



## Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper Aug	32008	32419	32877	33334	33746	34157	34615	Sell at 33450-460 TP 32720/32300 SL 34000
Jeera Aug	14511	14894	15109	15324	15707	16090	16305	Sell at 15420-480 TP 14850 SL 15750
TMC Aug	5235	5411	5583	5756	5931	6107	6279	Buy 5780-5750 TP 6120/6320 SL Below 5580
Chilli Aug	7701	7851	7971	8092	8241	8391	8511	Sideways
Cardamom Aug	642	669	685	700	728	755	771	Sideways

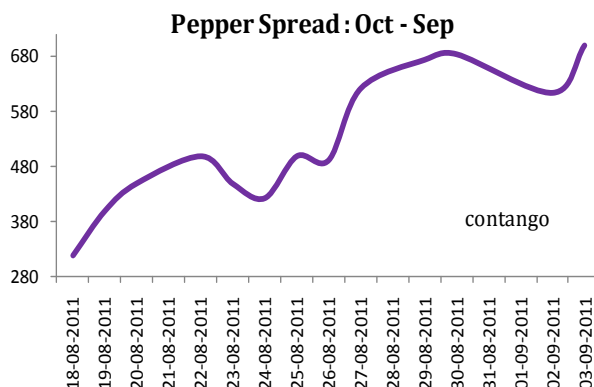


## Pepper

### Review

Pepper prices witnessed a very volatile movement amid mixed responses from investors across the globe. Most of the overseas buyers who were earlier waiting for fall in prices started covering their positions which pushed the global pepper prices. At domestic spot market prices touched new all time high level of ₹31,600 per quintal on fresh demand for festive season. However, later on it fell by ₹200 per quintal as investors stated staying away from market. Reports of Vietnam refusing from earlier export commitments pulled down the prices in global pepper market. However, supply crunch in domestic market supported the prices. Indian exchanges also witnessed new life time high level of 33700 on strong demand and futures ended the week on slightly positive note after witnessing corrections.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep-11	33000	33700	32831	33334	0.32	19608	-56.36	6243	-17.52
Oct-11	33997	34358	33582	34034	0.54	7752	-28.50	4982	41.70
Nov-11	34150	34963	34002	34284	0.14	474	-36.20	404	29.49



### Outlook

Pepper prices are expected to continue positive trend on prevailing supply crunch in domestic market as it is a lean season for arrivals. Rising prices in global pepper market due to emerging fresh demand from overseas buyers is likely to support upside movement. As Brazil has raised pepper prices to \$7500 per MT against \$7250 per MT quoted earlier. Indian prices for MG-1 ASTA have moved up at \$7450 per MT on strong cues from global pepper market. According to IPC, local pepper prices in Vietnam increased significantly by VND 7,000 per kg to VND 130,500 during last week. However, Profit booking at higher levels can not be over ruled during the week which might create further buying at lower levels.

### Factors to watch out

- ✦ Average daily prices at spot market of Kochi increased by ₹300 per quintal during the week to ₹31,600 and ₹30,600 per quintal for Ungarbled and MG-1 grade respectively However, it fell on Saturday by ₹200 per quintal
- ✦ According to IPC, Vietnam has remained with very low stock due to conversion of ASTA grade in to white pepper
- ✦ Stock positions at the NCDEX accredited warehouses were at 4230 tons as on September, 2<sup>nd</sup> 2011

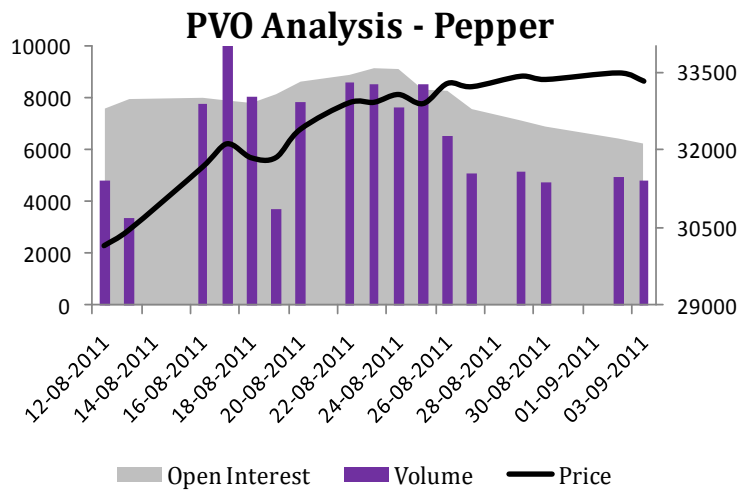


## A weekly fundamental and technical report on spices

- ✦ According to data released by Spices board, pepper exports during April- July 2011 were increased by 11% to 7550 tones against 6800 tones in the same period last year
- ✦ As per Spices Board data, international price of pepper in New York market moved up to \$7.61 per kg during the week ended August 19<sup>th</sup> against \$4.52 per kg quoted in the same period last year

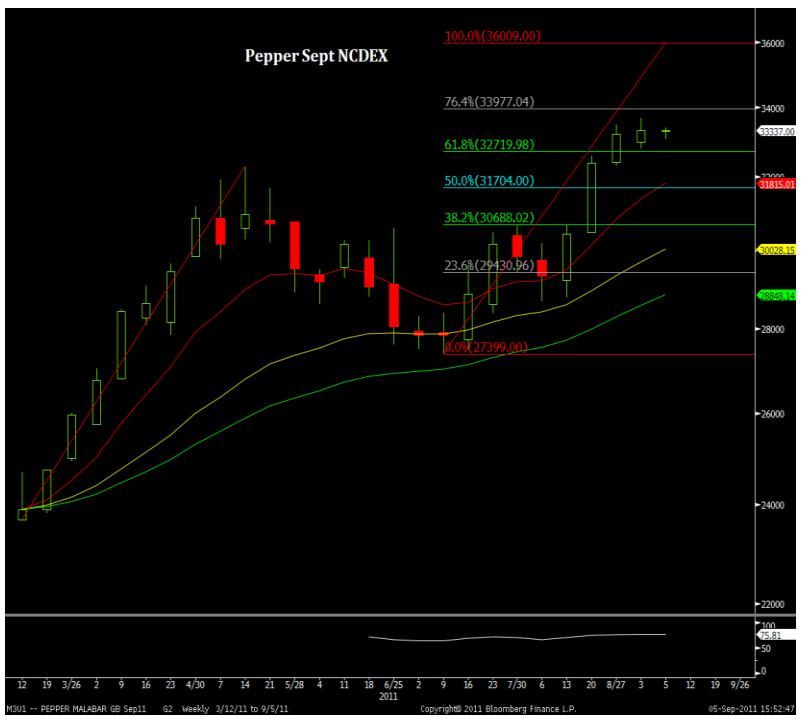
### Derivative Analysis

The NCDEX Pepper September contract prices have increased while volumes and open interest have declined. This indicates 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

Pepper Sept NCDEX traded bullish this week as per our last week's expectations. It made a high of Rs. 33700 last week and settled at Rs.33334. A short white candle stick is an indication that the rally is losing its strength and for this week the prices may take a small correction. Prices are trading far above the short and medium term moving averages suggesting correction in the trend. Crucial support level is seen at Rs. 32719 which is 61.8% projection of the range 23680-32290-27399 whereas immediate resistance is at 33977 which is 76.4% projection of the given range, as per Fibonacci projections principle. If market sustains above the given resistance level then it may trade higher for the coming week till 34950. The momentum indicator RSI (14) is in an overbought mode (0.75) suggesting correction in the market.





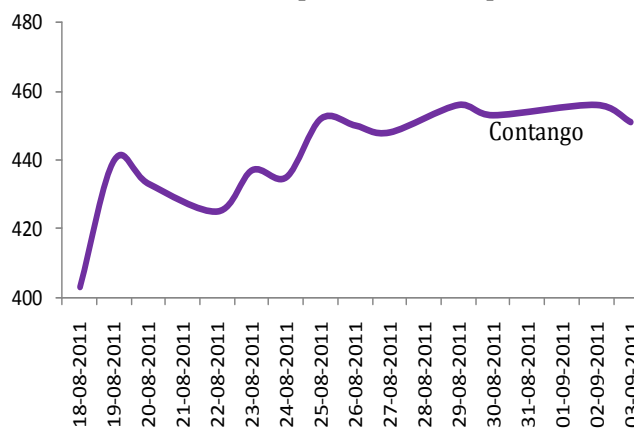
## Jeera

### Review

Jeera prices shaded all its gains on profit booking during the week ended on Sep. 03. From starting of the week futures started trading lower on subdued spot market activity. Spot market of Unjha also remained closed for 2 days during Eid and Ganesh Chaturthi. However, on Friday and Saturday spot market resumed its activity and witnessed huge arrivals which pressurized the prices. Thus, on cues from spot market futures prices took decent correction on profit booking and ended the week on 2.96% W/W losses.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep-11	15795	15875	15277	15324	-2.96	26472	-49.52	15624	-7.40
Oct-11	16250	16301	15731	15775	-2.86	8727	-42.18	18063	3.63
Nov-11	16791	17015	16375	16599	-2.48	2919	-20.86	1716	69.41

Jeera Spread : Oct - Sep



### Outlook

Jeera prices are likely to trade down in coming week amid increased arrivals across the spot markets. Subdued domestic demand might also add to the down side. However, short covering on huge losses can be seen initially which might create further selling in market. Poor export demand is likely to pressurize the prices. According to Spices Board, Jeera exports during April- July 2011 were declined by 40% to 7750 tones against 12950 tones in the same period last year.

### Factors to watch out

- Spot market of Unjha arrivals around 5500-6500 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
- As per Spices Board data, international price of jeera in New York market quoted higher at \$4.26 per kg during the week ended August 19<sup>th</sup> 2011 against \$3.35 per kg quoted in the same period last year
- NCDEX accredited warehouse stocks were at 11602 tons as on September, 2<sup>nd</sup> 2011



# SPICES WEEKLY

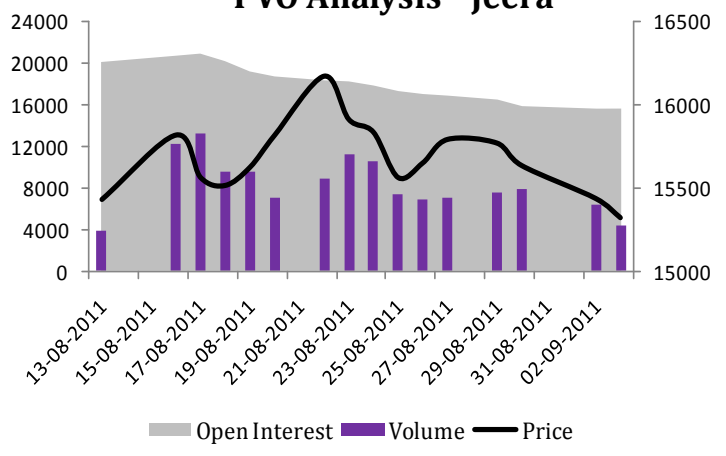


A weekly fundamental and technical report on spices

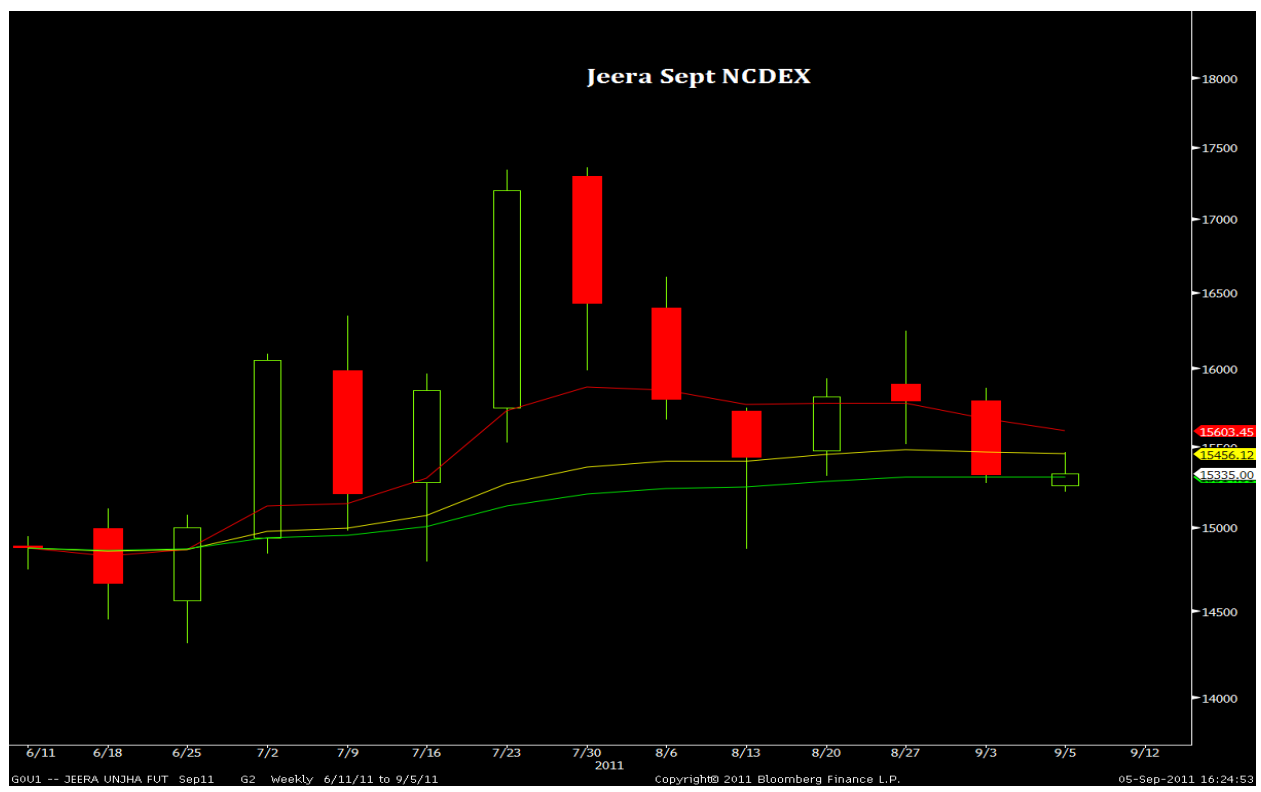
## Derivative Analysis

The NCDEX jeera 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.

## PVO Analysis - Jeera



## Technical



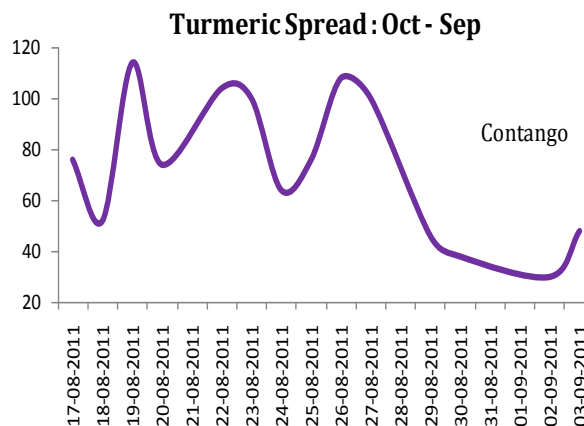


## Turmeric

### Review

The NCDEX turmeric futures witnessed smart recovery on fresh buying at lower levels. Prices at futures started the week on positive note on lower level buying. Due to Eid and Ganesh Chaturthi local bulk buyers purchased in good quantity which supported the prices. However, later on when market opened after 2 days huge arrivals noticed at spot market. Thus, prices at futures fell on Friday and Saturday. However, lower level demand from local buyers limited the losses prices and futures ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Sep-11	5710	5934	5586	5756	1.48	18935	-19.95	12645	8.96
Oct-11	6250	6306	5736	5772	0.55	8835	-25.30	3865	18.11
Nov-11	6304	6340	5774	5810	-0.48	1910	31.15	1080	76.39



### Outlook

Turmeric prices are expected to continue the positive trend initially in coming week on emergence of local demand across the spot market. Lower level buying amid festive season might also support the prices. However, overall fundamentals are still weak due to huge stocks across the spot markets. Though acreage till date is lower than last year still it is higher than normal sowing. This might keep the prices under the pressure later on.

### Factors to watch out

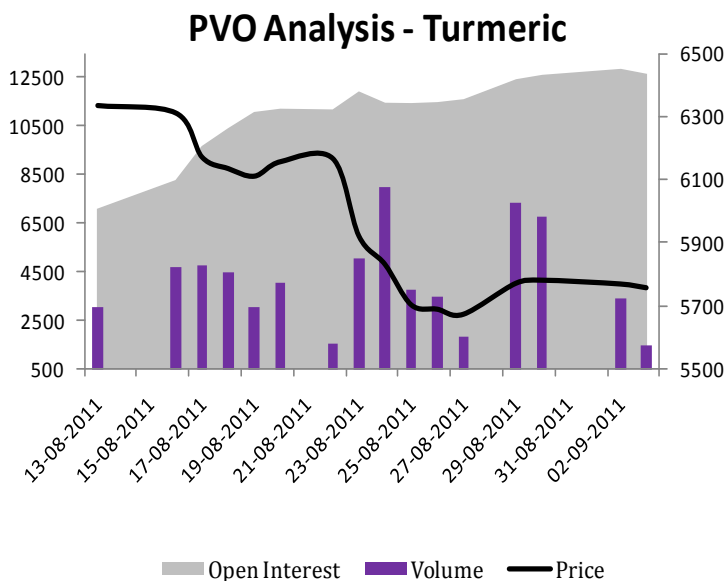
- ❖ Average arrivals at spot markets of Nizamabad and Erode were around 1000-1500 bags and 5000-6500 bags respectively
- ❖ According to AP Govt. till August 31<sup>st</sup> sowing has been done in 0.64 Lakh Ha as compared 0.69 Lakh Ha previous year
- ❖ According to data released by Spices board, turmeric exports during April- July 2011 were increased by 48% to 29250 tones against 19750 tones in the same period last year
- ❖ NCDEX warehouse stocks of Turmeric as on September, 2<sup>nd</sup> 2011 were 7656 tons



As per Spices Board data, international price of Turmeric in New York market declined marginally to \$6.06 per kg during the week ended August 19<sup>th</sup> 2011 higher against \$5.07 per kg quoted in the same period last year

### Derivative Analysis

The NCDEX turmeric September contract prices have increased while volumes and open interest have declined. This indicates that that new money is coming into the market, showing 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.

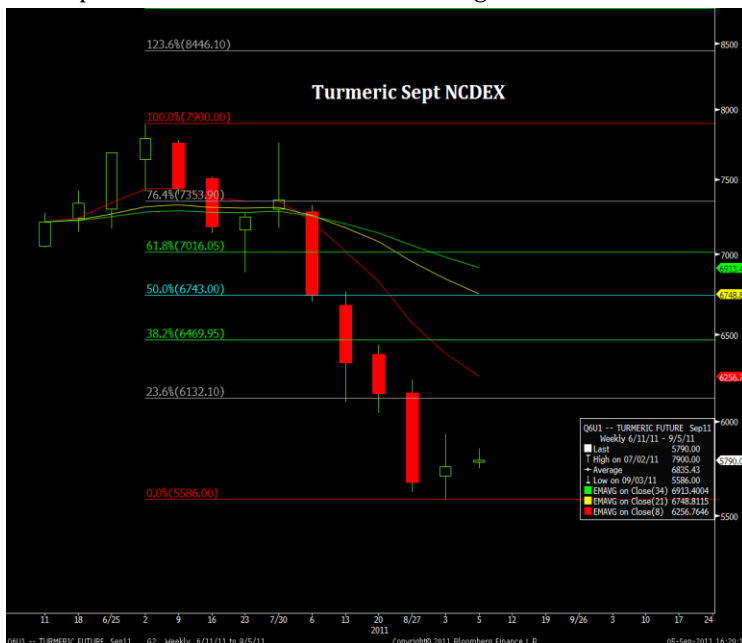


### Technical

After a volatile session last week Turmeric Futures in NCDEX platform settled at Rs.5756. During the week is made a high of Rs. 5934 and a low of Rs.5586.

A high wave candle stick witnessed in the weekly chart suggesting indecisions in the market. It may sometime suggest trend reversal. Prices are sustaining far below the short and medium term EMA (Exponential Moving Average) indication a short term bounce back in the market. The resistance level is seen at Rs. 6132 which is 23.6% retracement of the range 7900-5586 as per Fibonacci resistance level. Next resistance level is at 6258 (EMA-8).Crucial support is at 5586 which is previous swing.

From the above analysis we expect TMC prices to bounce back for short term and recommend buying for the coming week.



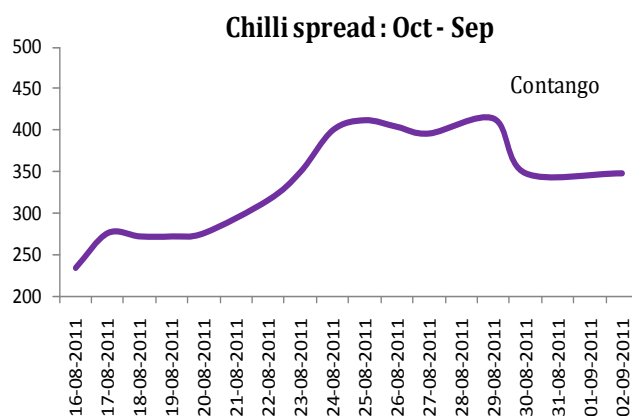


## Chilli

### Review

The Chilli prices witnessed very choppy trade amid 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, reports of crop damage in Pakistan supported 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	8084	8270	8000	8092	0.10	11885	-2.34	13330	18.65
Oct-11	8462	8650	8404	8454	-0.31	3610	-26.55	2785	21.09
Nov-11	8730	8746	8300	8400	-0.48	505	-7.92	360	25.00



### Outlook

Chilli prices are expected trade range bound to positive in coming week on mixed sentiments across the spot markets. Reports of huge damage to chilli crop in Pakistan major producer after India and China might support the prices here. Stable domestic demand across the spot market might add to the upside. However, sluggish export demand and improved sowing activity might pull down the prices later in the week.

### Factors to watch out

- ❖ Average daily arrivals remained in the range of 30,000-35,000 bags with prices hovering around ₹7700-8300 per quintal (each bag=40Kg.)
- ❖ According to data released by Spices board, chilli exports during April- July 2011 were declined by 38% to 54,000 tones against 87,500 tones in the same period last year
- ❖ According to AP Govt. till August, 31<sup>st</sup> chilli sowing has been done in 0.70 Lakh Ha as compared 0.76 Lakh Ha previous year
- ❖ NCDEX warehouse stocks of Chilli as on September 2<sup>nd</sup> 2011 were 9493 tons

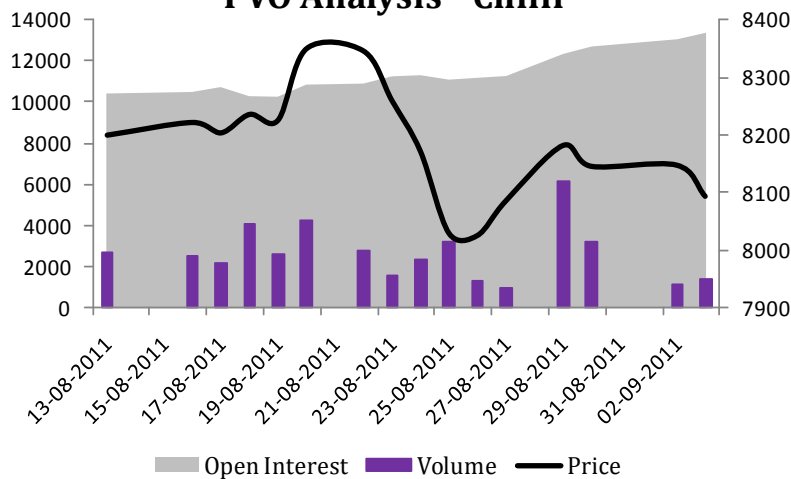


- As per Spices Board data, international price of chilli in New York market was unchanged to \$3.64 per kg during the week ended August 19<sup>th</sup> 2011 against \$2.43 per kg quoted in the same period last year

### Derivative Analysis

The NCDEX chilli September contract prices have increased while volumes and open interest have declined. This indicates that that new money is coming into the market, showing 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.

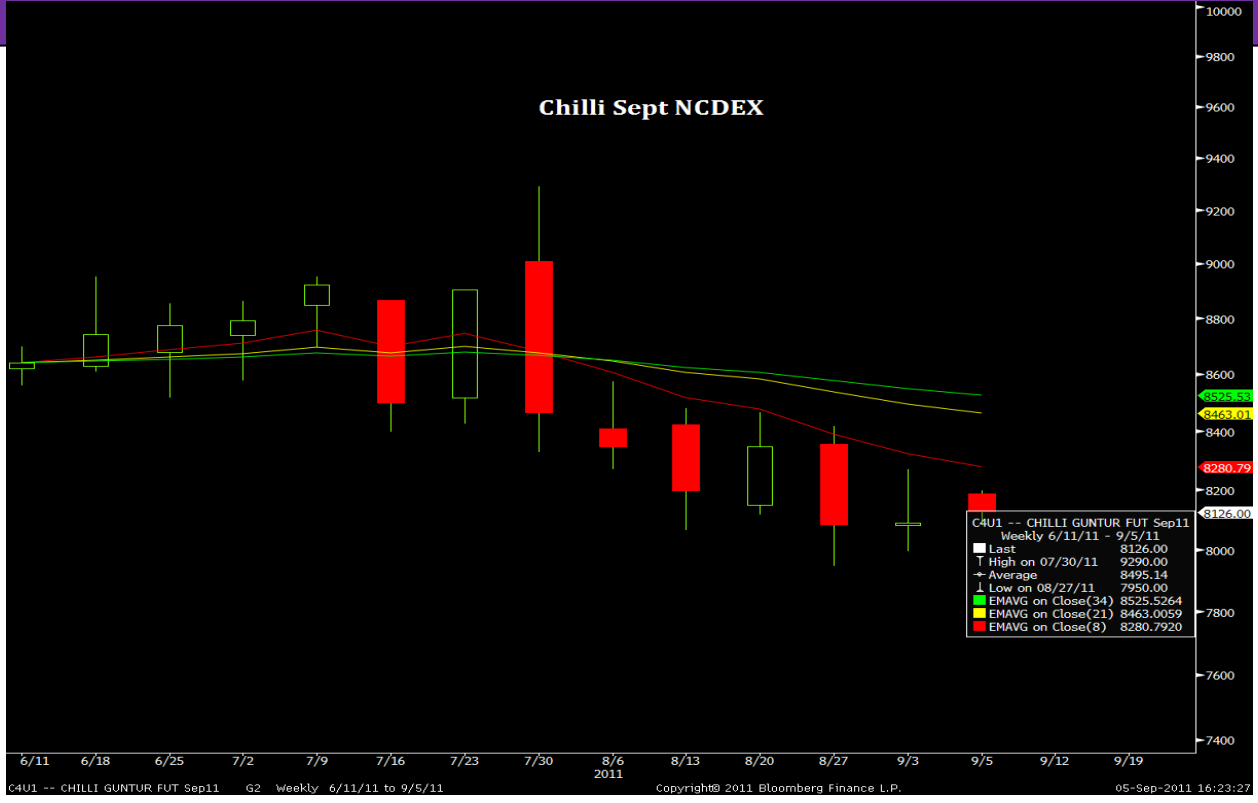
### PVO Analysis - Chilli



### Technical



# SPICES WEEKLY

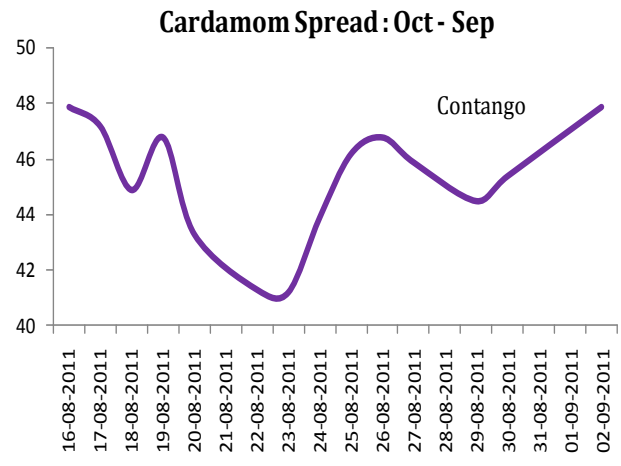


## Cardamom

### Review

The cardamom futures extended the losses continued selling pressure amid rising arrivals. Futures started the week on lower note continuing the previous week's losses. Reports of good buying interest at export front amid demand for upcoming festive season supported 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	716	740	697	699.8	-3.32	8198	-22.32	3103	13.08
Oct-11	760	785	746.9	758.1	-1.51	3439	-17.13	2007	16.35
Nov-11	885	900	854.7	873.4	-1.88	754	3.80	612	19.61





## Outlook

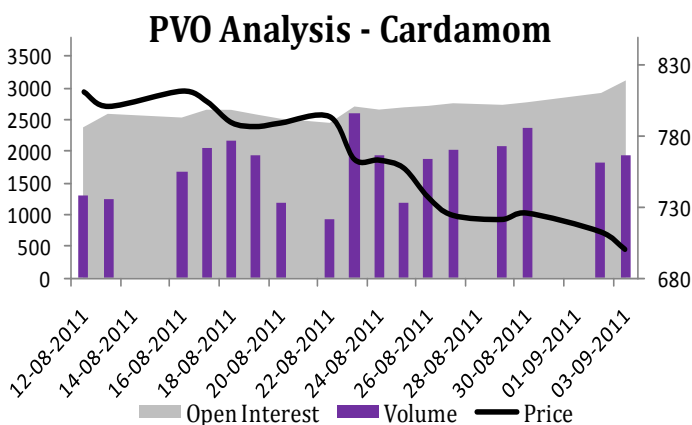
Cardamom futures are projected to continue the bearish trend in coming week. Huge arrivals across the spot markets amid peak arrivals season are likely to pressurize the prices. According to trade sources. Production for current season is estimated higher than 12000 tonnes which might also pulled down the prices. However, stable demand from at domestic front amid festive season might limit the losses during the week.

## Factors to watch out

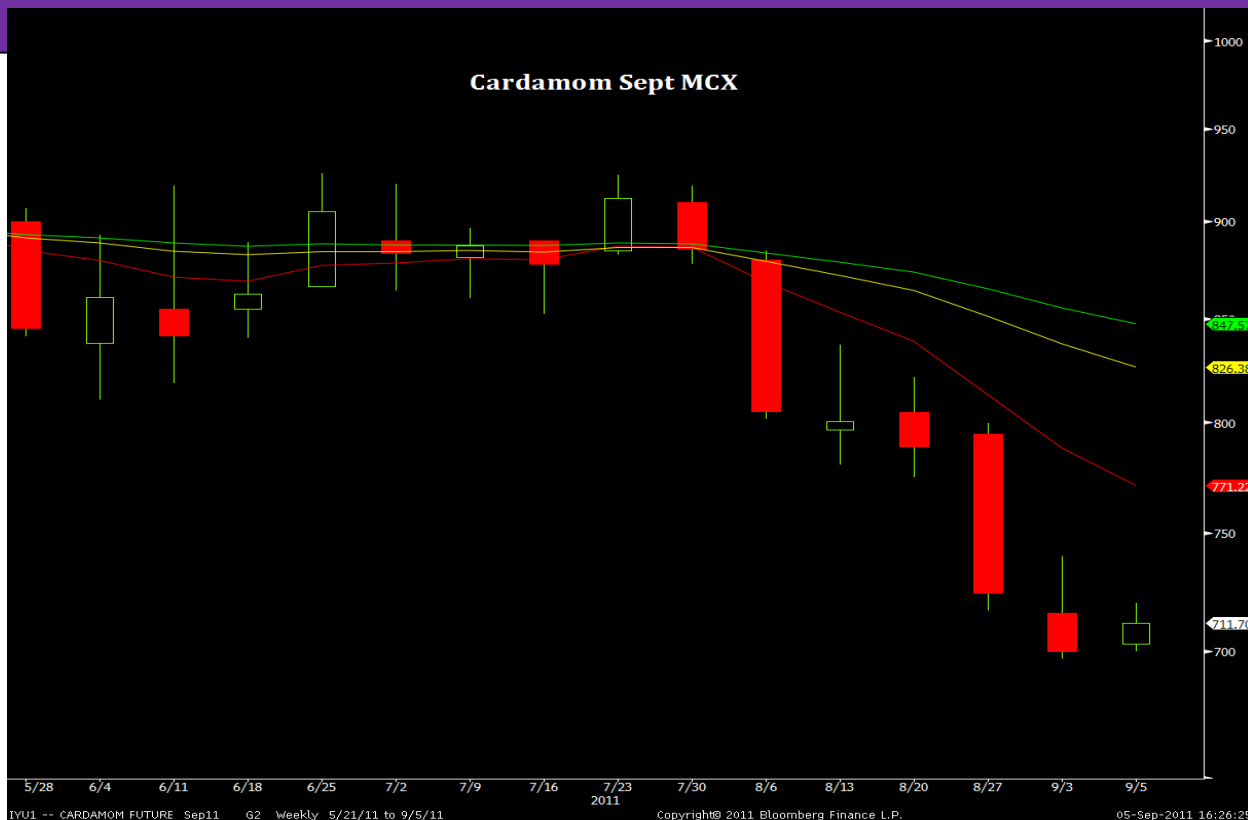
- ❖ Daily average arrivals at auctions reduced a bit to 60-90 tons during this week; while average auction prices also declined to ₹450-563 per Kg.
- ❖ According to data released by Spices board, cardamom exports during April- July 2011 were increased by 376% to 975 tones against 205 tones in the same period last year
- ❖ As per spices board , total arrivals during the current season from August 10 to July ,2011, stood at 12973 tonnes which is approximately 32 percent higher than last year arrivals
- ❖ MCX warehouse stocks of Cardamom as on September 2<sup>nd</sup> 2011 were 26.5 tons
- ❖ As per Spices Board data, international price of Cardamom in Saudi Arabia market declined to \$18.62 per kg during the week ended August 19<sup>th</sup> 2011; it was lower than \$34.99 per kg quoted in the same period last year

## Derivative Analysis

The MCX cardamom September contract September contract prices and volumes have declined while open interest has increased. This indicates that a sharp rally against downtrend will develop creating a sell point for downtrend.



## Technical



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