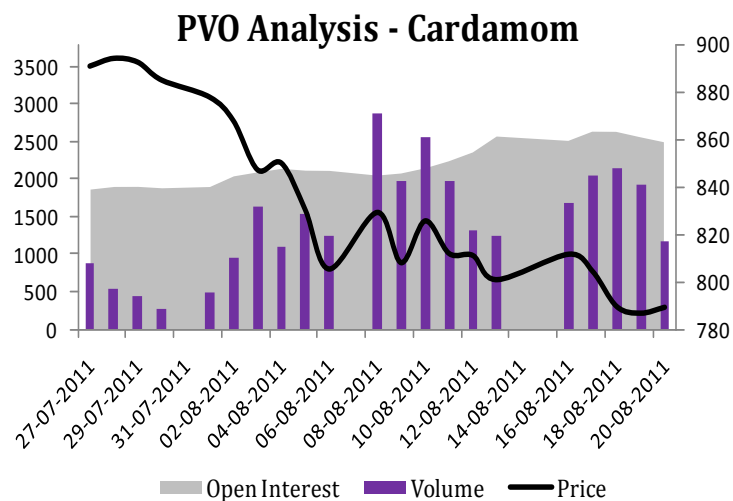
### Factors to watch out

- ❖ Daily average arrivals at auctions reduced a bit to 60-80 tons during this week; while average auction prices also improved to ₹601-637 per Kg.
- ❖ According to data released by Spices board, cardamom exports during April- June 2011 were increased by 219% to 590 tones against 185 tones in the same period last year
- ❖ 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 August 19<sup>th</sup> 2011 were 22.6 tons
- ❖ As per Spices Board data, international price of Cardamom in Saudi Arabia market declined marginally to \$20.85 per kg during the week ended July 29<sup>th</sup> 2011; it was lower than \$21.96 per kg quoted in the same period last year

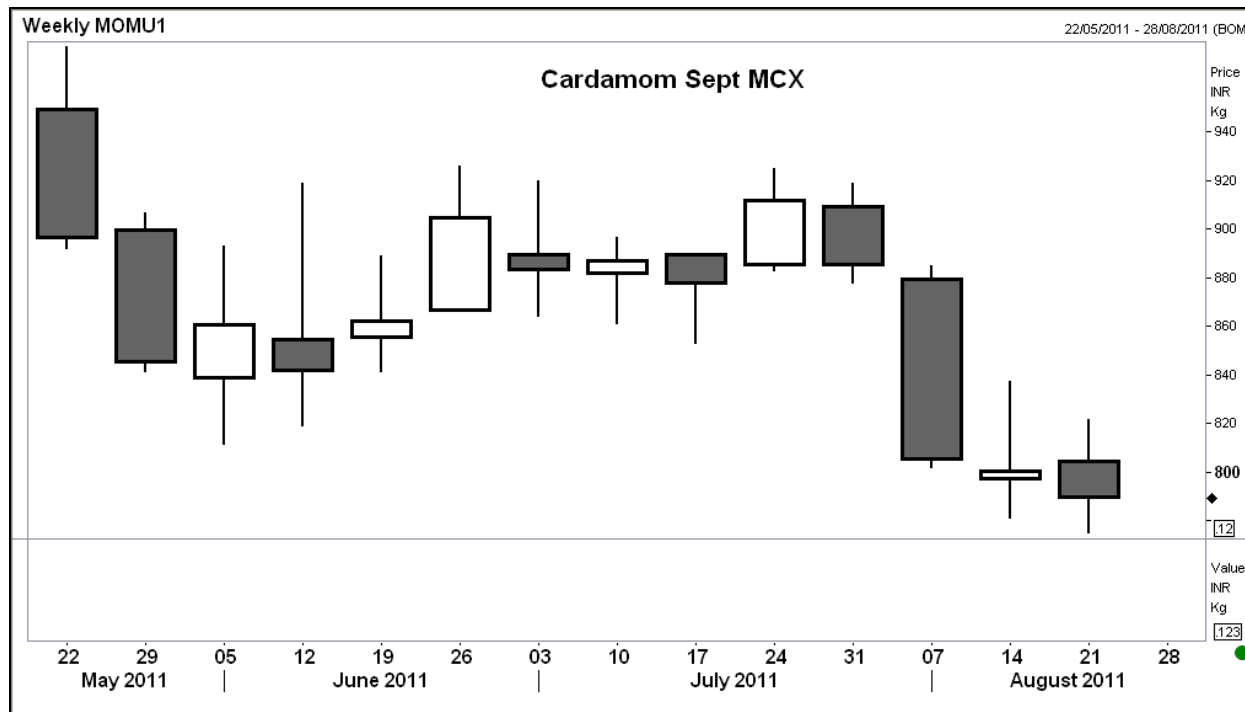


## Derivative Analysis

The MCX cardamom September contract prices, volumes and open interest all have declined. This indicates that 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





# SPICES WEEKLY



A weekly fundamental and technical report on spices

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