



## Technical Recommendations

Commodity	Exchange	Contract	Recommendation
Pepper	NCDEX	Jan-11	Trading Range : 32300-34760
Jeera	NCDEX	Jan-11	Buy 15600 TP 16200/16600 SL 15000
TMC	NCDEX	Apr-11	Buy at 4650 TP 4780/4920 SL 4460
Chilli	NCDEX	Feb-11	Buy at 6490 TP 6780 SL 6280
Cardamom	MCX	Jan-11	Trading range : 560-640

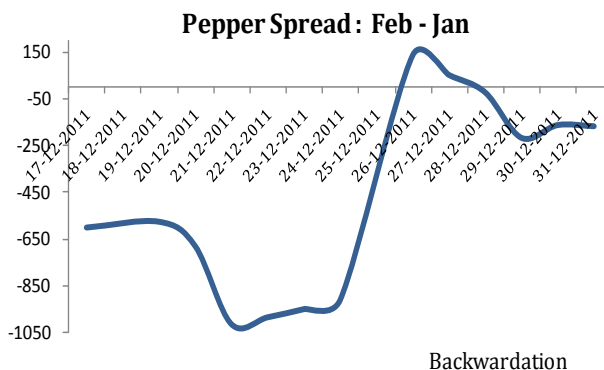


## Pepper Review

Pepper prices continued the bearish trend for 2<sup>nd</sup> consecutive week. Futures started the week on slightly lower note on continued corrections from previous week. Reports of sluggish export activity amid holidays in overseas market pulled down the prices. Lower prices offered by Karnataka traders further added to the down side. However, later on news of heavy rains in Kerala due to cyclone “Thane” affected harvesting process. Therefore, on cues from physical activity futures also witnessed small recovery but overall bearish trend remained intact and futures ended on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jan-12	32715	34140	32405	33080	-1.31	22117	4.94	6672	-6.38
Feb-12	32610	33590	32050	32915	0.94	3693	21.32	1272	5.56
Mar-12	32050	32990	31600	32620	1.89	1030	22.77	741	66.14

Note: Prices are updated till 1:00 pm. On Saturday



## Outlook

Pepper prices are expected to take small recovery initially in the week. Supply disruption caused in Kerala is likely to support prices at domestic front. However, restricted exports and reports of entrance of Free trade zones in pepper trading are might pull the prices down. Therefore, overall trend is likely to remain very volatile in coming on heavy speculative activities at futures front.

## Factors to watch out

- Average daily prices at spot market of Kochi fell drastically during the week to ₹32,100 and ₹33,600 per quintal for Ungarbled and MG-1 grade respectively
- According to trade source, harvesting has been started in some part of Kerala and Karnataka
- However, full fledged arrivals might start January onwards
- IPC estimates for Indian production in 2012 are around 43,000 tons down by 10% Y/Y
- Stock positions at the NCDEX accredited warehouses were at 4866 tons as on December 30, 2011
- As per Spices Board data, international price of pepper in New York market remained unchanged to \$7.72 per kg during the week ended December 23<sup>rd</sup>, 2011 against \$5.51 per kg quoted in the same period last year



# SPICES WEEKLY

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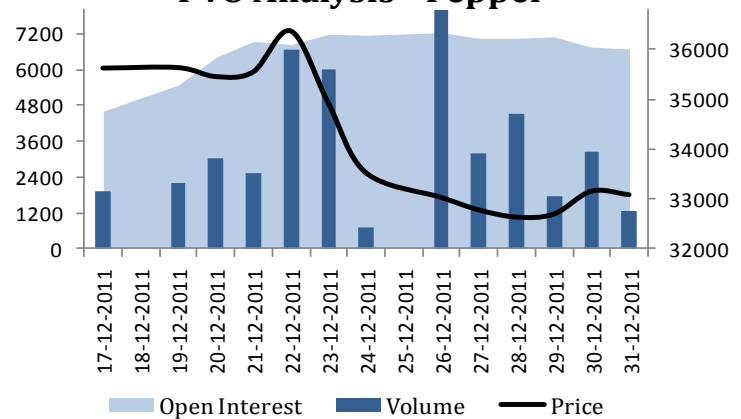
## Pivot Point

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Jan-12	30542	31473	32277	33080	34012	34943	35747
	Feb-12	30573	31312	32113	32915	33653	34392	35193
	Mar-12	30427	31013	31817	32620	33207	33793	34597

## Derivative Analysis

The NCDEX Pepper January contract prices and open interest have declined while volumes have increased. 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 at some point forward. Should prices be falling when this scenario develops, the market has a higher probability of a price rise in near term.

### PVO Analysis - Pepper





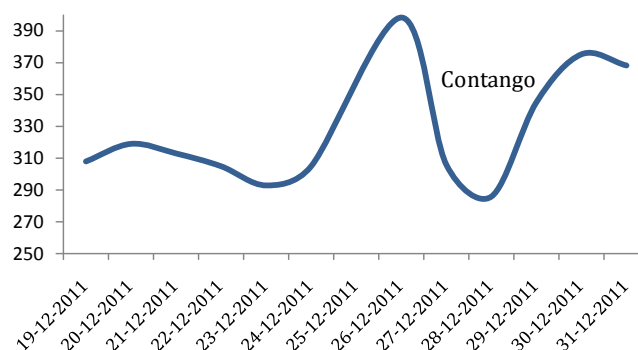
## Jeera Review

Jeera prices continued the positive trend on fresh buying during the week ended on Dec, 31<sup>st</sup>. Futures started the week on higher note on extended gains. Decline in arrivals across the spot markets also supported the prices to trade up. However, later on prices took decent corrections on profit booking. Nonetheless, reports of good demand on export front on news of Syrian unrest pushed the prices on higher side. Therefore, on cues from spot market trend futures ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jan-12	15575	16324	15300	16024	2.47	70572	32.83	9792	-20.78
Feb-12	15880	16799	15635	16392	2.82	33090	96.54	12843	17.64
Mar-12	16100	16890	15897	16678	3.45	5592	53.92	3726	45.26

Note: Prices are updated till 1:00 pm. On Saturday

Jeera Spread : Feb - Jan



## Outlook

Jeera prices are projected to open on positive note on continued gains. Further decline in arrivals and improved exports might also add to the upside. However, sudden rise in arrivals at spot market might limit sharp losses during the week. According to trade sources, activity at domestic front is stable while lower export quotes are attracting export orders. For medium to long term trend might remain lower amid increasing acreage under jeera in major growing regions.

## Factors to watch out

- ♣ Spot market of Unjha arrivals declined to 2000-2700 bags (1 bag= 60 Kg.)
- ♣ The production for the new crop for 2011-12 is estimated to be 30-35 lakh bags against 28-30 lakh bags(60 kg a bag)
- ♣ Data released by spices board, jeera exports from India during Apr-Oct, 2011 were up by 4% to 20,500 tonnes against same period last year.
- ♣ Data released from Gujarat Agriculture Department, jeera acreage around 192,600 hectares so far up by 20% Y/Y
- ♣ NCDEX accredited warehouse stocks were at 7941 tons as on December 30, 2011
- ♣ As per Spices Board data, international price of jeera in New York market remained stable to \$3.92 per kg during the week ended December 23<sup>rd</sup> 2011 however, remained higher against \$3.64 per kg in the same period last year



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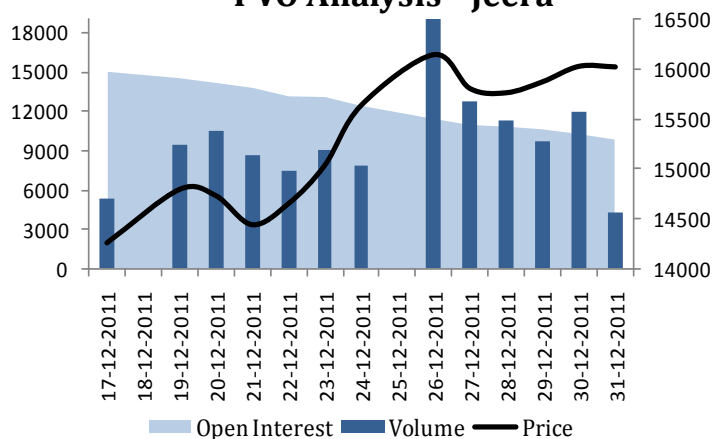
## Pivot Point

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Jan-12	14417	14859	15441	16024	16465	16907	17489
	Feb-12	14588	15111	15752	16392	16916	17439	18080
	Mar-12	15094	15495	16087	16678	17080	17481	18073

## Derivative Analysis

The NCDEX jeera January contract prices and volumes have increased while open interest has declined. It is a good indication 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





## Turmeric

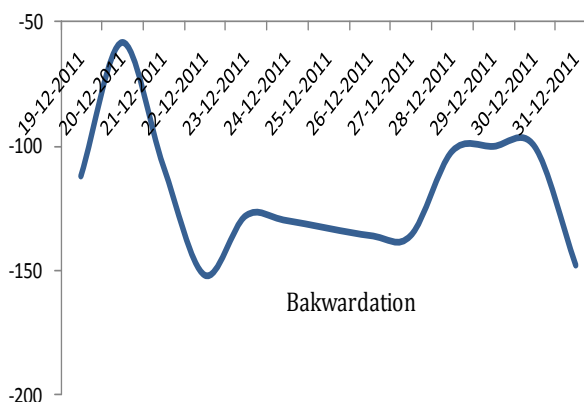
### Review

The NCDEX turmeric extended the recovery on follow through buying during last week. Prices at futures started the week on higher note on short covering. Emergence of year end demand from upcountry buyers also supported the prices on higher note. Though prices at futures took decent corrections on higher arrivals but spot demand remained intact supporting turmeric prices to rise. Therefore, on cues from spot market futures also traded up.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr-12	4610	4942	4570	4766	3.12	35935	23.02	9595	-3.57
May-12	4504	4800	4450	4618	2.80	8405	93.89	3495	26.40

Note: Prices are updated till 1:00 pm. On Saturday

Turmeric Spread : May - Apr



### Outlook

Turmeric prices are expected to open on slightly positive note on continued recovery. Positive spot market cues on demand from north India for good quality turmeric might support spot market trend. However, in medium to long term huge carried forward stocks and record high production estimates are likely to weigh on prices.

### Factors to watch out

- ❖ As per trade sources, farmer have increased supply to 9000-14000 bags daily against 3000-4000 bags reported in same period last year
- ❖ Carry forwards stocks at physical market is around 10-12 lakh bags and production is estimated more than 80 lakh bags
- ❖ According to AP Govt., acreage under turmeric in current season remained 0.68 Lakh Ha as compared 0.69 Lakh Ha previous year
- ❖ NCDEX warehouse stocks of Turmeric as on December 30, 2011 were 3523 tons
- ❖ As per Spices Board data, international price of Turmeric in New York market remained unchanged to \$5.62 per kg during the week ended December 23<sup>rd</sup> 2011 lower from \$5.73 per kg quoted in the same period last year



# SPICES WEEKLY

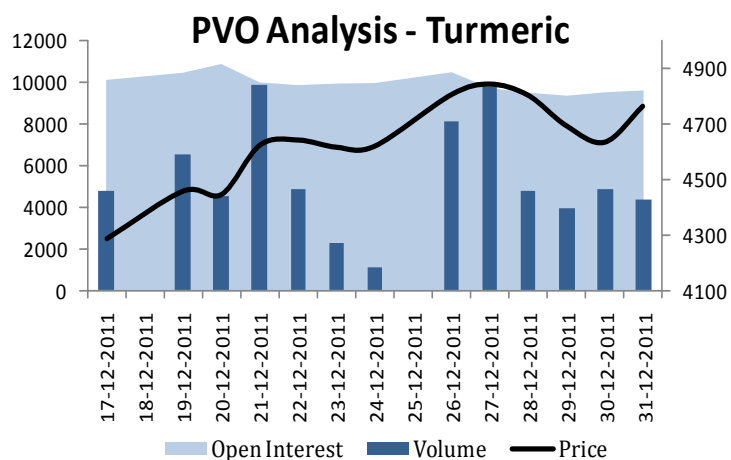
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## Pivot Point

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Apr-12	4205	4387	4577	4766	4949	5131	5321
	May-12	4095	4273	4445	4618	4795	4973	5145

## Derivative Analysis

The NCDEX Turmeric April contract prices and volumes have increased while open interest has declined. It is a good indication 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.





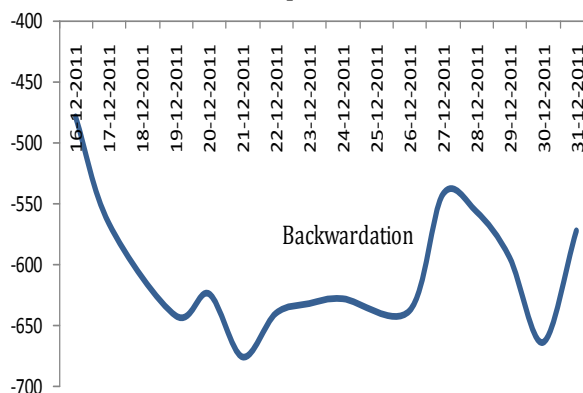
## Chilli Review

The Chilli prices witnessed smart recovery on short covering during last week. Futures started the week on positive note on short covering on previous losses. Slow down in arrivals from MP also supported the prices. Increased acreage in AP weighed on prices later on. However, overall trend remained up and futures ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb-12	6306	6682	6290	6556	3.77	6830	45.16	2815	-6.63
Mar-12	5692	6054	5690	5984	5.17	1660	38.91	1040	20.23

Note: Prices are updated till 1:00 pm. On Saturday

### Chilli spread : Mar - Feb



## Outlook

Chilli prices are expected trade on positive note on follow through buying in coming week. Stockiest and bulk buyers are waiting for fresh crop arrival; which expected to start coming in few days. Therefore, poor buying interest in bulk buyers is likely to create range bound movement in prices. However, threat to crop at harvesting stage due to prevailing rainy conditions might support prices.

## Factors to watch out

- ❖ Arrivals at Guntur chilli market remained in the range of 25,000-45,000 bags
- ❖ Fresh crop from Guntur is expected to hit the market in coming 10-15 days
- ❖ Andhra Rabi chilli area is reported around 0.45 lakh ha as on 28<sup>th</sup> December against 0.40 lakh ha year ago
- ❖ According to Spices Board data, chilli exports during April-October, 2010-11 were down by 26% as compared to the same period last year
- ❖ NCDEX warehouse stocks of Chilli as on December 30, 2011 were 423 tons
- ❖ As per Spices Board data, international price of chilli in New York market declined to \$3.53 per kg during the week ended December 23<sup>rd</sup> 2011 against \$2.65 per kg quoted in the same period last year



# SPICES WEEKLY

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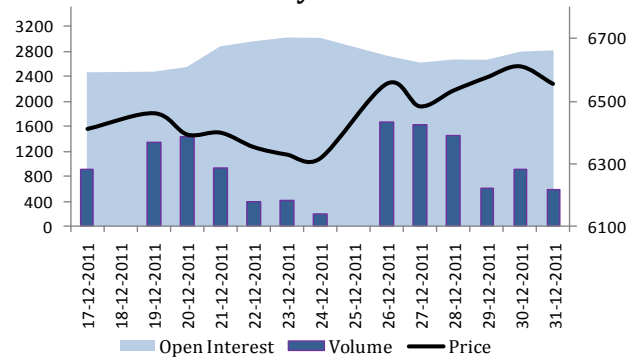
## Pivot Point

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Feb-12	5945	6117	6337	6556	6729	6901	7121
	Mar-12	5401	5545	5765	5984	6129	6273	6493

## Derivative Analysis

The NCDEX chilli February contract prices and volumes have increased while open interest has declined. It is a good indication 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 - Chilli





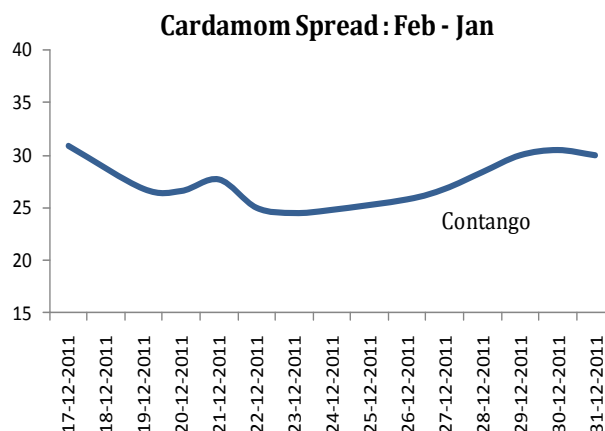
## Cardamom

### Review

The cardamom futures recovered on lower level buying during the week ended on Dec. 31<sup>st</sup>. From starting of the week futures traded up on fresh buying at lower levels. Auction activity started in Kerala which also added to the upside. However, later on prices took decent corrections amid huge arrivals at spot auction. Nonetheless, overall positive trend remained intact on good demand from exporters. Therefore, on cues from spot activity futures traded up and ended on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jan-12	598	638	588.3	600.7	0.77	26522	70.93	3702	-3.62
Feb-12	627	665.1	613.3	630.7	1.58	7450	81.27	2224	8.81
Mar-12	670	685	660	670.1	1.58	2806	14.61	1233	19.44

Note: Prices are updated till 1:00 pm. On Saturday



### Outlook

Cardamom futures are projected to trade up on follow through buying in coming week. However, reports of spot auction starting from Tuesday might support the prices. Therefore, lower level buying on previous huge losses might add to the upside. Emergence of fresh buying across the spot market is likely to support the prices to trade up. However, any sudden rise in arrivals might weigh on prices later in the week.

### Factors to watch out

- ❖ Arrivals Daily auction activity in remained in the range of 42- 120 tonnes while prices hovered in the range of Rs. 509-530 per Kg.
- ❖ According to Spices board of India, total arrivals during the current season up to November were up by 105% to 8,095 tons against 3,940 tons in the same period last year
- ❖ According to data released by Spices board, cardamom exports during Apr-Oct, 2011 were up by 240% to 2300 tons against same period in lat year
- ❖ MCX warehouse stocks of Cardamom as on December 30, 2011 were 22.6 tons
- ❖ As per Spices Board data, international price of Cardamom in Saudi Arabia market declined to \$15.85 per kg during the week ended December 23<sup>rd</sup> 2011; however, it was lower than \$35.57 per kg quoted in the same period last year



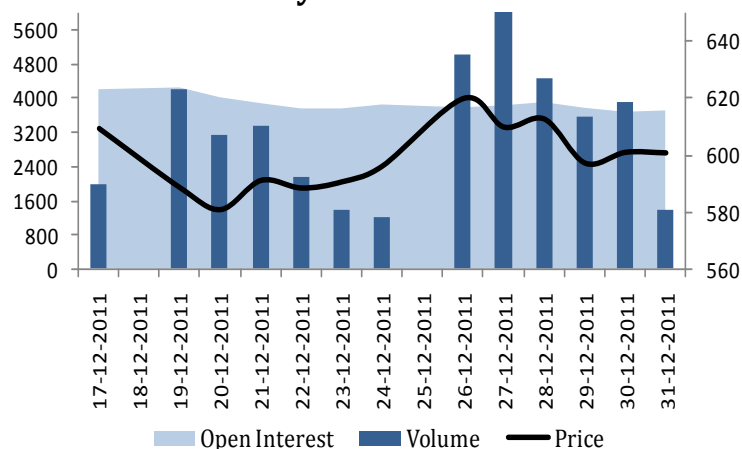
## Pivot Point

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Jan-12	530	559	580	601	630	659	679
	Feb-12	556	585	608	631	659	688	711
	Mar-12	633	647	658	670	683	697	708

## Derivative Analysis

The MCX cardamom January contract prices and volumes have increased while open interest has declined. It is a good indication 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 - Cardamom



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