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26 July 2016

Spices Round Up

A Daily Report on Major Spices
Daily Updates:

- Jeera futures ended lower despite hitting a record high early in the session. The most active August contract hit a record high of 20,000 rupees per 100 kg, but later closed lower due to profit booking.
- The spot price was up in Unjha. The exchange deliverable quality jeera was traded at 20,700 rupees per 100kg, up 700 rupees from Friday. Arrivals were at 6,000 bags (1 bag = 55 kg), up 1,000 bags from previous day.
- At Jodhpur market, jeera loose closed steady at 8000-19000 rupees per 100kg and in Rajkot as well traded firm at 16000-18225 per 100kg.
- Total stocks of jeera in NCDEX warehouse as of 24th July 2016 declined from previous day to 4802 tonnes and 747 tonnes are in process.

Outlook: Jeera prices are trading higher as stocks are exhausting and exports outlook for 2016-17 are seen strong. The daily arrivals have declined to 3,000-5,000 bags and are likely to keep dwindling as most farmers have already offloaded their stocks. Meanwhile, total stocks of jeera in NCDEX accredited warehouse as of 24th July 2016 increased from 3006 tonnes one month ago and from 3438 tonnes from three month ago period. PVO Analysis signals further rise in prices. In the mean time expect profit booking.

Levels:
- Support: 19540/19350/19120
- Pivot: 19770
- Resistance: 19960/20190/20380
Daily Updates

Turmeric futures closed higher due to short covering after prices fell in the last three sessions. The August contract ended up 1.11% at 8,364 rupees per 100 kg, while open interest in the contract rose to 20,225 tonnes from 20,565 tonnes on Friday.

In the benchmark Nizamabad market, the finger variety was unchanged at 8,500 rupees per 100 kg, while in Erode, it was quoted at 8,900 rupees per 100 kg, up 100 rupees from Friday's close.

Arrivals in Nizamabad were at 1,500 bags (1 bag = 70 kg), compared with 1,100 bags on Friday, while in Erode, they were at 3,500 bags, against 7,000 bags on Friday.

Outlook: Turmeric prices are likely to be firm because of good demand from domestic and overseas markets. However, expectations of higher acreage in major turmeric producing regions may limit sharp rise in prices. The area under turmeric in Andhra Pradesh as of 20th July 2016 stood higher at 6,079 hectares against 4,942 hectares same period a year ago. Meanwhile, sowing in Telangana showed a slow pace and reported as 30,068 hectares as against 31,279 hectares same period a year ago, data from the state agriculture department showed. PVO Analysis indicates short covering likely and later the price may decline.

Levels:
Support: 8273/8183/8125
Pivot: 8331
Resistance: 8421/8479/8569
Coriander

**Daily Updates**

- Coriander futures traded higher tracking the trend in major spot markets.
- In Ramganj, the eagle seed quoted lower from previous close at 6250 rupees per 100 kg. And the badami variety was offered at 7900 rupees per 100 kg. Arrivals was at 1,500 bags (1bag = 40kg), down against previous day.
- The eagle variety in Kota traded at 7000 rupees per 100 kg, unchanged as compared to previous close. The badami fetched 7000 rupees per 100 kg. Total arrivals were at 2,000 bags, down from previous day.
- At Baran market, eagle seed finished at 7050-7150 rupees per 100 kg and the badami variety fetched 6750-6850 rupees, unchanged against previous close. Arrivals were at 1200 quintals.
- Stocks of coriander in NCDEX warehouses as on 24th July 2016 stood unchanged from previous day at 4417 tonnes and 30 tonnes are in process.

**Outlook:** Coriander prices traded higher on prospects of rise in demand from domestic and overseas markets. Meanwhile, the arrivals are likely to rise in coming days due to better price for the spice. PVO Analysis indicates the price may subsequently decline.

**Levels:**
- **Support:** 7621/7525/7436
- **Pivot:** 7710
- **Resistance:** 7806/7895/7991
Daily Updates

• Cardamom futures ended lower as market participants booked profit after prices rose in last six trading sessions.
• On Monday, total arrivals of small cardamom in major auction centre were around 19 tonnes with the spot price on an average quoted as 831 rupees per kg. The maximum price was 1086 rupees per kg.
• Cardamom stock at MCX accredited warehouses as of 23rd July 2016 stood unchanged from previous day at 13.9 tonnes, data from the exchange showed.
• India’s total small cardamom exports in 2015-16 (Apr-Mar) increased sharply by 45% to 5,500 tonnes, against 3,795 tonnes a year ago, according to the data from Spices Board India. The exports are higher than the board’s target of 3,500 tonnes for 2015-16.

Outlook: Cardamom prices gained on reports of delay in crop harvest and projected rise in demand from overseas markets. Lower production estimates too supported the prices. Absence of summer showers have destroyed the plants which were in the flowering stage at that point of time. PVO Analysis signals buying trend ahead.

Levels:
Support: 930/925/917
Pivot: 938
Resistance: 943/950/956
Indonesia's pepper production in 2016 is seen at only 20,000 tonnes, down from 50,000 tonnes in 2015, due to the impact of El Nino induced drought in 2015 which was followed by a wet season in 2016, said chairman of Bangka Belitung's pepper management development and marketing agency. Added, the current heavy rains in most of Indonesia's pepper key growing areas because of the La Nina weather phenomenon will most likely slash the country's pepper production by around 60%. Bangka Belitung province, one of the country's key pepper growing areas, is expected to produce only 10,000 tonnes of pepper this year. This would be a sharp drop from around 25,000 tonnes last year. Heavy rains accompanied by strong wind have disrupted pepper flowering and fruit formation. Wet weather has also led many pepper fruits to rot and the quality of harvested fruits has dropped below the standard. The estimated drop in production in 2016 will most likely cut Indonesia's pepper exports in 2016 to 15,000 tonnes, from around 30,000 tonnes in 2015.

<table>
<thead>
<tr>
<th>Commodity (Salem)</th>
<th>Exchange</th>
<th>Centre</th>
<th>Unit</th>
<th>As on 24/07/2016</th>
<th>Previous day</th>
<th>Week ago period</th>
<th>1 Month ago period</th>
<th>3 Month ago period</th>
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<tbody>
<tr>
<td>Jeera New</td>
<td>NCDEX</td>
<td>Unjha</td>
<td>tn</td>
<td>5296</td>
<td>5485</td>
<td>4953</td>
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<td></td>
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<td>(Salem)</td>
<td></td>
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<td>13.9</td>
<td>17.7</td>
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Source: NCDEX, MCX
Weather Summary

Source: IMD

Weather Updates

• Southwest monsoon has been active over Sub Himalayan West Bengal, Sikkim, Arunachal Pradesh, Assam, Meghalaya and Marathwada.

Weather Warning for 26 July 2016

• Heavy to very heavy rain very likely at isolated places over Himachal Pradesh, Uttarakhand and West Uttar Pradesh; heavy at isolated places over Jammu & Kashmir, East Uttar Pradesh, East Rajasthan, West Madhya Pradesh, Gujarat region, Konkan, Goa, Madhya Maharashtra, Marathwada, Vidarbha, Bihar, Sub Himalayan West Bengal, Sikkim, Assam, Meghalaya, Arunachal Pradesh, South Interior Karnataka, Kerala and Lakshadweep.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Origin/Grade</th>
<th>Market</th>
<th>For the week 15-07-2016 US$/KG</th>
<th>Last Week 08-07-2016 US$/KG</th>
<th>Last Year Same Week 10-07-2015 US$/KG</th>
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<tr>
<td>Jeera</td>
<td>Indian/Syrian/Chinese</td>
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<td>NewYork</td>
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<td>Saudi Arabia</td>
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<td>Chilli</td>
<td>Indian Sanam-4 (Stem Less)</td>
<td>NewYork</td>
<td>3.85</td>
<td>3.85</td>
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Source: Spices Board of India