

TECHNO FUNDA REPORT ON

02 July 2015

Turmeric futures

August



**Presented by:
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TECHNO FUNDA REPORT ON TURMERIC FUTURES (AUGUST) – BUY



Source: Reuters

Recommendation: Investors are advised to take fundamental positional BUY position in Turmeric futures (August) at current market price for the target of 7520 in long-term, with a closing stop loss below 6920 levels.

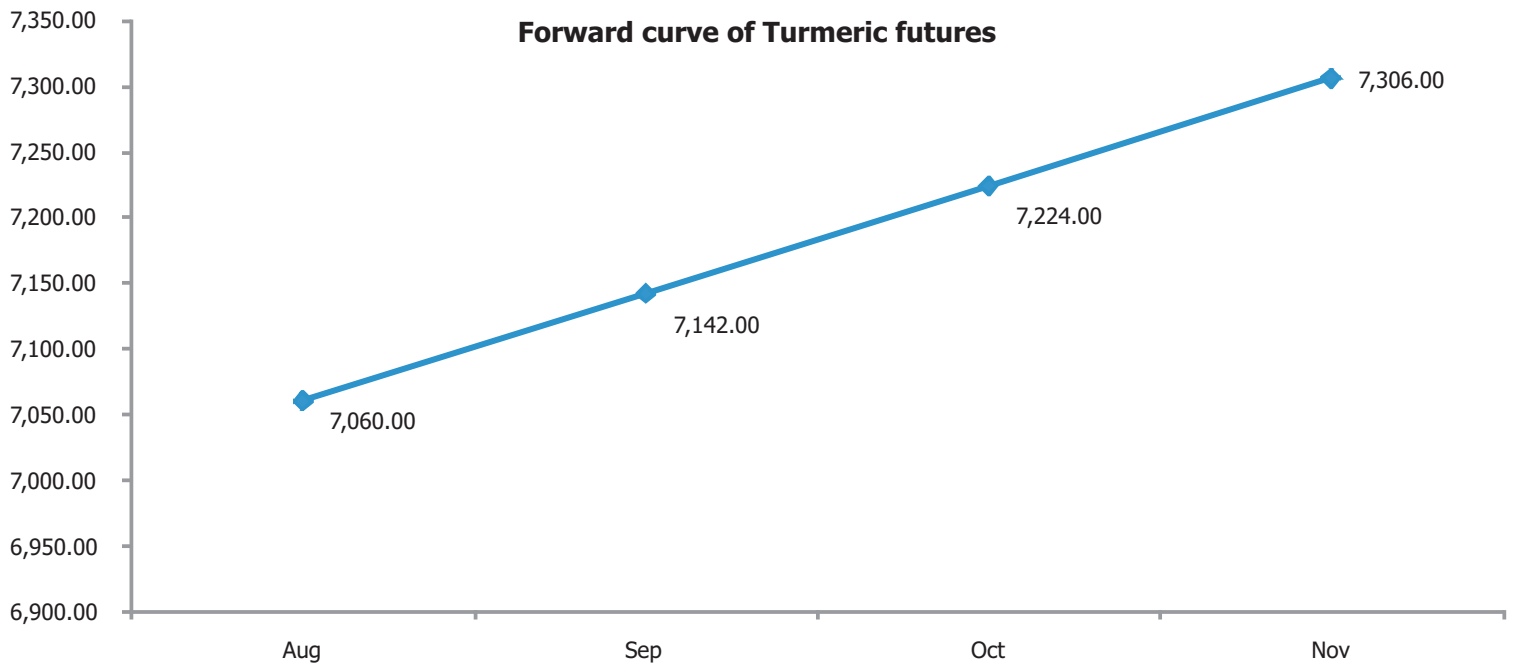
Note:

- These long term fundamental calls are for duration of one to three weeks time frame and do not confuse these with intraday calls.
- It is assumed that investor takes position in two lots and square off position in one lot on partial profit booking and trail stop loss to buying/selling price for second lot.

Fundamental

- Indian turmeric is considered as the best quality crop in the world due to its high curcumin contents.
- As it is a naturally occurring product, it is finding increasing acceptance in the global markets because of which exports have increased exponentially in recent years and this trend is most likely to continue in future. Majority of the Turmeric produced is consumed locally which reflects a healthy local demand.
- A rising demand is being witnessed at the spot market against restricted supplies from producing belts.
- The spot market participants are expecting to get upcountry export demand from North India by mid-August before the onset of festivals.
- Strong buying is seen in turmeric market due to paucity of rainfall was reported in some parts of Andhra Pradesh and Karnataka.
- The unexpected spell of good rainfall in the last couple of weeks, which promised to ride over predictions of a bad monsoon this year, is over and the country is entering a dry phase now.
- According to the India Meteorological Department (IMD), rainfall could be deficient by 8 and 10% in July and August respectively.

- The total production in the range of 50-52 lakh bags in the previous year, down 20 lakh bags. It is estimated that around 60 lakh bags of total stocks have been reported in local mandies.
- Spices Board of India estimated that for 2014 -15, the production of turmeric might decline to 7.3 lakh tonnes compared with 8 lakh tonnes in the previous year.
- The estimated annual demand for turmeric is around 75 lakh bags in India.
- The price of the root variety turmeric increased at Erode markets. The price of the finger turmeric was up Rs.100 a quintal, but the root variety gained Rs.300-400 due to arrival of medium variety turmeric.
- At the Erode Turmeric Merchants Association, the finger turmeric was sold at Rs.4,715-7,498 a quintal; the root variety Rs.4,506-6,989.
- At the Regulated Market Committee, the finger turmeric traded at Rs.6,156-7,319 and the root variety Rs.6,069-6,837.



For further any queries, please contact

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