



## Technical Recommendations

Commodity	Exchange	Contract	Recommendation
Pepper	NCDEX	Feb-12	Sell at 32200-32300 TP 29250 SL 34100
Jeera	NCDEX	Feb-12	Sell at 15450-15500 TP14850/14410 SL 15990
TMC	NCDEX	Apr-12	Trading Range : 4390-4790
Chilli	NCDEX	Feb-12	Sell at 6160-6180 TP 5880 SL 6320
Cardamom	MCX	Feb-12	Buy AT 645-650 TP 708/735 SL 610



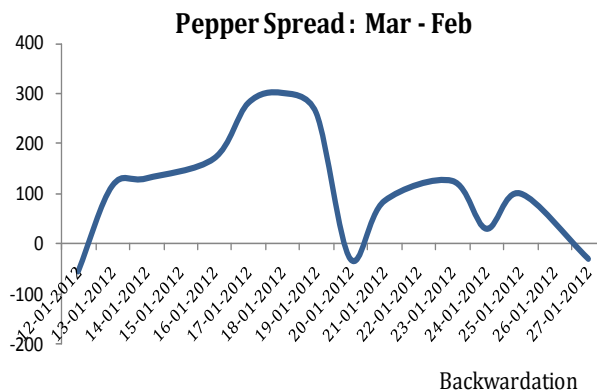
## Pepper

### Review

Pepper prices turned bearish on fresh selling on previous week's gains. Futures started the week on slightly positive note extended the recovery on follow through buying. However, later on prices resumed down trend on profit booking on higher levels. Despite of overall bullish fundamentals of poor arrivals futures remained down side biased. At export front India and Brazil were the only suppliers as Vietnam market remained closed due to Lunar holiday. However, prices took smart recovery on good domestic demand on Friday but failed to sustain the gains and turned down. Therefore, on heavy speculative activities against the fundamentals kept prices under pressure and futures ended the week on lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb-12	32610	32850	31205	31205	-4.13	12933	-31.32	6283	7.99
Mar-12	32690	32915	31180	31180	-4.46	2707	23.05	2042	55.76
Apr-12	32600	32995	31255	31255	-4.30	186	-28.74	613	4.61

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



### Outlook

Pepper prices are expected to witness huge volatility on heavy speculative activities in coming week. Despite of peak arrivals season, arrivals are declining across the spot market; which might create a recovery in prices initially. However, from January 31<sup>st</sup> onwards Vietnam is expected to resume its export activity which might create pressure on Indian exports. Continuous strengthening of the rupee against the dollar has pushed up the Indian parity in the international market might also keep overseas buyers away from market. However, stable domestic demand amid tight supply might cushion prices from sharp losses.

### Factors to watch out

- ❖ Average daily prices at spot market of Kochi gained substantially during the week to ₹31,100 and ₹32,600 per quintal for Ungarbled and MG-1 grade respectively
- ❖ Export activity from Vietnam is likely to remain closed due to Lunar holidays and will resume activity January 30<sup>th</sup> onwards
- ❖ Stock positions at the NCDEX accredited warehouses were at 4200 tonnes as on January 25, 2011



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- As per data released by Spices board, during Apr-Nov, 2011 Pepper export from India were reported up by 43% to 17,000 tonnes against the same period last year
- According to IPC, global pepper production is likely to increase by 7% while consumption & exports are expected to increase by 3% & 2% respectively
- As per Spices Board data, international price of pepper in New York market declined to \$7.06 per kg during the week ended January 20, 2011 against \$5.47 per kg quoted in the same period last year

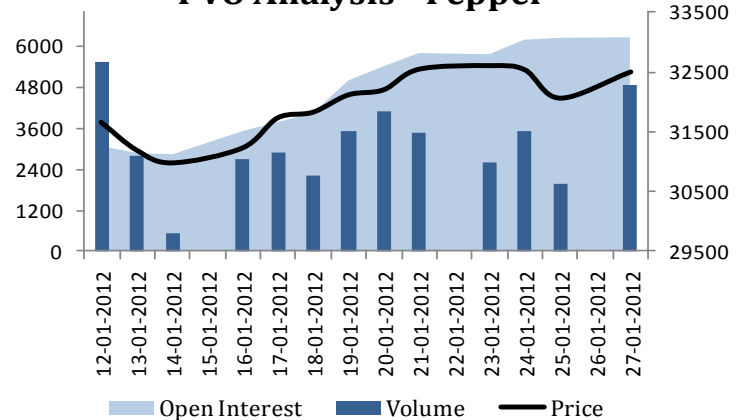
## Pivot Point

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
	<b>Feb-12</b>	29012	30108	30657	31205	32302	33398	33947
<b>NCDEX</b>	<b>Mar-12</b>	28867	30023	30602	31180	32337	33493	34072
	<b>Apr-12</b>	28935	30095	30675	31255	32415	33575	34155

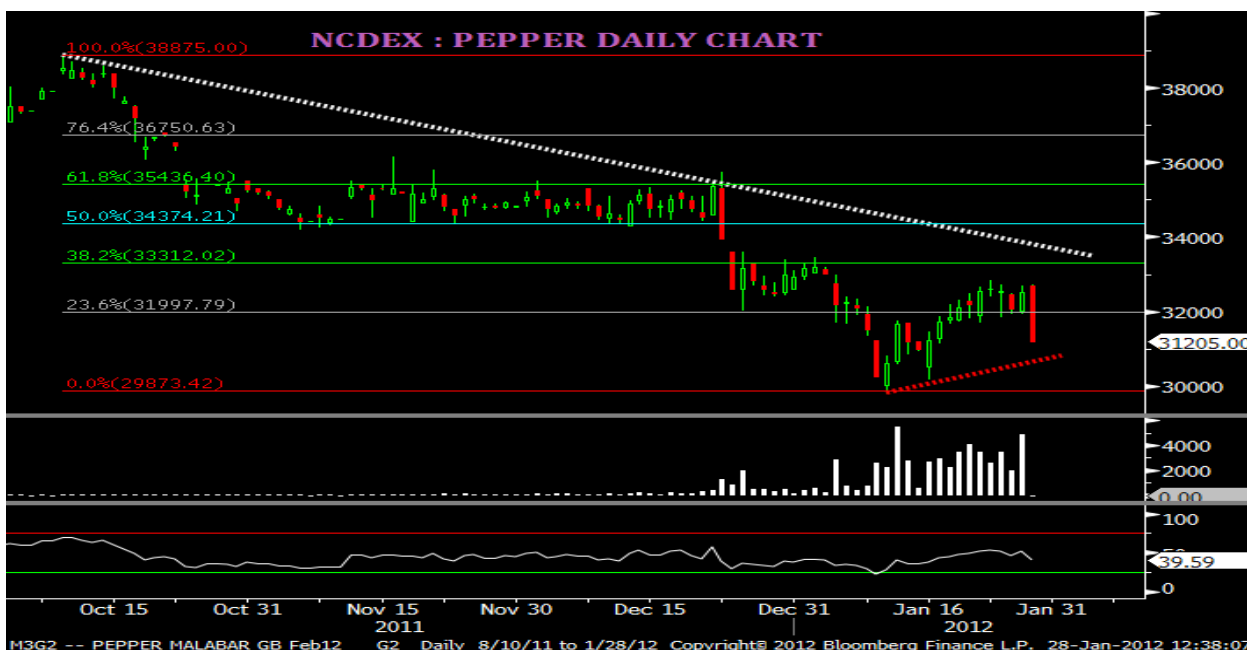
## Derivative Analysis

The NCDEX Pepper February contract prices, volumes have declined while open interest has increased. It is a good indication that a sharp rally against downtrend will develop creating a sell point for downtrend.

## PVO Analysis - Pepper



## Technical





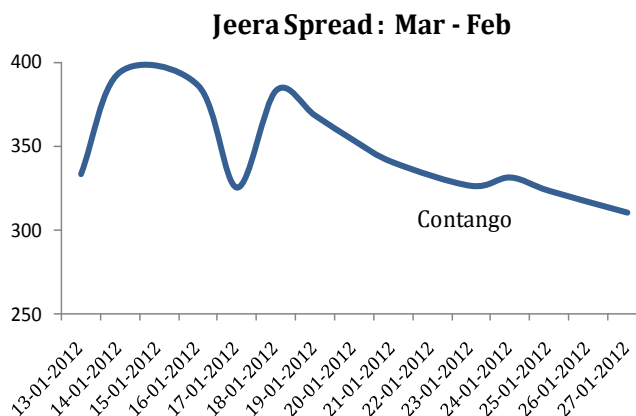
## Jeera

### Review

Jeera prices extended the down trend with huge volatility during the week ended on Jan. 28<sup>th</sup>. Futures started the week on positive note on lower level buying. However, later on futures turned bearish on profit booking at higher levels. Sudden rise in arrivals across the spot markets further added to the down side. Different opinions about production estimates created huge volatility in the prices during the week. Reports of fresh crop arrival in small pockets of Gujarat also weighed on sentiments and futures ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb-12	15990	16392	14751	14785	-8.10	37113	-23.08	13860	-5.96
Mar-12	16480	16735	15050	15090	-8.14	9234	-20.89	10887	3.27
Mar-12	17007	17171	16277	16661	-1.41	675	42.41	423	138.98

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



### Outlook

Jeera prices are projected to trade lower on extended correction during the week. Rise in arrivals across the major spot markets along with reports of fresh arrivals of early sown crop might also weigh on prices. However, Prevailing mixed sentiments about production estimates might create huge volatility later in the week. However, short covering on huge losses can not be over ruled during the week.

### Factors to watch out

- ❖ Spot market of Unjha arrivals are in the range of 4500-8000 bags (1 bag= 60 Kg.)
- ❖ As per data released by Spices board, during Apr-Nov, 2011 Jeera export from India were reported up by 28% to 26,500 tonnes against the same period last year
- ❖ Sowing Data In Gujarat cumin seed sowing reported around 2.82 lakh hectares till 27th December as compared to the 2.38 lakh hectares in the last year
- ❖ NCDEX accredited warehouse stocks were at 7471 tonnes as on January 25, 2011
- ❖ As per Spices Board data, international price of jeera in New York market declined marginally to \$3.86 per kg during the week ended January 20<sup>th</sup> 2011 however, remained higher against \$3.64 per kg in the same period last year



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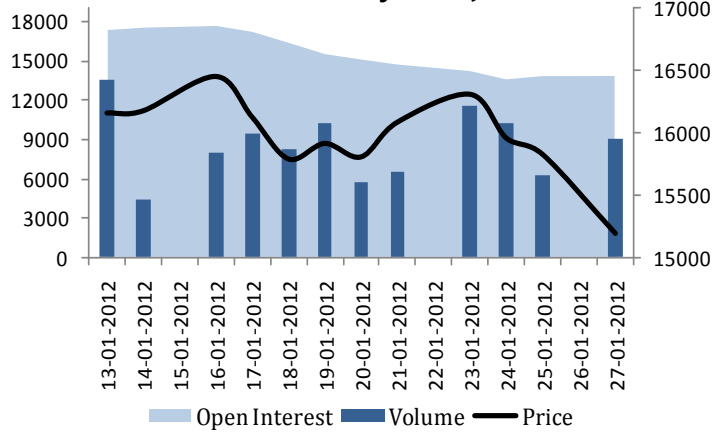
## Pivot Point

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Feb-12	12586	13668	14227	14785	15868	16950	17509
	Mar-12	12830	13940	14515	15090	16200	17310	17885
	Mar-12	15341	15809	16235	16661	17129	17597	18023

## Derivative Analysis

The NCDEX jeera February contract prices, volumes and open interest have declined. It is a good indication 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

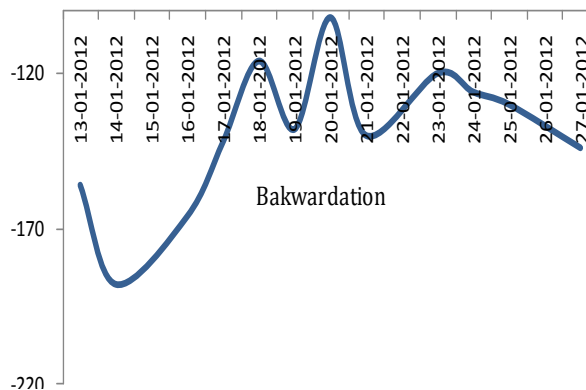
### Review

The NCDEX turmeric extended the bearish trend for 4<sup>th</sup> consecutive week. Prices at futures started the week on slightly positive note on short covering on previous losses. However, later on futures turned bearish due to lack of any fresh cues from spot market. Spot market remained close till Thursday as farmers' boycotted auction due to prevailing lower prices. They asked Government to procure their produce at Rs. 10,000 per quintal. Friday spot market opened but farmers brought very less quantity. Therefore, reacting to prevailing fundamentals futures also ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr-12	4616	4676	4530	4574	-0.22	11750	-30.80	10070	-0.20
May-12	4468	4538	4424	4446	0.05	3675	-2.13	4920	-1.20
Jun-12	4500	4500	4302	4446	-0.67	885	0.00	810	90.59

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

Turmeric Spread : May - Apr



### Outlook

Turmeric prices are expected to open on lower note on extended correction in coming week. However, short covering at huge losses can be seen initially in the week. Farmers are expecting prices might recover in coming week on fresh buying. Traders are also waiting for fresh orders from north Indian buyers as sample has been sent to them. Therefore, if good demand comes from north India then it might push the prices on higher side.

### Factors to watch out

- As per trade sources, arrivals at spot market of Erode were hovered in the range of 6300-8200 bags (1bag=70Kg.)
- According to trade sources, Harvesting has been started in Erode and after drying and processing arrivals will start by 2<sup>nd</sup> - 3<sup>rd</sup> week of February
- As per data released by Spices board, during Apr-Nov, 2011 Turmeric export from India were reported up by 63% to 58,000 tonnes against the same period last year
- As per Spices Board data, international price of Turmeric in New York market remained unchanged to \$5.62 per kg during the week ended January 20<sup>th</sup> 2011 lower from \$5.29 per kg quoted in the same period last year



# SPICES WEEKLY

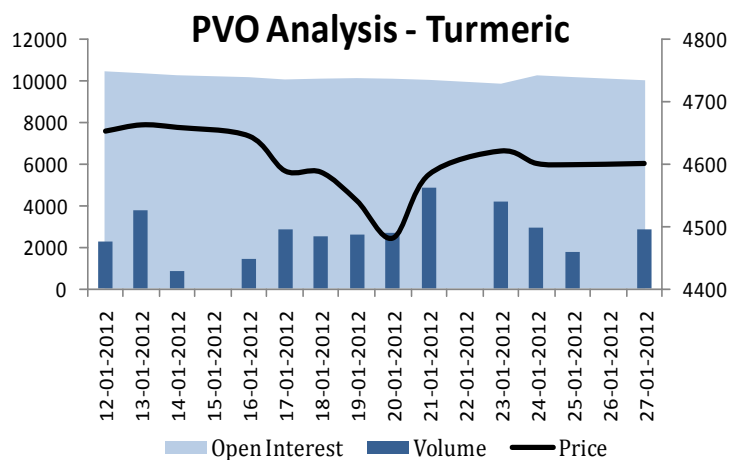
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## Pivot Point

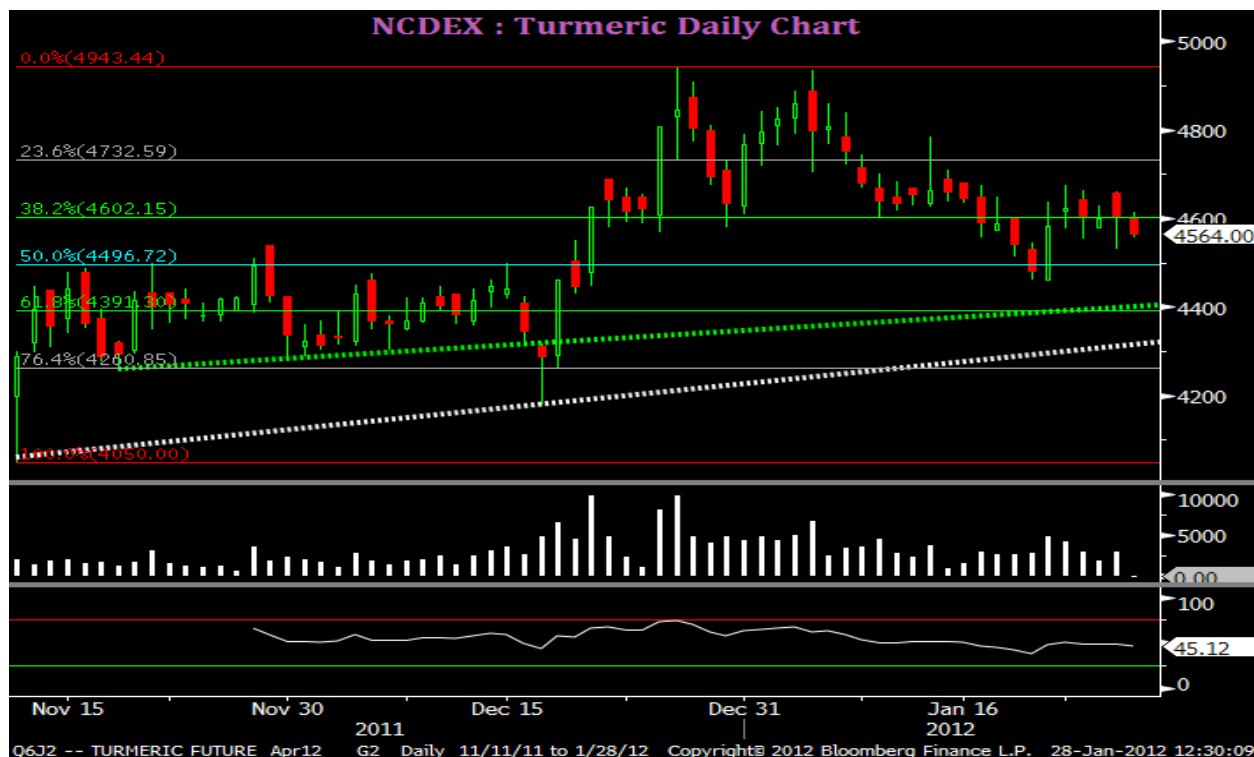
Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
	<b>Apr-12</b>	4365	4447	4511	4574	4657	4739	4803
<b>NCDEX</b>	<b>May-12</b>	4287	4355	4401	4446	4515	4583	4629
	<b>Jun-12</b>	4134	4218	4332	4446	4530	4614	4728

## Derivative Analysis

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





## Chilli

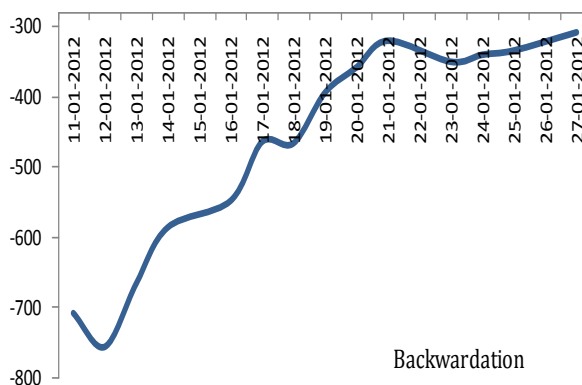
### Review

The Chilli prices continued the bearish trend on extended selling pressure during last week. Futures started the week on positive note on lower level buying. Reports of delay in fresh arrivals of 334 variety (exchange traded) supported the prices to trade up. However, later on prices turned down on rise in arrivals of fresh Teja crop at spot market along with poor export demand. Therefore, on cues from futures traded down and closed on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb-12	6200	6562	6024	6068	-1.88	3915	-23.61	2725	-4.72
Mar-12	5926	6210	5682	5790	-1.26	1605	17.58	1485	2.77
Apr-12	5998	6280	5792	5900	-0.61	580	41.46	895	5.92

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

Chilli spread : Mar - Feb



### Outlook

Chilli prices are expected continue the volatility on prevailing fundamentals. Rising arrivals of Teja variety at spot market of Guntur might further pressurize the prices. Higher production estimates as compared to the last year are also weighing on prices. However, delay arrivals of exchange traded 334 variety which is are expected to start by mid of February might cushion the prices later in the week.

### Factors to watch out

- ❖ Arrivals at Guntur chilli market remained in the range of 15,000-35,000 bags
- ❖ Andhra Rabi chilli area is reported around 0.49 lakh ha as on 25<sup>th</sup> January against 0.44 lakh ha year ago
- ❖ As per data released by Spices board, during Apr-Nov, 2011 chilli export from India were reported down by 24% to 1,32,500 tonnes against the same period last year
- ❖ As per Spices Board data, international price of chilli in New York market remained stable to \$3.53 per kg during the week ended January 20<sup>th</sup> 2011 against \$3.20 per kg quoted in the same period last year



# SPICES WEEKLY



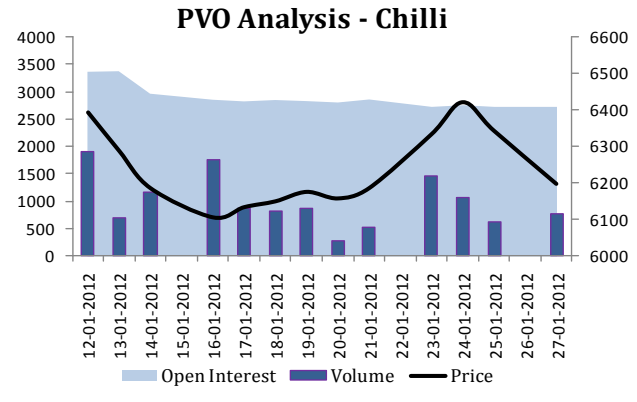
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## Pivot Point

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Feb-12	5336	5680	5874	6068	6412	6756	6950
	Mar-12	5050	5366	5578	5790	6106	6422	6634
	Apr-12	5213	5503	5701	5900	6189	6479	6677

## Derivative Analysis

The NCDEX chilli February contract prices, volumes and open interest have declined. It is a good indication 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





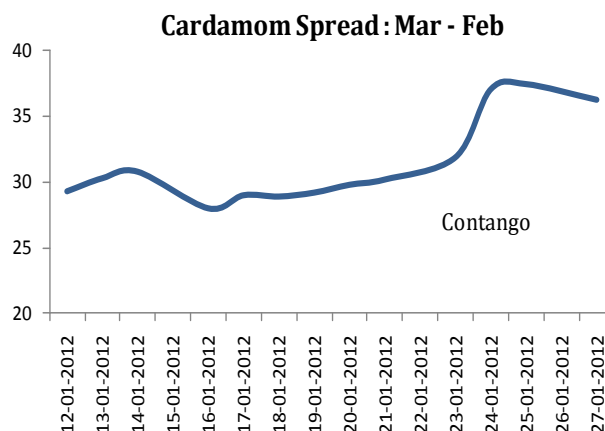
## Cardamom

### Review

The cardamom futures continued the uptrend on good buying interest during the week ended on Jan. 28<sup>th</sup>. From starting of the week futures traded higher 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 good demand from exporters and on cues from spot activity futures traded up and ended on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb-12	632.3	674	630.1	672.5	6.02	33898	27.63	4999	12.54
Mar-12	665	712.6	662.5	711.8	7.12	9349	61.44	2848	19.16
Apr-12	659	677.8	656.6	675.3	8.03	1190	51.01	898	-7.39

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



### Outlook

Cardamom futures are projected to continue the positive trend in coming week. Good demand at domestic and export front is likely to support the uptrend. According to trade sources, one more round of picking is remaining for current harvesting season and likely fall in arrivals is expected in coming days. However, profit booking at higher level can be seen during the week which might create further buying at lower levels.

### Factors to watch out

- ♣ Arrivals Daily auction activity in remained in the range of 31-124 tonnes while prices hovered in the range of Rs. 484-547 per Kg.
- ♣ According to data released by Spices board, cardamom exports during Apr-Nov, 2011 were up by 444% to 3,100 tons against same period in last year
- ♣ Total arrivals at spot auction till January 22<sup>nd</sup> were reported around 10,410 tonnes 6,910 tonnes arrived during same period last year
- ♣ As per Spices Board data, international price of Cardamom in Saudi Arabia market improved a bit to \$15.74 per kg during the week ended January 20<sup>th</sup> 2011; however, it was lower than \$32.66 per kg quoted in the same period last year



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❖ MCX warehouse stocks of Cardamom as on January 27, 2011 were 18.6 tonnes

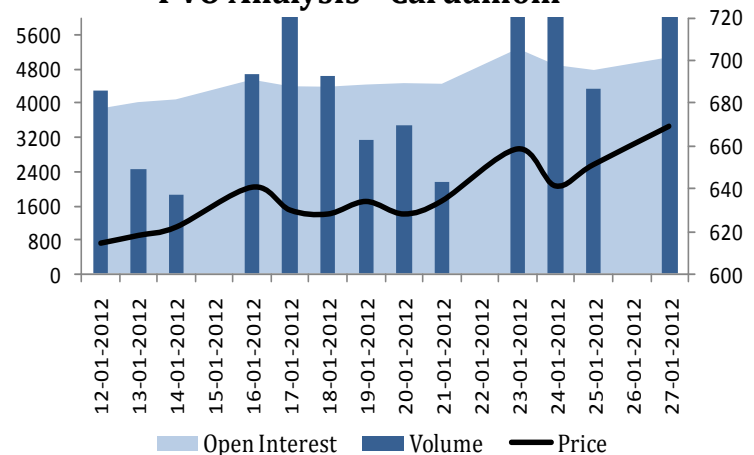
### Pivot Point

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Feb-12	600	615	644	673	688	703	732
	Mar-12	629	646	679	712	729	746	779
	Apr-12	641	649	662	675	683	691	704

### Derivative Analysis

The MCX cardamom February contract prices, volumes and open interest have increased. It is a good indication 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 - Cardamom



### Technical

NCDEX cardamom prices February contract is trading higher with from the previous week, has made a high of 674 against the low of 630.1 and prices are trading lower at 666 levels which is marginally higher than the previous week. Overall trend for cardamom prices are positive. While applying Fibonacci retracement



tools on a daily chart, cardamom prices may test the levels of 708 and 735 levels which are 38.2% and 50.00% of the range of 819-598. Technical momentum Indicator RSI-14 days is trade at 61.34 and it shows that cardamom prices may go upward direction for near term. Going by the above analysis we suggest buy at lower levels for the coming week.



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