

# Monthly Report On **SPICES**

9th November, 2021

## NOVEMBER 2021



Moneywise. Be wise.

## Factors to watch

- Damage due to unseasonal rains and crop progress in South India and Maharashtra
- Area of turmeric in the country
- Domestic and Exports demand
- Arrivals in the spot market
- Stocks with traders and Quality of turmeric

## NCDEX Turmeric - Oct-2021



Source: Reuters & SMC Research

## Fundamentals

- We have witnessed a sideways market on October due to normal demand and sufficient stocks with the trader. Turmeric futures traded in the range of 7100 – 7400 levels.
- Turmeric prices are higher by almost 25-30% higher compared to last year prices despite weak export figures for turmeric this financial year.
- Export demand for turmeric was lower in FY 2021/22. As per the government data, turmeric exports were down by 15.8% to 11,600 tonnes y/y. Moreover, during the first 5-months of new FY 2021/22 (Apr-Aug), the exports are down by 25% to 64600 tonnes vs 85900 tonnes last year. The major export destination for turmeric is Bangladesh, Iran and UAE.
- Area under turmeric is good this year due to comparatively higher prices and good monsoon rains. However, as per market sources, higher than expected rainfall in Telangana and Maharashtra may affect production and quality of turmeric this season.

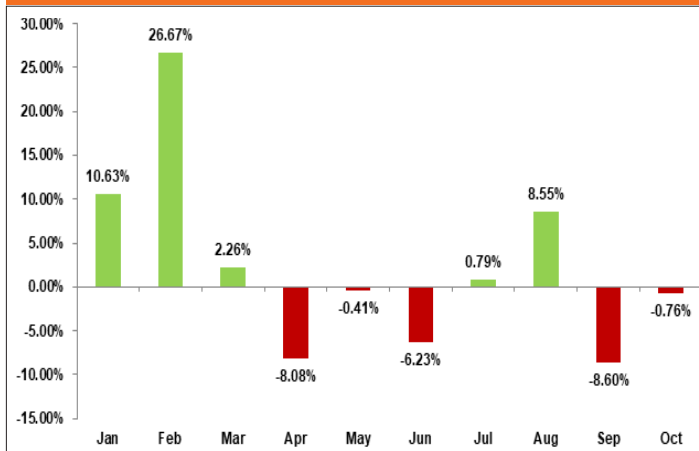
## Outlook

We expect NCDEX turmeric (Dec) prices are expected trade higher towards 7500 – 7700 levels on expectation of lower than expected production and pick up in the export demand in coming months. As per the seasonality chart, the turmeric prices may trade in a range with very less volatility during next two months due to new season arrival of turmeric.

## Technical Levels

Contract	CMP	S1	S2	PIVOT	R1	R2
Nov	7,274.00	6,706	6,990	7,230	7,510	7,755
Dec	7,370.00	6,885	7,130	7,350	7,590	7,810

## Monthly price movement of Turmeric futures (%)



Source: Reuters

## Monthly Heat Map and Seasonality for Turmeric Futures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	5.56%	15.97%	-1.00%	-5.04%	2.08%	-2.15%	1.63%	18.69%	-3.30%	2.72%		
2020	-5.28%	-8.86%	-1.60%	1.08%	-4.52%	11.66%	1.11%	9.83%	-2.61%	-0.74%	-5.52%	-7.97%
2019	3.97%	-6.48%	7.75%	7.93%	2.38%	-6.40%	-5.08%	-8.31%	-6.65%	22.27%	-2.19%	2.62%
2018	8.21%	-7.17%	-8.90%	-6.68%	-7.95%	8.38%	9.06%	-8.40%	3.98%	19.74%	11.10%	-1.78%
2017	2.28%	-13.20%	15.92%	-12.87%	-27.97%	6.41%	-2.70%	0.88%	-9.84%	9.70%	11.48%	0.86%
AVG	2.95%	-3.95%	2.43%	-3.12%	-7.20%	3.58%	0.80%	2.54%	-3.69%	10.74%	3.72%	-3.56%

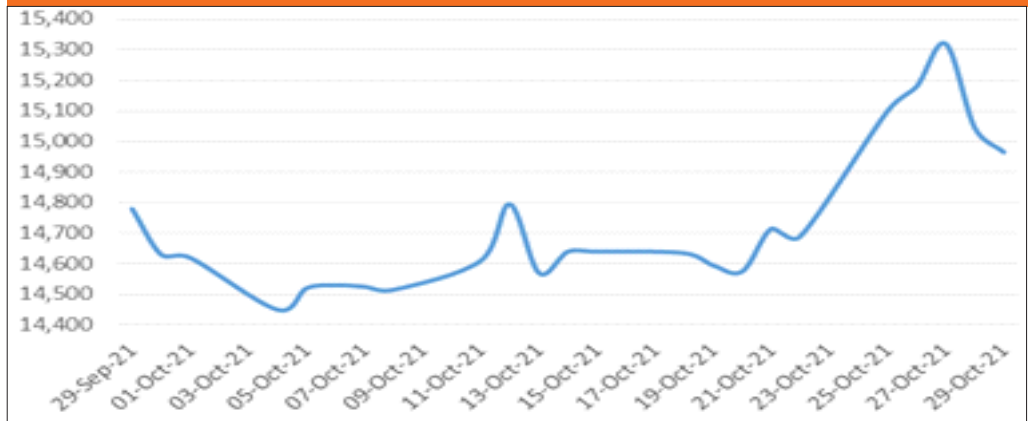
Source: Reuters

# JEERA (Cumin)

## Factors to watch

- Sowing progress in Gujarat
- Domestic demand and export enquiries
- Stocks with the farmers and traders
- Production in other countries like Syria, Turkey etc.

## NCDEX Jeera - Oct-2021



Source: Reuters & SMC Research

## Fundamentals

- Jeera futures closed higher for the third consecutive month in October. In October, prices have made a low of 14400 and then rise to above 15300 levels due to increase in export enquiries and good festive demand.
- Exports of jeera for Apr-Aug are down by 12% Y/Y at 1.24 lakh tonnes but expected improve in coming months. If we see exports in 2021 (Jan -Aug), the exports are higher by 3.61% to 1.92 lakh tonnes. Despite higher exports, farmers and traders have sufficient quantity of stocks with them due to higher carryover stocks and good production last season. Last year, production was higher compared to previous two years due to favourable weather conditions and higher acreage.
- In the current rabi season, Cumin area in Gujarat is recorded 330 ha as on 8th Nov compared to 10,743 ha last year as per the sowing area released by the government.

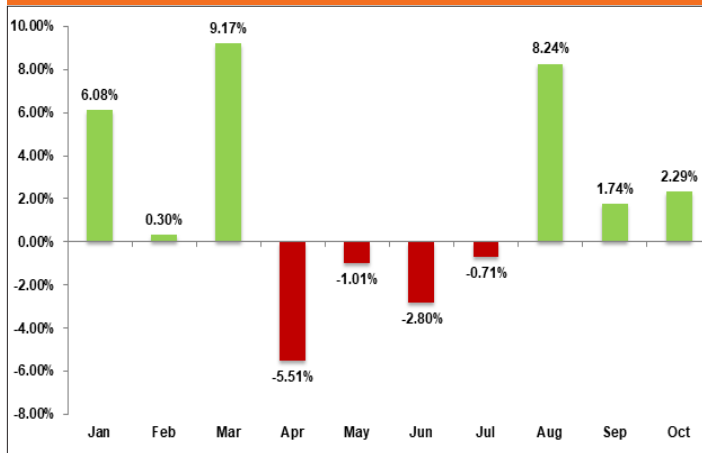
## Outlook

Jeera prices expected to gains as the export is increasing continuously and market sources said that export would increase further in the coming months due to lower supply from producing countries like Afghanistan and Syria. We expect jeera (Dec) to trade higher towards 16100 levels with major support at 15200 levels. We have witnessed balanced fundamentals of good demand and higher stocks with the market players. As per price seasonality, jeera prices during Nov-Dec correct due to off-loading of stocks as the new season jeera sowing starting in main growing states of Gujarat. This years we have witnessed slow start to jeera sowing season in Gujarat which wil support prices.

## Technical Levels

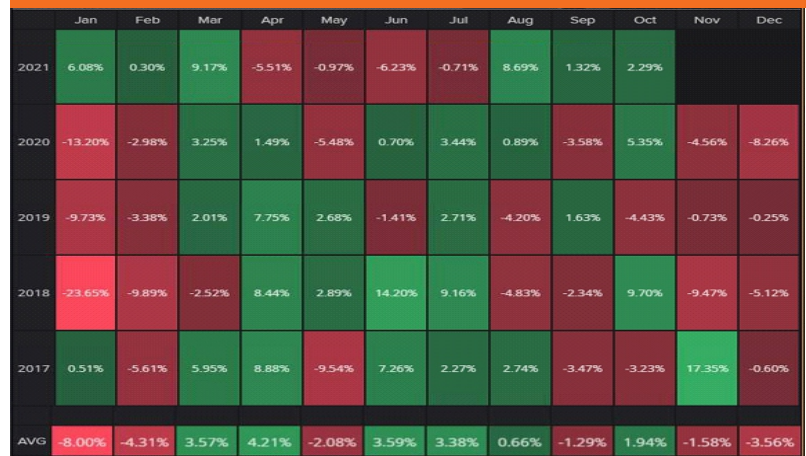
Contract	CMP	S1	S2	PIVOT	R1	R2
Nov	14,965.00	13,700	14,330	14,850	15,490	16,010
Dec	15,160.00	13,840	14,500	15,020	15,680	16,190

## Monthly price movement of Jeera futures (%)



Source: Reuters

## Monthly Heat Map and Seasonality for Jeera Futures



Source: Reuters

# DHANIYA (Coriander)

## Factors to watch

- Domestic demand and export enquiries
- Offloading of Stocks by the farmers and traders as new sowing season commences
- Crop area progress in Rajasthan and Gujarat
- Arrivals in spot market in Gujarat, Madhya Pradesh and Rajasthan

## NCDEX Coriander Price - Oct-2021



Source: Reuters & SMC Research

## Fundamentals

- Dhaniya futures closed higher in October by 2.5% due to lower arrivals and persistent demand from the traders. The prices are trading higher throughout this year on due to increase in export demand and the demand from stockist in south and east India on the expectations of lower crop as Rajasthan and Gujarat both have received deficient rainfall in the first three month of monsoon season. Currently, coriander prices have been higher by about 20% compared to last year prices.
- Coriander exports higher by 4% at 35250 tonnes during Jan-Aug compared to last season same time. However, we have witness decrease Coriander exports are down 10% at 20100 tonnes during Apr-Aug compared to last season same time due to higher export prices. Due to opening of lockdown, the demand from the hotel industries is increasing keeping the prices supportive.

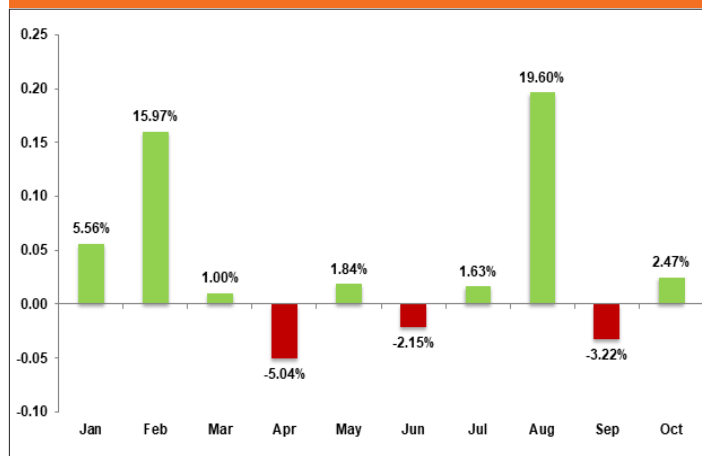
## Outlook

Dhaniya futures are currently trading at 6-year highest levels for the October prices due to persistence demand and lower than expected arrivals in the physical market. As per the seasonality, the prices may remain stable at current levels in coming weeks due to demand supply balance. Dhaniya (DEC) contract is expected to trade in a range of 7700 – 8600 levels.

## Technical Levels

Contract	CMP	S1	S2	PIVOT	R1	R2
Nov	8,074.00	7,375	7,725	8,090	8,440	8,800
Dec	8,180.00	7,450	7,815	8,170	8,540	8,890

## Monthly price movement of Dhaniya futures (%)



Source: Reuters

## Monthly Heat Map and Seasonality for Coriander Futures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	5.56%	15.97%	-1.00%	-5.04%	2.08%	-2.15%	1.63%	18.69%	-3.30%	2.72%		
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AVG	2.95%	-3.95%	2.43%	-3.12%	-7.20%	3.58%	0.80%	2.54%	-3.69%	10.74%	3.72%	-3.56%

Source: Reuters

Vandana Bharti (AVP - Commodity Research)

Ritesh Kumar Sahu - Research Analyst

E-mail: [smc.care@smcindiaonline.com](mailto:smc.care@smcindiaonline.com)

Boardline : 011-30111000 Extn: 625

Boardline : 011-30111000 Extn: 674

[vandanabharti@smcindiaonline.com](mailto:vandanabharti@smcindiaonline.com)

[riteshkumarsahu@smcindiaonline.com](mailto:riteshkumarsahu@smcindiaonline.com)



**Corporate Office:**

11/6B, Shanti Chamber,  
Pusa Road, New Delhi - 110005  
Tel: +91-11-30111000  
[www.smcindiaonline.com](http://www.smcindiaonline.com)

**Mumbai Office:**

Lotus Corporate Park, A Wing 401 / 402 , 4th Floor ,  
Graham Firth Steel Compound, Off Western  
Express Highway, Jay Coach Signal, Goreagon  
(East) Mumbai - 400063  
Tel: 91-22-67341600, Fax: 91-22-67341697

**Kolkata Office:**

18, Rabindra Sarani, Poddar Court, Gate No-4,  
5th Floor, Kolkata-700001  
Tel.: 033 6612 7000/033 4058 7000  
Fax: 033 6612 7004/033 4058 7004

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