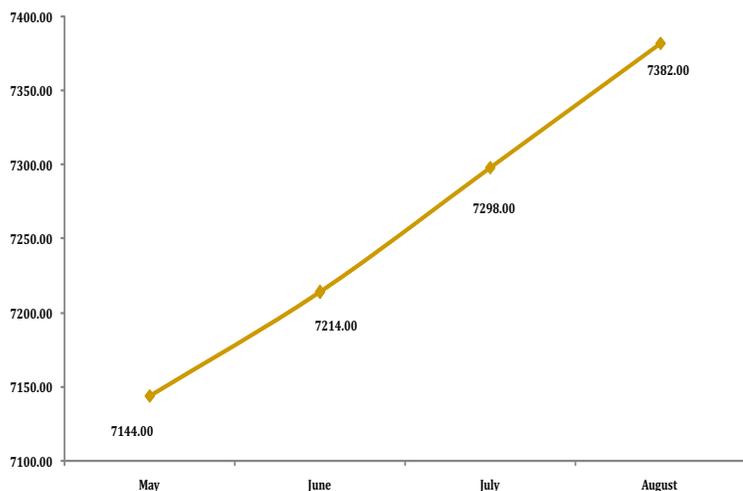


# Monthly Report On **SPICES** May 2018



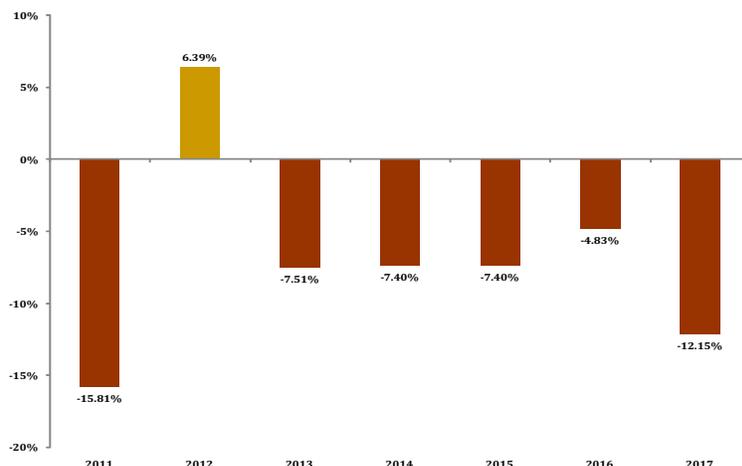
## Forward curve of Turmeric futures



Source: NCDEX

Closing as on 30th April, 2018

## Historic returns of Turmeric futures during month of May



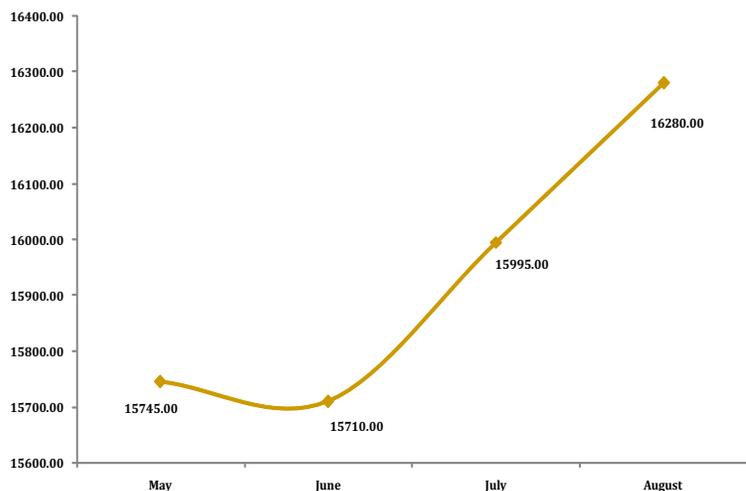
Source: Reuters & SMC Research

S2	S1	Pivot	R1	R2
6024	6584	6876	7436	7728

## Fundamentals

- **Turmeric futures (June) is looking bullish as it can test 8000 levels, taking support near 6950 levels. The sentiments have turned bullish amid record lower stocks of yellow spice this season against higher demand from the consuming industries.**
- The trend in turmeric prices is positive due to the rising domestic and export demand, and traders are showing interest in buying this commodity as the season is about to end within a month.
- There is good demand for turmeric in the domestic market at this time. There are also a lot of enquiries from the export front, which is causing the positivity in the market.
- Growth in demand for turmeric was also reported from the Gulf and Muslim countries due to Ramadan which has resulted in an uptrend.
- On the other hand, this year turmeric production in India is down by 10 lakhs bags than last year, which is likely to support the prices. This year's production was estimated to be around 60 lakh bags or around 4.165 million tons.
- For this year, the carry-forward stock of turmeric was around 22 lakh bags (approximately 1.55 lakh tons), but if the domestic production is added to it, the total availability of turmeric for the whole year will be around 82 lakh bags (approximately 5.75 lakh tons).
- But in the domestic and export market this year, around 75 lakh bags (around 5.25 lakh tons) of turmeric is expected to be consumed, given that in the year 2019 turmeric carry-forward stock is expected to be around 7 lakh bags (around 0.5 lakh tons), which can create a bullish environment for the long-term.
- According to sources, a large portion of this year's produce has come in the markets and a maximum of 20 to 25 lakh bags of spice are yet to be arrived. Moreover, around 4 lakh bags in Nizamabad and 2 lakh bags in Sangli are being seen/have arrived. But, in view of the demand, the activities of the stockists in the market are expected to increase.
- The maximum price of turmeric last year was Rs.8,840 per quintal, but due to lower production this year and excess demand, traders expect that it can touch the last year's high in the coming days.

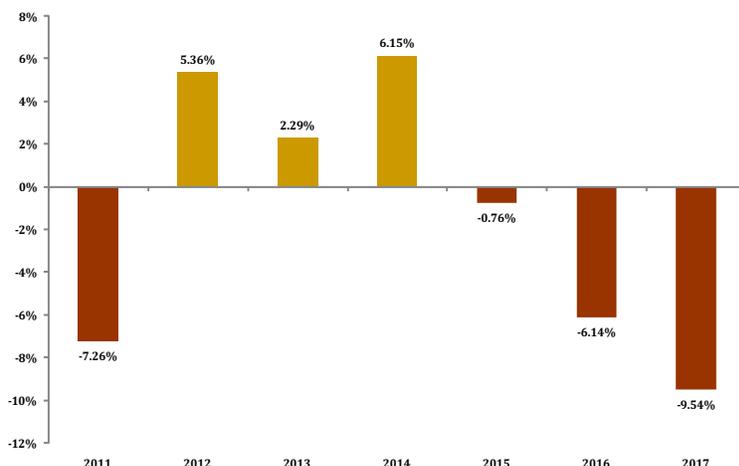
## Forward curve of Jeera futures



Source: NCDEX

Closing as on 30th April, 2018

## Historic returns of Jeera futures during month of May



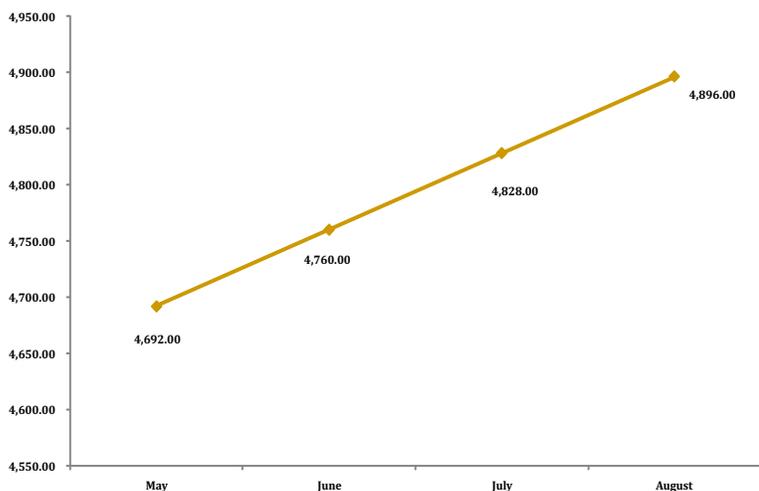
Source: Reuters & SMC Research

S2	S1	Pivot	R1	R2
13835	14790	15435	16390	17035

## Fundamentals

- **Jeera futures (June) will possibly witness a consolidation in the range of 14700-16500 levels. The weak trend being witnessed in the present days is due to the increased arrivals in the mandies of Rajasthan.**
- Moreover, the demand for Ramadan is gradually decreasing, due to which buying in the domestic market is declining. Moreover, the trading activities have turned sluggish due to low demand and thin involvement of traders. The market is likely to continue similar activity for the coming days.
- The country is expected to produce 3.96 lakh tons of cumin seed during marketing year (MY) 2018-19 (March-February), up 26.3% from 3.13 lakh tons a year ago.
- Cumin seed acreage in Gujarat during current season 2017-18 rose by 37.31% at 3.83 lakh hectares versus 2.79 lakh hectares a year ago, according to ministry of state agriculture department. Other hand area under cumin seed in Rajasthan was up by around 4% at 5 lakh hectares, according to the State Horticulture Department.
- A weak trend is developing in jeera due to decrease in export demand and lower buying by domestic traders.
- At present, the crisis in Syria appears to be settling which could have an adverse impact on the export demand, resulting in further weakening in the prices. At the same time, there is continuous decline in the prices due to speculating activities.
- The market participants will stay cautious as Syria and Turkey crop will arrive around June-July.
- Moreover, there is a possibility of short-term downtrend in prices due to sluggish demand in the domestic market and no interest of traders in stocking up the spice.
- At Mundra Port, FOB price for Grade A grade 99% Pure and for A Grade 98% Pure are being offered at \$2,398 and \$ 2367 / ton while FAQ for 99% Pure at \$2,317 and FAQ 98% net at \$2297 per ton.

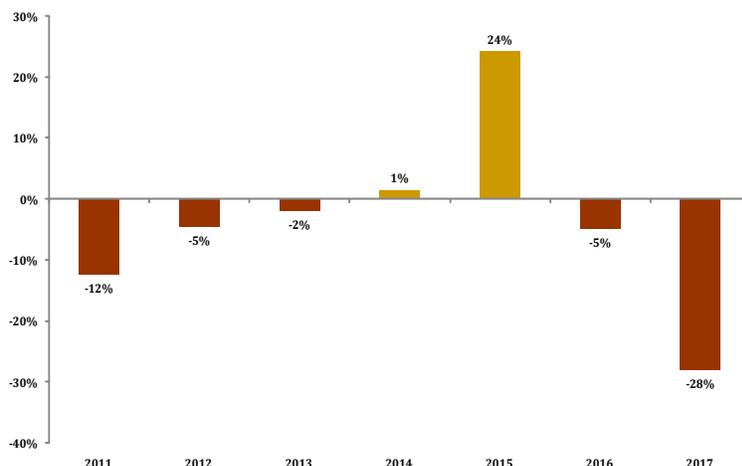
## Forward curve of Coriander futures



Source: NCDEX

Closing as on 30th April, 2018

## Historic returns of Coriander futures during month of May



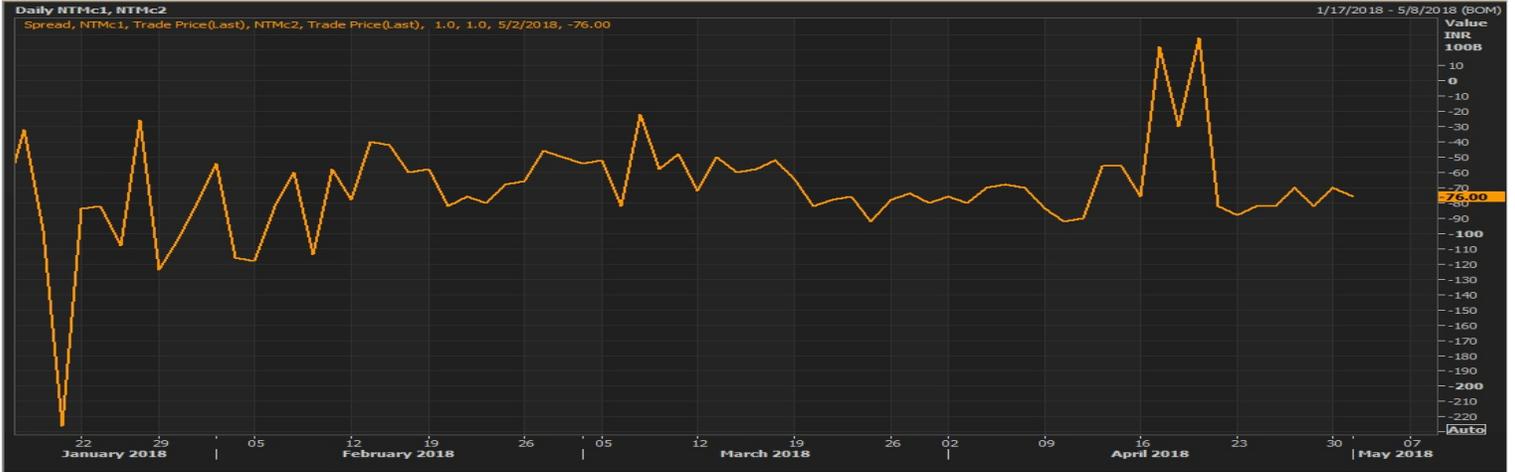
Source: Reuters & SMC Research

S2	S1	Pivot	R1	R2
4159	4425	4919	5185	5679

## Fundamentals

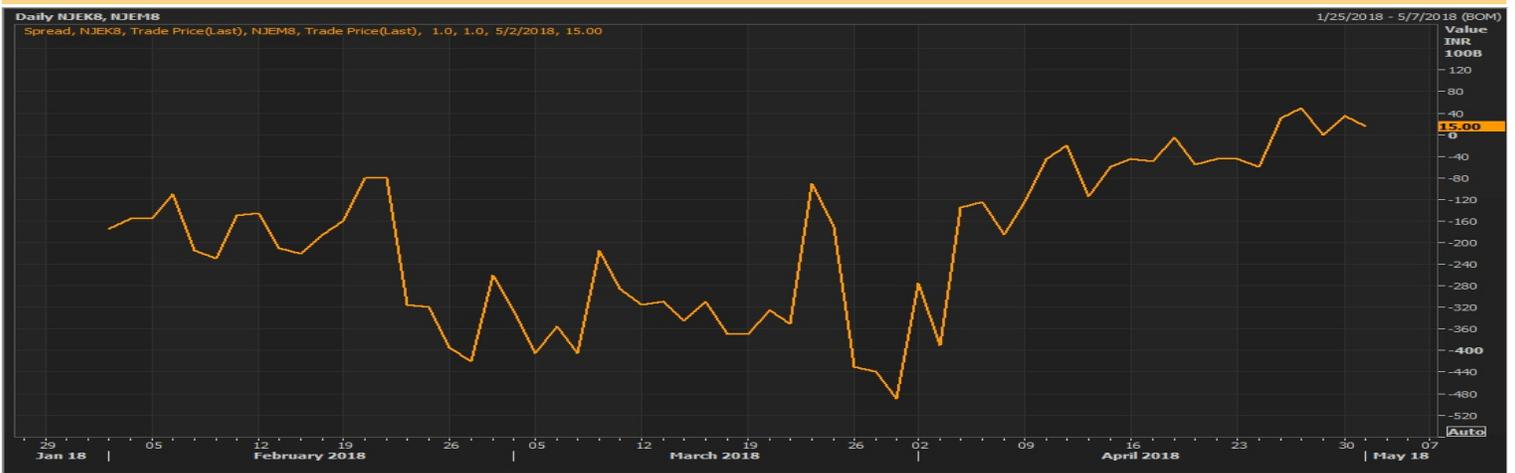
- Coriander futures (June) is on the verge of breaking the strong support near 4565 levels on the back of bearish sentiments prevailing on the spot markets. In days to come, if it trades below the aforesaid support zone, then a further downside of 4000 levels can also be seen.
- The existing special cash margin of 5% on long side and short side of all the running contracts and yet to be launched contracts in Coriander (DHANIYA) withdrawn with effect from beginning of day April 25, 2018.
- Coriander prices are consistently getting easier in the wake of continuous decrease in demand and good arrivals which are causing a weak trend in the market.
- For Mundra Port, FOB Price (Eagle Machine Clean 5% Split) was offered at \$775 per ton and 100 Split for \$698 per ton, while Single Parrot and Double Parrot are being offered at \$1068 and \$1148 per ton.
- According to local traders, this bearish trend may sustain in the coriander for a while. Traders have more stock left hence they are not willing to stock the coriander.
- Most of the traders are expecting a downtrend in the market ahead in the wake of ample stocks against sluggish buying.
- At present, total availability of stock (both old and new) at various market yards is at around 60 lakh bags of which 25 lakh bags are estimated in Rajasthan, 20 lakh bags in Madhya Pradesh and 5 lakh bags in other states. While stock left with farmers is likely to be at 35-40 lakh bags. After adding carry-forward stock of 35-40 lakh bags, total availability for this year is estimated at around 1 crore or 10 million bags.

## Daily spread chart of Turmeric futures (May & June)



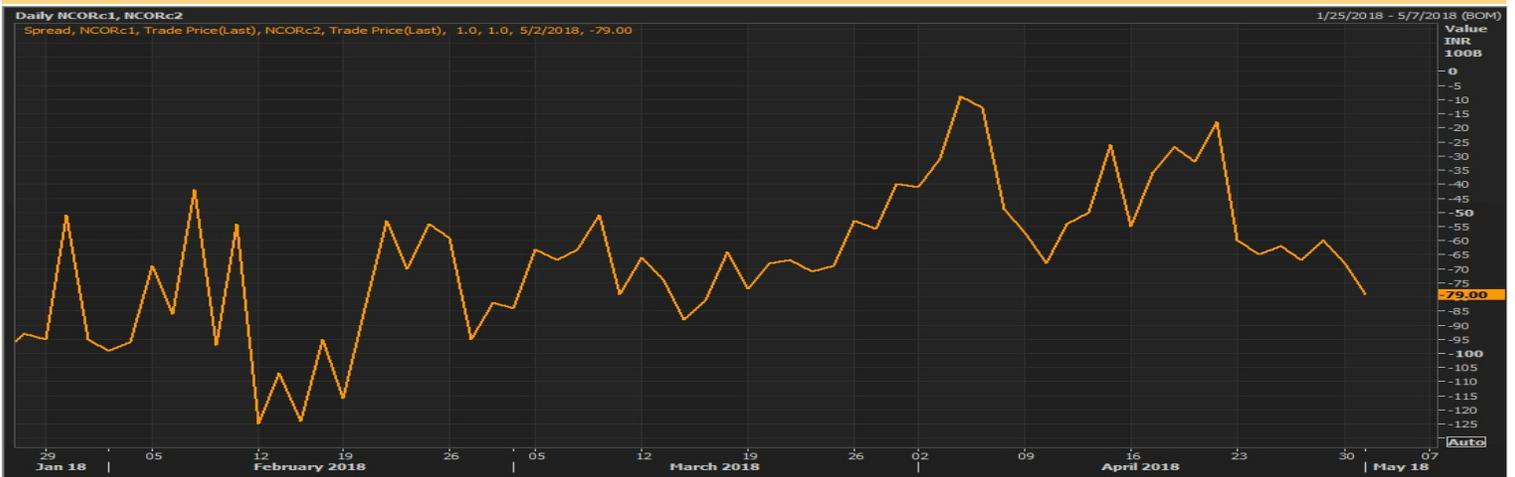
Source: Reuters

## Daily spread chart of Jeera futures (May & June)



Source: Reuters

## Daily spread chart of Coriander futures (May & June)



Source: Reuters

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