

Monthly Report On **SPICES**

SEPTEMBER 2022

08th September, 2022



Moneywise. Be wise.

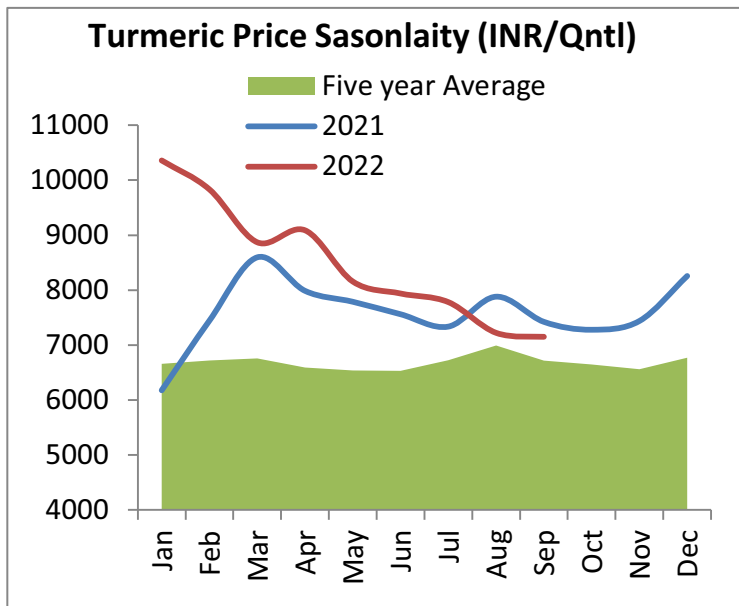
TURMERIC

Factors to watch

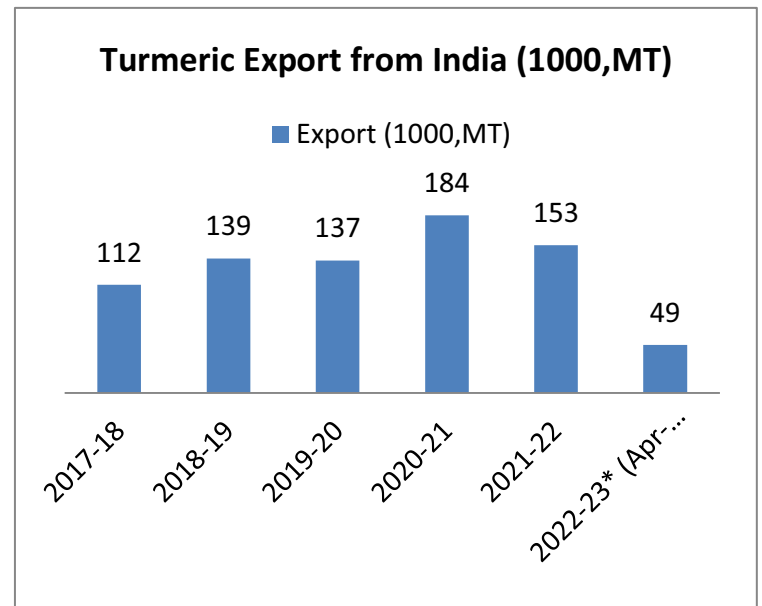
- Prices seasonality of Turmeric
- Arrivals in Telangana and Maharashtra
- Sowing progress and crop condition
- Stocks positions with traders and stockiest and at NCDEX warehouses
- Export demand

Price Performance and Fundamentals

Turmeric prices continued its downtrend for seven consecutive months in a row in Aug'22 as prices witnessed monthly falls of 7% to close the month at 7156. Prices have dropped by 36% since Jan'22 mainly due to adequate stocks at physical market amid sluggish buying by local traders. All India total arrivals has been higher by 17% Y-o-Y during Jan'22- Aug'22 reported at 1.93 lakh tonnes compared to 1.65 lakh tonnes of previous year for corresponding period. Sowing activities has almost completed in major growing states across India. About 14 thousand hectares was sown under turmeric in Andhra Pradesh till 1st Sep'22 compared to 13 thousand Ha of previous year for corresponding year. Going forward, major focus will be on the export demand of turmeric. India has exported around 49 thousand tonnes of turmeric during Apr'22-Jun'22 compared to 40 thousand tonnes of previous year, higher by 23% Y-o-Y. India exported about 19 thousand tonnes of turmeric in June'22 against the 13 thousand tonnes of previous year.



Source: Reuters & DGFT



Outlook

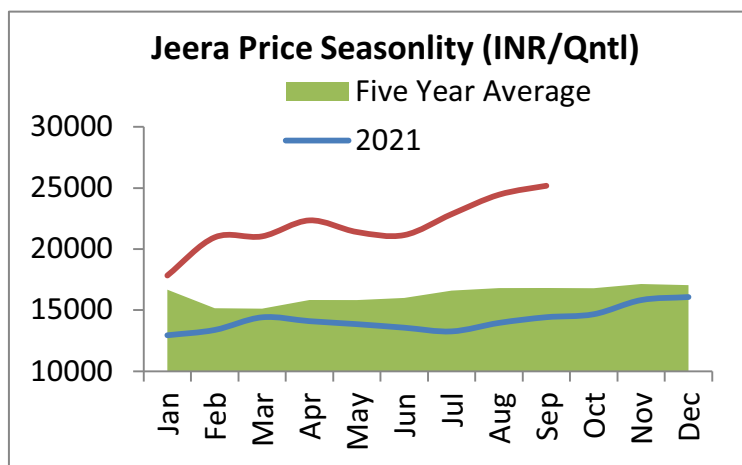
After witnessing persistent fall in prices since Feb'22, Turmeric prices are expected to consolidate now may find support near 6700 level. Bleak arrivals and expected rise in export demand is likely to push the prices up gradually towards 7700 level in coming months.

Factors to watch

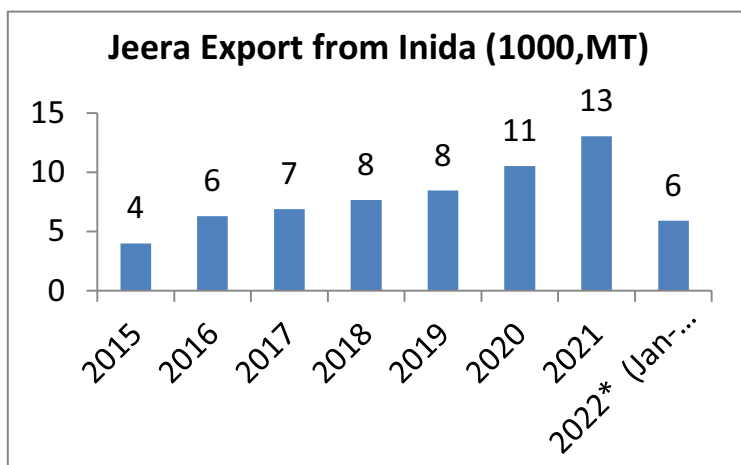
- Arrival pace in major mandies
- Export demand from neighboring countries
- Demand from spices industry
- Stocks positions with traders and stockiest and at NCDEX warehouses
- Production in other countries

Price Performance and Fundamentals

Jeera prices jumped to record level 25860 at NCDEX platform in Aug'22, witnessed monthly gains of 5% with and closed the month at 25110. Festive buying and prevailing concerns over supply shortages supported firmness in jeera prices. Stockiest kept them away from heavy selling in anticipation of further rise in prices. About 15 thousand tonnes of jeera was reported in Aug'22 at major mandies across India compared to 19 thousand tonnes previous year for corresponding month. Total arrivals have dropped by 31% Y-o-Y during Jan'22-Aug'22 due to lower output. Prices are likely to track cues from the upcoming export demand which is expected to pick up in wake of tighter global supply. Jeera export from India has been down by 9% Y-o-Y till June in year 2022 reported at 5.9 thousand tonnes compared to 6.4 thousand tonnes of previous year. Due to lower production, export pace has been slower in year 2022. Lower production in Syria and Turkey will lead to rise in jeera imports from India. However, some profit booking is likely to be seen at higher levels that will reflect as prices correction in coming weeks. Losses are likely to be limited as tighter availability of stocks will force spice millers and other traders to buy on dip to fulfil their trade commitments. Jeera production is estimated to drop by 9% Y-o-Y to 7.25 lakh tons in year 2021-22 that kept stocks lower across India.



Source: Reuters & DGFT



Outlook

NCDEX Jeera (Oct) prices are likely to witness some downside correction towards near term support of 24000 due to profit booking whereas 26200 will be the resistance.

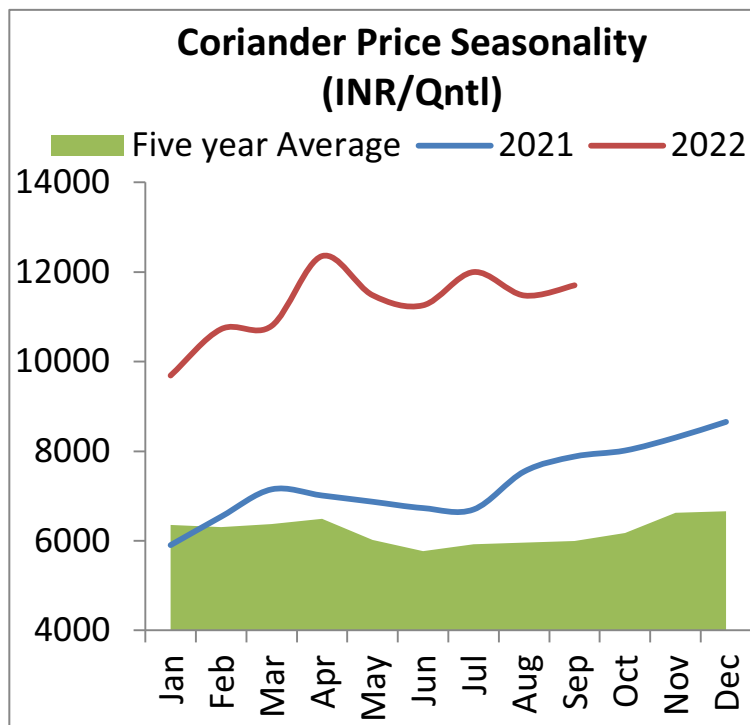
DHANIYA (Coriander)

Factors to watch

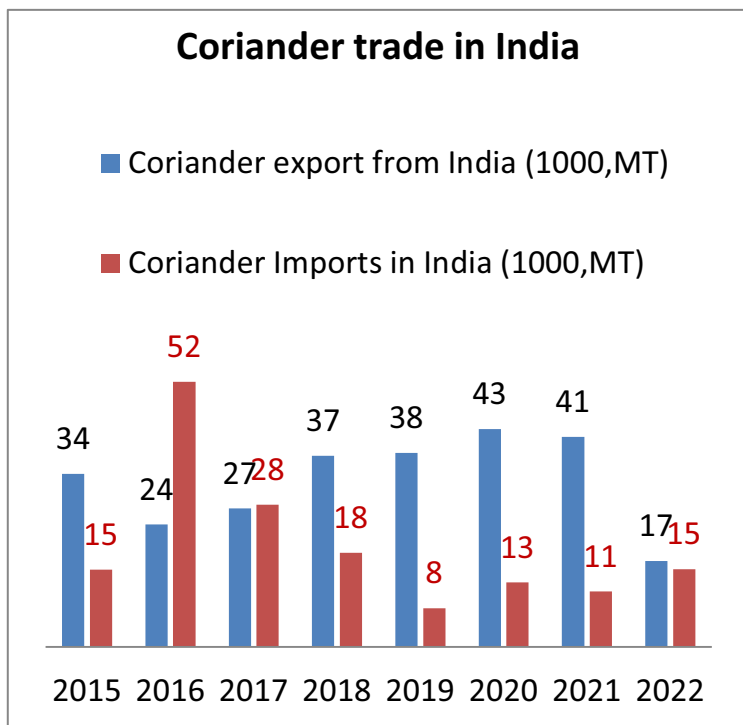
- India imported about 15 thousand tonnes during Jan'22 – Jun'22
- Increased imports from Russia and Italy
- Domestic demand remained bleak
- Demand from spices industry
- Stocks positions with traders and stockiest and at NCDEX warehouses
- Production in other countries

Price Performance and Fundamentals

Dhaniya futures tried to consolidate in limited range in Aug'22 kept bias towards downside. Increased imports from Russia and Italy and sluggish buying at local market weighed on market sentiments. Domestic demand remained bleak as prices ruled near 11964 in Aug'22 that is much higher compared to 8128 of previous year. Imports increased significantly on lower domestic supply amid higher prices. India imported about 15 thousand tonnes during Jan'22 – Jun'22 compared to 3.6 thousand tonnes of previous year. Domestic supplies remained down due to lower production and will restrict the major downfall in prices from here. Spice makers are in wait and watch mood and expecting further correction in prices as prices are still ruling much higher compared to normal. However, losses will be limited as fresh buying can be seen near 10700 level Traders and spice makers have no choice other than to buy coriander at inflated prices as they have to wait for another 4-5 months to get the new crop.



Source: Reuters & DGFT



Outlook

Coriander prices jumped to record level of 13298 in year 2022 due to lower production. Going forward, prices are likely to trade in range of 10700 – 12500 with positive bias.

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