

Market Update**Spices**

Turmeric NCDEX Apr futures are expected to witness some upside recovery in prices during next week due to increased bargain buying. Spice millers are showing interest in buying after sharp fall in prices. Quality of arrivals has improved that is prompting stockiest to buy turmeric at current levels. Arrival pace has picked up in major market like Nizamabad, Sangli, Selam, Erode with advancement of harvesting activities. About 22000-26000 levels is being arrived on daily basis in Nizamabad market.

Turmeric Apr contract is expected to find support near 6500 and expected to move up towards 7000 in near term.

Jeera NCDEX Apr futures are likely to trade mixed to higher due to improved export demand. Domestic demand is also likely to pick up in wake of Ramadan season ahead. However, gains are likely to be limited with rising fresh arrivals. Fresh arrivals have increased in Unjha market of Gujarat and likely to surge up in Rajasthan as well. About 60000-65000 bags are being arrived on daily basis. Yield has been good in Rajasthan that will lead to rise in production Rajasthan significantly.

Jeera prices are likely to trade in range of 30000-32500 levels.

Dhaniya NCDEX Apr prices are expected to trade down due to improved supplies in Rajasthan. Overall production of Dhaniya is estimated to be higher by 18%-20% that will reflect as sharp rise in arrivals in Mar-Apr. Demand has been subdued as major buyers and spices millers are avoiding bulk buying with rising supplies of new arrivals in major mandies. However, reports of yield losses due to above normal temperature in Rajasthan that led to early ripening of crop will cap the major downfall in prices.

Dhaniya NCDEX Apr Prices are likely to trade in range of 6600- 7200 levels.

Other Commodities

Cotton/Kapas prices are expected to trade sideways to higher due to limited supplies in domestic market. Farmers and stockiest are holding their crop in expectation of further rise in prices. About 145 lakh bales have arrived so far in year 2022-23 during the time period of Oct'22-Feb'23 as compared to 232 lakh bales of previous season. Cotton Association of India has revised the crop number by 8.50 lakh bales from 321.50 bales to 313.00 lakh bales of 170 kg. However, gains in cotton and Kapas are likely to be limited due to bleak export prospects. Sluggish international demand in result of higher prices of Indian cotton may lead to fall in cotton exports at just 30 lakh bales this year as compared to 45 lakh bales of last year.

Kapas Apr NCDEX prices are likely to trade in range of 1520-1580 levels. MCX cotton is likely to trade in range of 61000-63000 levels.

Guar seed Apr futures are expected to trade sideways to down due to muted demand in local market. Milling demand of guar seed has been subdued due to fall in crude oil prices that has hampered the export prospects of gum. Arrivals are expected to increase in fear of further fall in prices.

Guar seed prices will trade in range of 5300-6000 in near term wherein Guar gum prices are likely to trade in range of 10500-13000 levels.

Mentha oil Mar contract is likely to trade higher on weaker production outlook for upcoming season. Above normal temperature in northern part of India is likely to affect the sowing activities adversely. Supplies have been tighter due to offseason period of arrivals.

Prices may witness upside recovery with support of 1000 and will honor the resistance of 1050 in near term.

Castor seed Apr prices are expected to trade sideways to lower due to adequate supplies in the market. Daily arrivals have increased wherein crushing demand is still poor due to sluggish export of castor oil. Bleak export demand is still a major concern for castor oil traders as domestic stocks are surging up with fall in export. Castor oil export has slumped 16% Y-o-Y to 581.75 thousand tonnes during Jan-Dec'22.

Going forward, castor seed prices are likely to trade in range of 6100-6600 levels.

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