



## Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper Oct	32345	33440	34285	35130	36225	37320	38165	Trading Range: 34400 – 36480
Jeera Oct	12764	13535	14044	14554	15324	16095	16604	Sell at 14950 TP 14300 SL 15230
TMC Oct	3664	3872	4266	4660	4868	5076	5470	Buy 4540-4650 TP 4865/5100 SL 4390
Chilli Oct	8148	8254	8438	8622	8728	8834	9018	Buy above 8650 TP 8890 SL 8610
Cardamom Oct	634	659	687	714	740	765	793	Sell at 713- 710 TP 680/675 SL 720
Dhaniya Oct	4619	4867	5035	5202	5451	5699	5867	Sideways

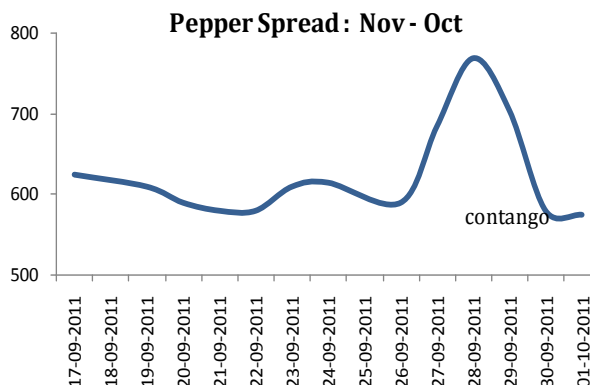


## Pepper

### Review

Pepper prices shaded all the gains on profit booking during last week. Though overall fundamentals remained positive for pepper prices futures witnessed huge fall as most of the investors booked their profits. At domestic spot market prices touched new all time high level of ₹34,500 per quintal on fresh demand for festive season. However, futures continued to trade down on long liquidation due to prevailing heavy volatility in prices and ended the week in red.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Oct-11	36225	36475	34535	35130	-3.24	39219	2.29	6625	-30.95
Nov-11	36790	37175	35090	35705	-3.29	14390	154.69	4495	110.83
Dec-11	37140	37690	35650	36285	-2.89	1103	89.19	602	51.26



### Outlook

Pepper prices are expected to remain volatile in coming week on heavy speculative activities. Though overall fundamentals are bullish still futures are not moving along with the fundamentals; which are leading to volatility in prices. Limited availability across the globe is likely to support upside. Indian MG-1 ASTA is quoting around at \$8100 per MT which remained competitive in international pepper market. However, Profit booking at higher levels can not be over ruled during the week.

### Factors to watch out

- ❖ Average daily prices at spot market of Kochi increased by ₹1000 per quintal during the week to ₹34,300 and ₹32,800 per quintal for Ungarbled and MG-1 grade respectively
- ❖ According to IPC's revised estimates, production for 2011 is lower by around 17,000 tonnes compared with the previous year
- ❖ Stock positions at the NCDEX accredited warehouses were at 5040 tons as on September, 29<sup>th</sup> 2011
- ❖ 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



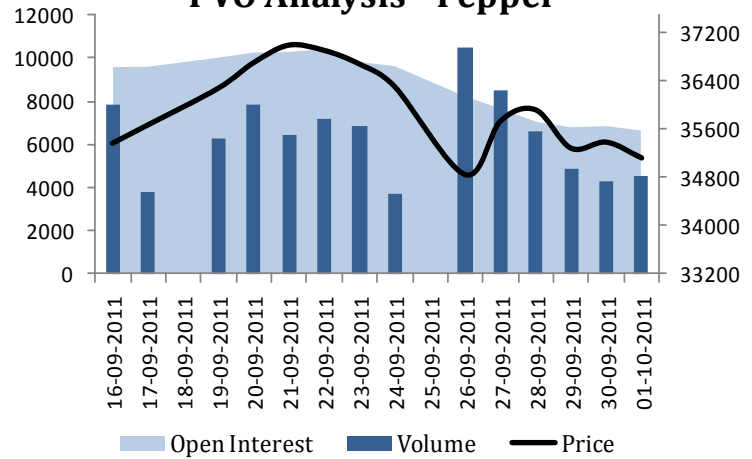
# SPICES WEEKLY

As per Spices Board data international price of pepper in New York market moved up to \$8.71 per kg during the week ended September 23<sup>rd</sup> against \$4.52 per kg quoted in the same period last year

## Derivative Analysis

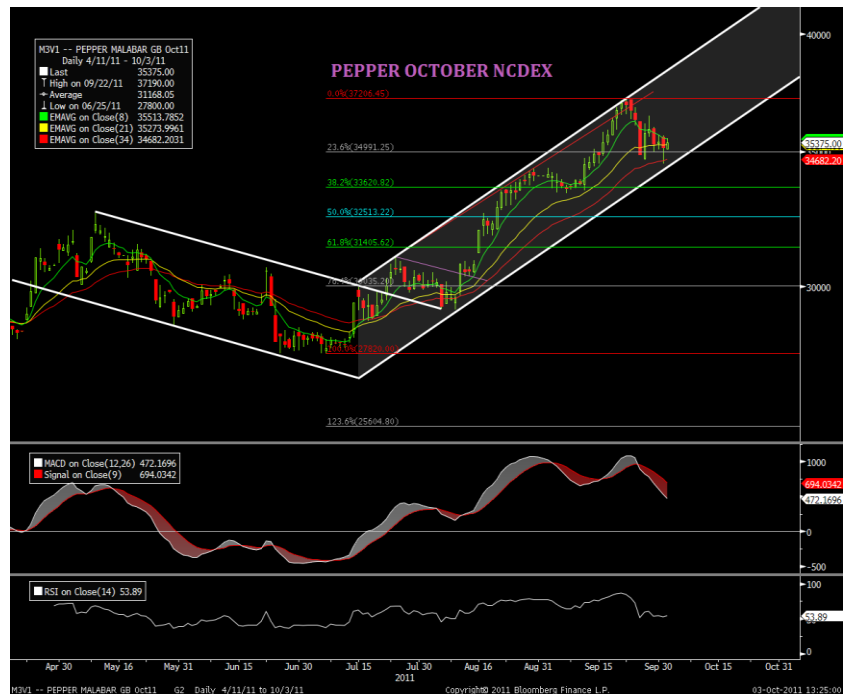
The NCDEX Pepper October contract prices and open interest have declined while volumes have increased. This indicates that Market is running out of traders willing to open or hold an open short. Traders are liquidating both losing long positions & closing winning short positions. A higher probability the market is set to retrace in price lower.

## PVO Analysis - Pepper



## Technical

Pepper prices showed weakness with high volatility this week. Prices opened at 33225 and recorded a low of 34535 and closed down at 35130 for the week. Technical charts show that prices are in correction mode after sharp rise in the previous days. Trend analysis suggests that despite present weakness prices are trading within the uptrend channel which implies that uptrend is still intact. Average analysis shows prices are well trading above 8,21 and 34 DMA supporting long-term bullish view. Pivotal analysis reveals that prices have good support at 34500 areas. Until market holds above this support expect prices to recover. On the other hand a breach below 34500 will change the bullish view. Going forward we expect prices to trade in a range for the coming week.





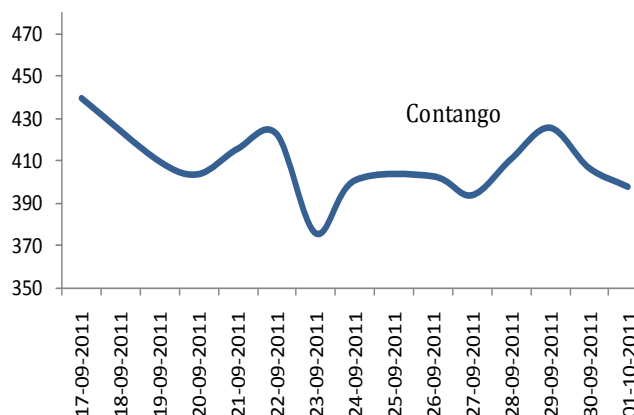
## Jeera

### Review

Jeera prices extended the losses on heavy long liquidation during the week ended on Oct. 1<sup>st</sup>. From starting of the week futures started trading lower extending previous losses. However, initially first two days spot market if Unjha remained closed due to transporters strike which pushed the prices on higher side. Nonetheless, when spot market resumed its activity prices turned down on increased arrivals. Though it is lean season for arrivals, still arrivals remained in the range of 7000-10000 bags daily which pulled down the prices. Thus, on cues from spot market futures prices took decent correction and ended the week on 6.45% W/W losses.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Oct-11	15585	15585	14305	14554	-6.45	40104	-21.63	14007	-23.68
Nov-11	15998	15998	14652	14952	-6.31	18513	31.86	15111	1.49
Dec-11	16600	16675	16150	16373	-6.30	552	86.24	231	135.44

Jeera Spread : Nov - Oct



### Outlook

Jeera prices are projected to continue the bearish trend on reduced demand in coming. Good sowing prospects for next season amid optimum soil moistures might also add to the down side. However, prices might take small recovery on short covering at huge losses. Nonetheless, overall weak trend amid poor export demand is likely to pull down the prices on selling at recovery. Ample stocks across the spot markets might also weigh on market sentiments.

### Factors to watch out

- ♣ Spot market of Unjha arrivals around 6000-10000 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 declined a bit at \$4.19 per kg during the week ended September 23<sup>rd</sup> 2011 however, remained higher against \$3.73 per kg in the same period last year



# SPICES WEEKLY

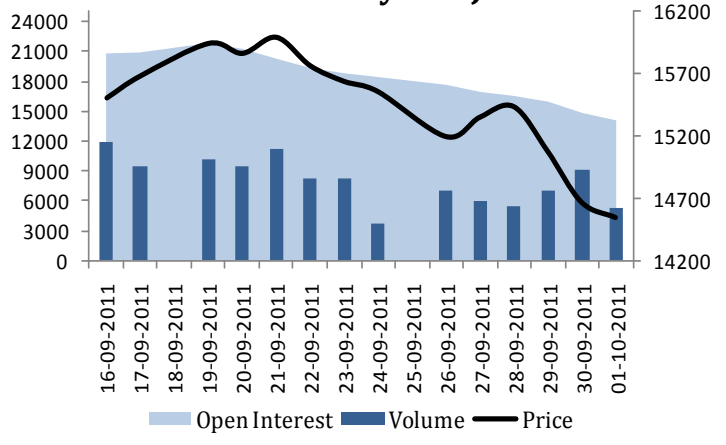


NCDEX accredited warehouse stocks were at 11280 tonnes on September 29<sup>th</sup> 2011 spices

## Derivative Analysis

The NCDEX jeera October contract prices, volumes and open interest have declined. This indicates that 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.

## PVO Analysis - Jeera



## Technical



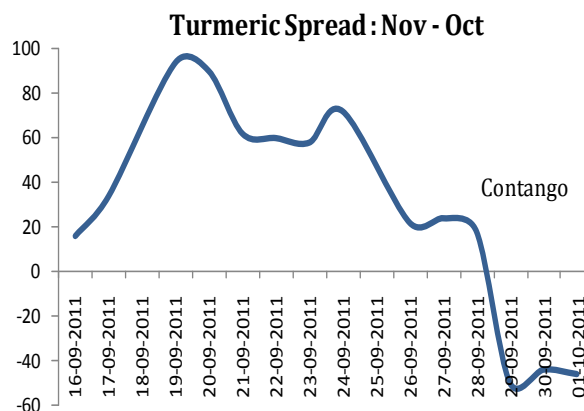


## Turmeric

### Review

The NCDEX turmeric took smart recovery on short covering on previous huge fall during last week. Prices at futures started the week on lower note on continued selling. However, later on prices resumed positive trend on emergence of fresh demand due to festive season. However, later on expectations of higher production limited the gains but failed to change the trend and futures ended the week in green with 9.65% gains W/W.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Oct-11	4280	4682	4080	4660	9.65	54860	-7.03	9880	-43.90
Nov-11	4728	4934	4306	4322	6.76	21790	39.03	7425	27.34
Dec-11	5110	5276	4568	4758	4.78	7320	71.33	2925	65.43



### Outlook

Turmeric prices are expected to continue the positive trend on rising demand for festive season. Declining arrivals across the spot markets might also support the prices. However, this recovery is likely to remain short lived as overall trend is still weak. Acreage has increased by 6% as compared to the normal acreage. Therefore, huge stocks across the spot markets along with bumper crop expectations are also expected to pressurize the prices later in the week.

### Factors to watch out

- ♣ Average arrivals at spot markets of Nizamabad and Erode were around 600-1000 bags and 5000-6000 bags respectively
- ♣ According to AP Govt. till September 27<sup>th</sup> sowing has been done in 0.67 Lakh Ha as compared 0.69 Lakh Ha previous year
- ♣ Current year's acreage is up by 6% than the normal acreage which is likely to weigh on prices
- ♣ 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



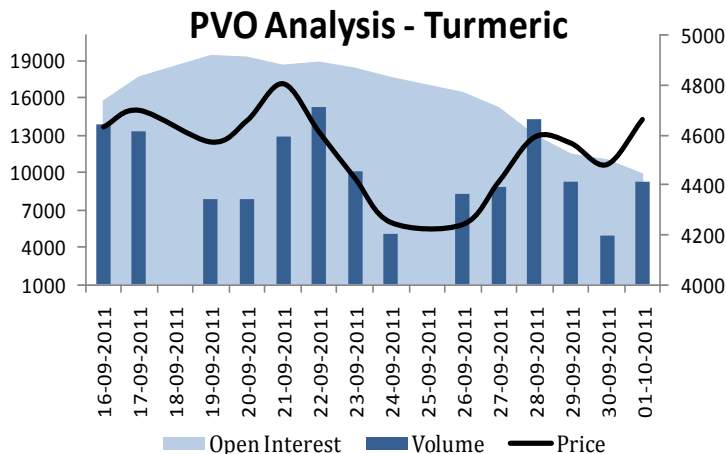
# SPICES WEEKLY

NCDEX warehouse stocks of Turmeric as on September, 29<sup>th</sup> 2011 were 8300 tons

- As per Spices Board data, international price of Turmeric in New York market remained unchanged to \$6.06 per kg during the week ended September 23<sup>rd</sup> 2011 higher against \$5.07 per kg quoted in the same period last year

## Derivative Analysis

The NCDEX Turmeric October contract prices have increased while volumes and open interest have declined. 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

Turmeric prices showed recovery last week on moderate buying interest. Charts show that prices are recovering from the lows and trying to gain momentum. Trend analysis show prices are still trading within the broad downtrend channel and only a break above this channel would change the long-term bearishness. Pivotal analysis suggests that prices have formed good support at 4512 -4500 area. Resistances are seen at 4845-4890 area. A breach and sustained trade above this level could attract good buying in turmeric in the immediate future.



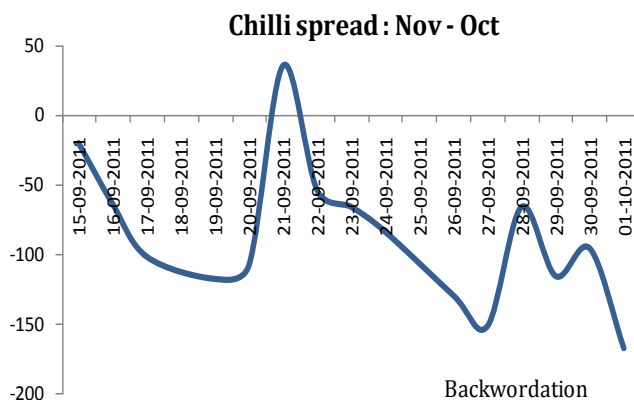


## Chilli

### Review

The Chilli prices witnessed very choppy trade amid sluggish activity across the spot markets during last week. Futures started the week on negative note on fresh selling on recovery. However, later prices took small recovery on short covering. Lower acreage in Guntur region due to poor sowing progress also supported the prices. However, Overall trend remained very subdued as arrivals also increased at spot market amid sudden rise in prices which weighed on market sentiments. 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
Oct-11	8558	8650	8360	8622	0.40	8800	-44.27	5565	-17.06
Nov-11	8412	8594	8302	8454	-0.59	2790	-19.60	2865	18.39
Dec-11	8180	8318	8080	8226	-0.44	1255	-1.52	570	5.59



### Outlook

Chilli prices are expected trade range bound to lower in coming week on mixed sentiments across the spot markets. Though demand from Pakistan is stable, even then we are having huge stocks which might keep prices under pressure. As sowing season coming to an end arrivals are increasing in market. Domestic demand is also remaining sluggish. Fresh arrivals of early sown crop from Madhya Pradesh are likely to pull down the prices. However, any sudden rise in demand at domestic front might limit some losses.

### Factors to watch out

- ♣ Average daily arrivals remained in the range of 40,000-50,000 bags with prices hovering around ₹8000-8500 per quintal (each bag=40Kg.)
- ♣ AP Govt. till September 27<sup>th</sup> chilli sowing has been done in 1.27 Lakh Ha as compared 1.52 Lakh Ha previous year
- ♣ NCDEX warehouse stocks of Chilli as on September 29<sup>th</sup> 2011 were 4542 tons



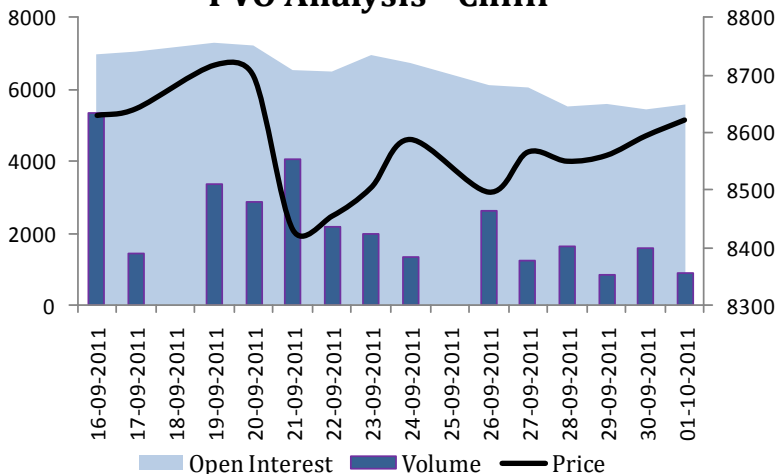
# SPICES WEEKLY

As per Spices Board data, international price of chilli in New York market was unchanged to \$3.64 per kg during the week ended September 23<sup>rd</sup> 2011 against \$2.54 per kg quoted in the same period last year

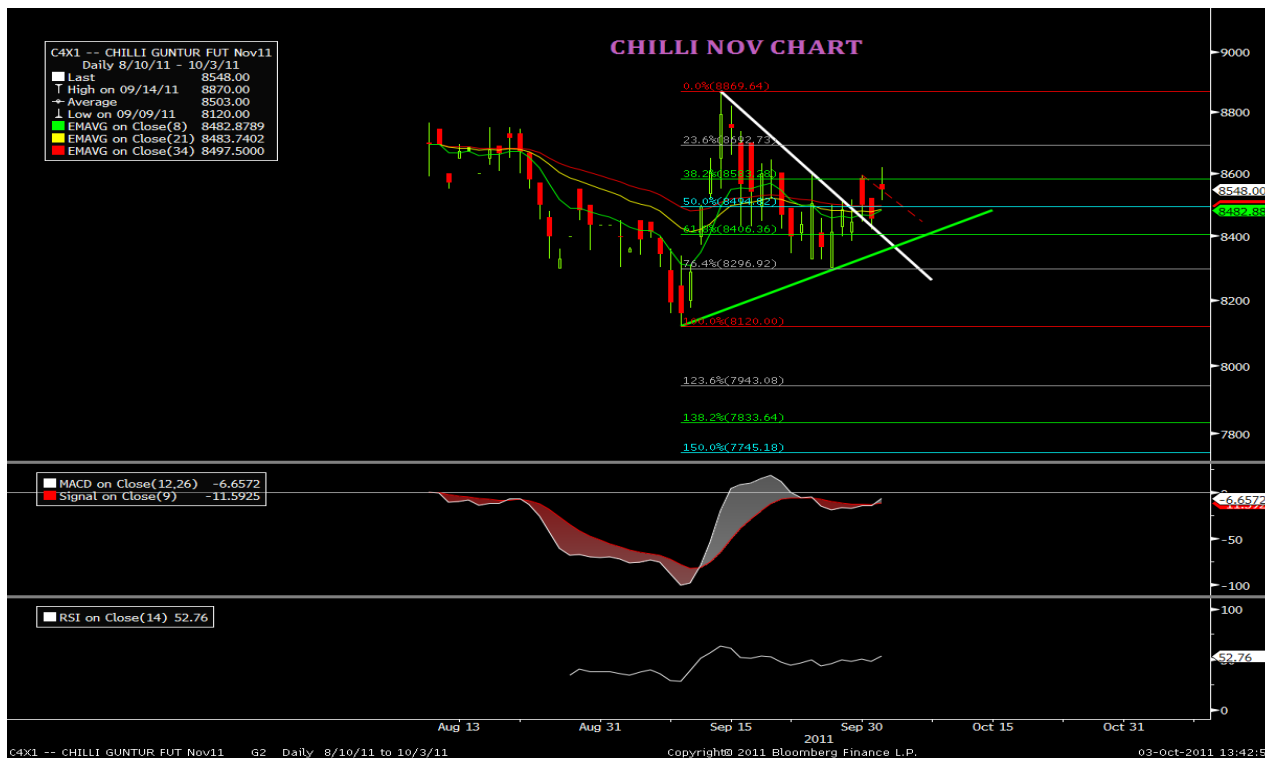
## Derivative Analysis

The NCDEX chilli October contract prices have increased while volumes and open interest have declined. Market is running out of traders willing to open or hold an open long/buy. Traders are liquidating both loosing short positions & closing winning long positions. A higher probability the market is set to retrace in price lower.

## PVO Analysis - Chilli



## Technical



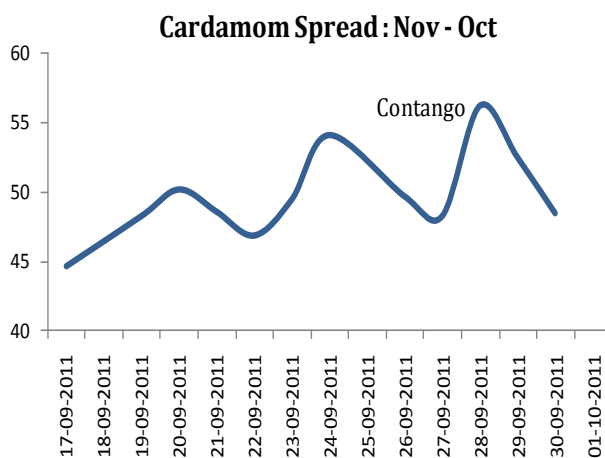


## Cardamom

### 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 during the week. Nonetheless, record high arrivals across the spot markets pressurized the prices and futures took decent corrections during the week and ended on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Oct-11	730	737.5	684.5	714.2	-3.71	18202	-47.61	3257	-1.93
Nov-11	786	789	735	759.7	-4.54	6037	-35.93	2001	9.34
Dec-11	853.9	853.9	818.7	842.5	-3.23	1409	-53.10	782	11.56



### Outlook

Cardamom futures are projected to start the week on slightly lower on continued selling. Overall trend is still weak due to peak arrival season which is likely to add to the bearishness. According to trade sources, Production for current season is estimated higher than 12000 tonnes which might also pulled down the prices. However, emergence of fresh demand for festive season might support the prices during the week. However, huge arrivals across the spot market might create selling on higher levels.

### Factors to watch out

- ♣ Daily average arrivals at auctions increased to record high level to 80-100 tons during this week; while average auction prices remained in the range of ₹596-656 per Kg.
- ♣ According to Spices board of India, total arrivals during the current season till Sep 26<sup>th</sup> were up by 120% to 3348 tons against 1519 tons in the same period last year



# SPICES WEEKLY

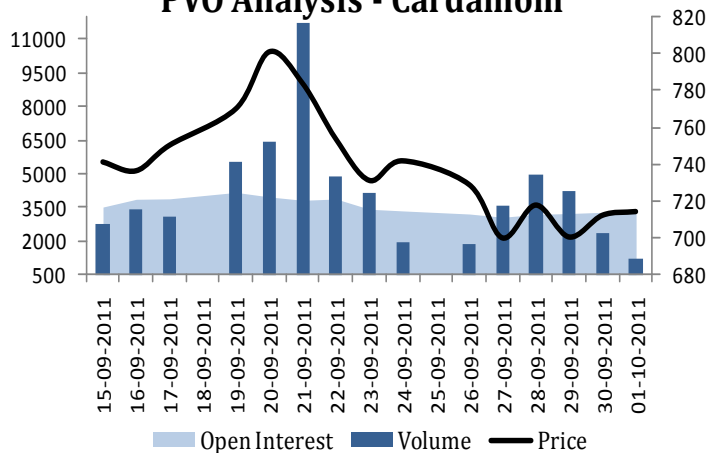
MCX warehouse stocks of Cardamom as on September 29<sup>th</sup> 2011 were 341 tons

As per Spices Board data, international price of Cardamom in Saudi Arabia market declined to \$18.07 per kg during the week ended September 23<sup>rd</sup> 2011; it was lower than \$29.57 per kg quoted in the same period last year

## Derivative Analysis

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

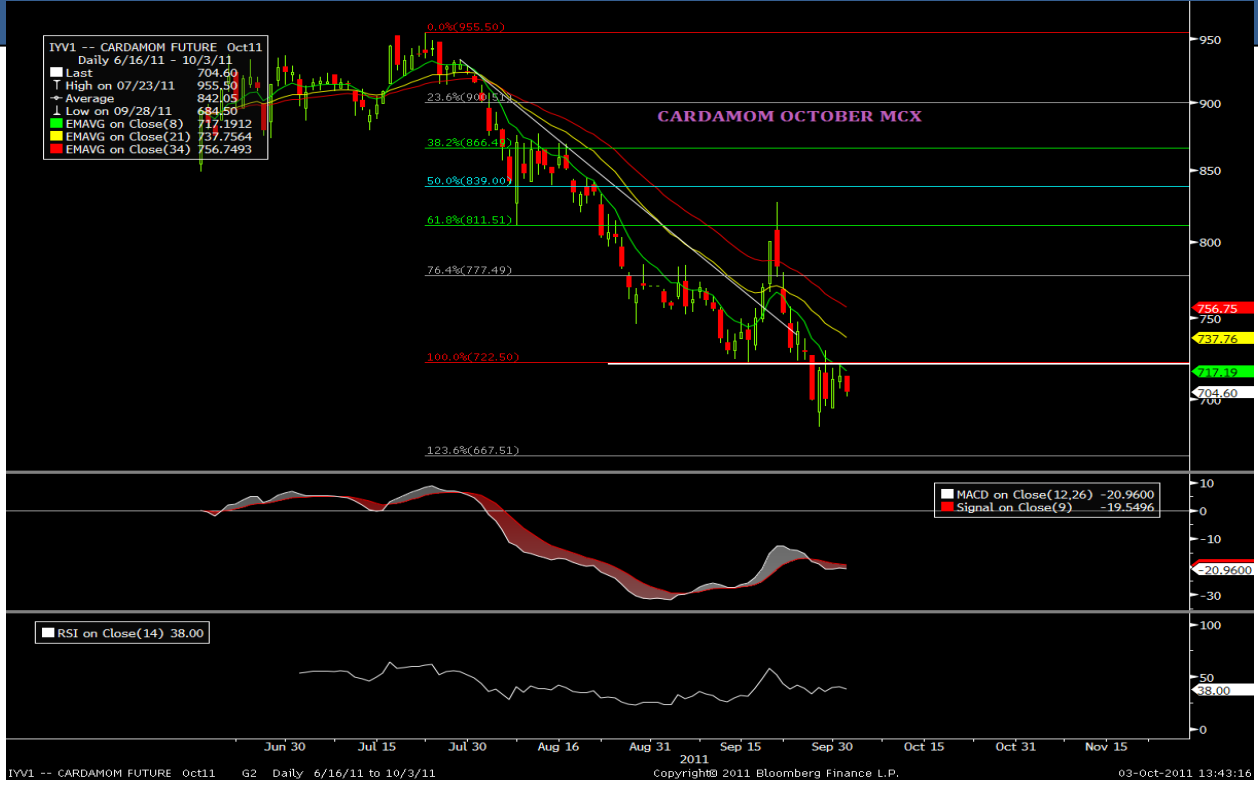
### PVO Analysis - Cardamom



## Technical



# SPICES WEEKLY



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