

Monthly Report On **SPICES**

SEPTEMBER 2021

2nd September, 2021



Moneywise. Be wise.

TURMERIC

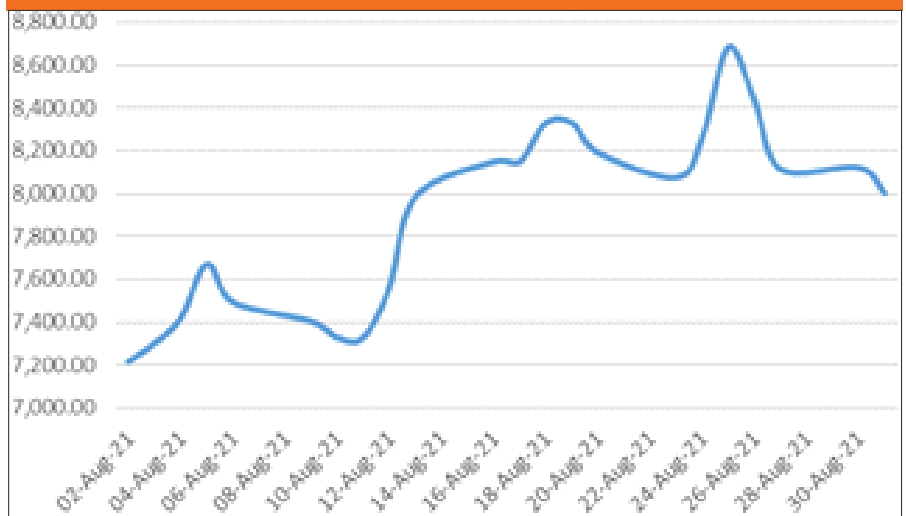
Factors to watch

- Crop progress in South India and Maharashtra
- Domestic and Exports demand
- Arrivals in the spot market
- Quality of turmeric arrival

Highlights

- YTD prices higher by 35%
- Exports of turmeric higher for Jan-May period
- Area under Turmeric is good this year due to higher prices last year
- Demand is expected to be good for its medicinal purpose
- New season turmeric will arrive in December

NCDEX Turmeric - Aug-2021



Source: Reuters & SMC Research

- Last Month in August, **Turmeric futures** inched higher tracking fairly good domestic demand due to opening of majority of states from lockdown. Export demand for turmeric normally get sluggish after the month of July so prices mainly depends on the local consumptions.
- This year area under turmeric good due to comparatively higher prices. Currently, turmeric prices are about 34% higher than the last year prices in the local market. In August last year, turmeric prices were at 5800 levels but this year it is trading at 7800 levels.
- Telangana, Maharashtra and Karnataka are the largest turmeric producing states which receives near normal rainfall this season. This will increase production of turmeric for the next season but the demand for its medicinal values will keep the prices at higher levels.
- The exports of turmeric during the first 5 –months of 2021 is higher by 10% at 64000 tonnes. The major export destination for turmeric is Bangladesh, Iran and UAE.

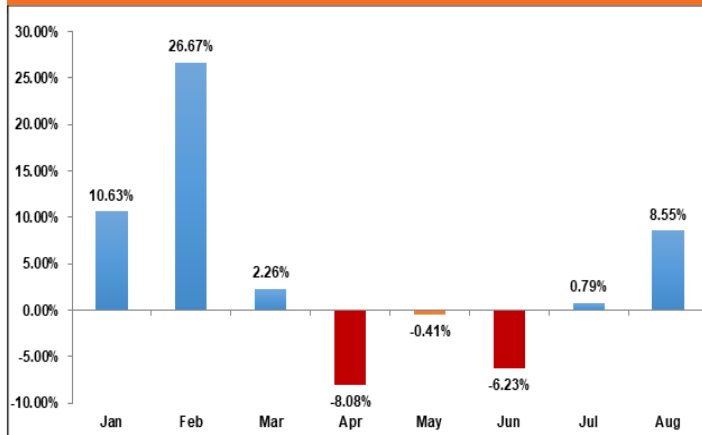
Outlook

Turmeric prices are higher in August compared to last year by almost 34% due to good exports and local demand. Currently the prices depend on the arrivals of the turmeric and the demand from the up country buyers. We expect the prices to trade in a range of 7700 – 8500 as production is expected to be good next season therefore stocks will be released by the traders in next 3-4 months.

Technical Levels

Contract	CMP	S1	S2	PIVOT	R1	R2
Sep	7,880.00	6,369	7,245	7,997	8,873	9,625
Oct	8,012.00	6,466	7,360	8,108	9,002	9,750

Monthly price movement of Turmeric futures (%)



Source: Reuters

Monthly Heat Map and Seasonality for Turmeric Futures



Source: Reuters

Factors to watch

- Domestic demand and export enquiries
- Stocks with the farmers and traders
- Rainfall during the Sep and Oct
- Production in Syria, Turkey

Highlights

- YTD price higher by 13.5%
- Exports are higher by 14% in Apr-May
- Domestic demand is improving as lockdown is relaxed
- Production last year was at record 4 lakh tonnes in Gujarat

NCDEX Jeera - Aug-2021



Source: Reuters & SMC Research

- In August, we have witnessed good recovery in jeera futures due to deficient rains in Gujarat – the largest jeera producing state. The prices have touched 20-months high of Rs. 15915 per quintal but soon the prices have corrected to 14380 due to profit booking by the market participants on reports that there will be above normal rains during Sep-Nov period. The rains just before the sowing will be very beneficial for the Jeera crop.
- Country exported more than 1.20 lakh tonnes of jeera in first 5 months of 2021 up 33% compared to last year. Despite good 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.
- New production from Turkey and Syria comes in Aug – Sep therefore demand for Indian cumin will be less. As per market sources, there is very limited demand for Indian cumin since last 2 months. The price is mainly driven by the local demand during coming months.

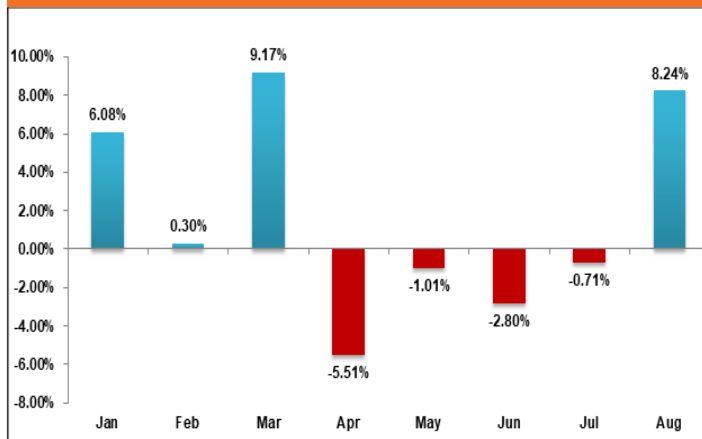
Outlook

As per price seasonality, jeera prices peak during Jul-Aug and then decline gradually as exports demand also goes down. Currently the price is in correction mode after it touched 20-months high in August. We expect good festival demand and normal exports during coming weeks. But forecast of good rains will brighten the prospects of another good crop in coming season. Therefore, stockists which hold jeera will try to sell out in the market that keep the prices under control till the new season sowing commenced in November. For Jeera SEP, we see major support at 14000 levels while the resistance 14900.

Technical Levels

Contract	CMP	S1	S2	PIVOT	R1	R2
Sep	14,470.00	11,643	13,152	14,533	16,042	17,423
Oct	14,910.00	12,040	13,585	14,905	16,450	17,770

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
- Stocks with the farmers and traders
- Rainfall during the Sep and Oct in western and Central India
- Arrivals in spot market in Gujarat, Madhya Pradesh and Rajasthan

Highlights

- YTD prices are higher by 39.5%
- Exports are higher by 15.3% in Jan-May
- Domestic demand is improving as lockdown is relaxed
- Production last year was at record 8.22 lakh tonnes in country

NCDEX Coriander- Aug-2021



Source: Reuters & SMC Research

- Dhaniya futures jumped about 19% in the month of August mainly on the expectations of lower crop in the coming rabi season as Rajasthan and Gujarat both have received deficient rainfall in the first three months of monsoon season.
- Moreover, the demand for coriander also increased from the stockists across the country for the same reason. Due to opening of lockdown the demand from the hotel industries also increased. The stocks have been sufficient with the farmers and traders as the production last year was good in Country.
- Spices board has estimated higher production of coriander during the current year at 8.2 lakh tonnes. Coriander exports are up 15.3% to 23750 tonnes during Jan-May compared to last season same time. Coriander prices have been higher this season by about 10-15% despite higher production mainly on good export and domestic demand.

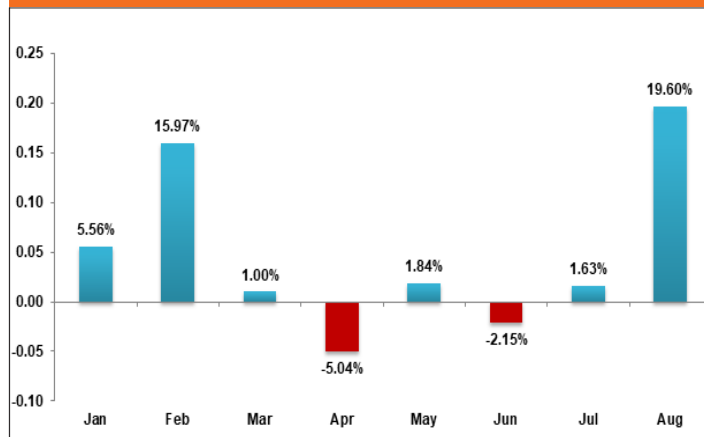
Outlook

Dhaniya futures touched 6-year high and witness a big jump in prices in the month of August. However, has witnessed some correction from the higher levels due to increased arrivals in the spot markets. As per the seasonality the prices may remain in stable during the months of September due to rainier days. Now we see some immediate support at 7800 levels and resistance is seen at 8400 levels.

Technical Levels

Contract	CMP	S1	S2	PIVOT	R1	R2
Sep	8,150.00	5,698	6,845	8,748	9,895	11,798
Oct	8,388.00	6,165	6,227	6,304	6,366	6,443

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%	9.17%	-5.04%	2.08%	-2.15%	1.63%	18.69%	-2.21%			
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%	-6.69%	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%	-3.48%	12.74%	3.72%	-1.57%

Source: Reuters

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