

**TECHNO FUNDA REPORT ON**

06 January 2015

# **Cardamom futures**

**February 2016**



**Presented by:  
Subhranil Dey**

## TECHNO FUNDA REPORT ON CARDAMOM FUTURES (FEBRUARY) - BUY



Source: Reuters

**Recommendation:** Investors are advised to take fundamental positional BUY position in Cardamom futures (February) at current market price for the target of 875 in long-term, with a closing stop loss below 785 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.

### Fundamentals

- For crop season (2015-16), area is estimated to be around 72,000 hectares, same as previous year area.
- In India, on the demand side, competitive Indian prices may help in higher exports and support the counter.
- The exports are expected to increase by 7% to around 4,300 tonnes.
- Domestic consumption for 2015-16 is estimated to be around 14,000 tonnes, 2% higher than the previous year.
- India's carry forward stocks of small cardamom for 2015-16 is estimated at 3,424 tonnes, 10% lower than 2014-15.
- At the spot markets, exporters are buying as the prices of exportable grade material continued to stay at affordable levels
- The individual auction average last week remained steady and was vacillating between Rs.550 and Rs.608 a kg.
- Total arrivals during the season up to January 02 were at around 16,529 tonnes and sales were at 16,030 tonnes. The individual auction average as on January 2 was at Rs.622.55 a kg.
- Prices of graded varieties (Rs./kg): 8mm bold good green colour 900-950; 8mm 840-900; 7-8 mm 700-725; 6-7 mm 590-620; below 6 mm: 560-580.
- In the international market, there is a possibility of shortage as there is situation of drought in Guatemala being caused by El Nino & ongoing pod damage caused by the Thrips disease is expected to reduce the crop size by around 15% as compared to last year.
- For the current crop season, Guatemala expects a production of 28,000 tonnes, lower than the 4-year average production of 34,250 tonnes. Production has declined due to dry spell in the flowering and fruit setting season.

*For further any queries, please contact*

Subhranil Dey

Sr. Research Analyst

subhranildey@smcindiaonline.com

Ph.: 011-30111000

Extn.: 674

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