

# Monthly Report On **SPICES**

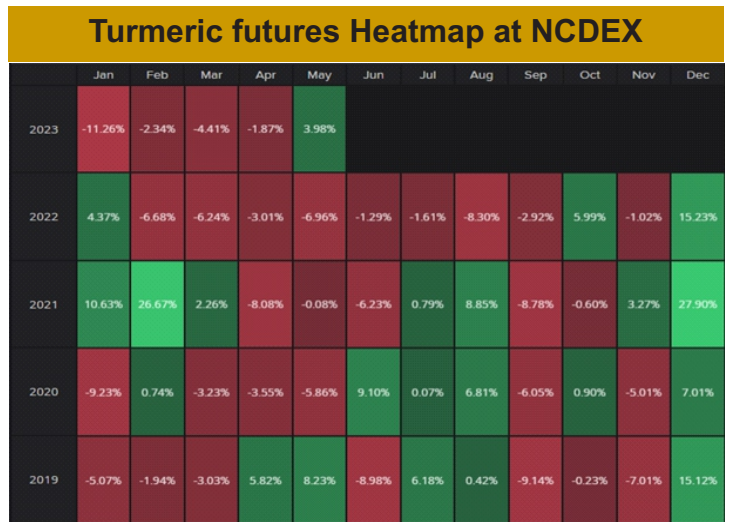
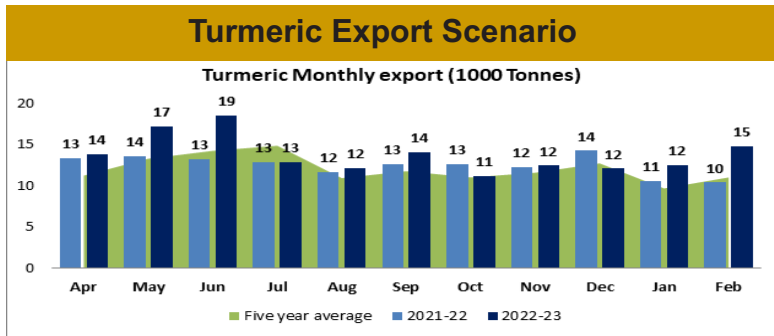
**MAY 2023**

3rd May, 2023



# TURMERIC

Turmeric Prices remained under pressure in April extended its bearish streak for fourth consecutive month. Surging arrival pressure at major trading centers and muted buying by spice millers kept market sentiments down. Turmeric futures slipped to its lowest level of 6460 in Apr'23 down by 7% as compared to last month close on 6952.



Turmeric export jumped sharply in Feb'23 with rising demand from Bangladesh, Morocco and Iran. India exported about 14.8 thousand tonnes of turmeric in Feb'23 against the 10.3 thousand tonnes of previous year. Turmeric Total Export during Apr'22-Feb'23 was reported at 151 thousand tonnes against the 137 thousand tonnes of previous year, higher by 10% Y-o-Y.

## Prices Outlook

Turmeric prices are expected to trade mixed to higher in coming weeks due to below normal arrivals at major trading centers. Short covering is expected in prices due to improved export demand amid lower supplies of premium quality of produce. Overall arrivals at APMC yards are down as compared to last year as about 69.3 thousand tonnes arrived in the market in Apr'23 as compared to 98 thousand tonnes of previous year. Improved export enquires and lower production estimates is likely to support firmness in prices. Overall production is estimated to be down by 7%-10% Y-o-Y due to fall in area in Maharashtra. Arrivals are in full swing in Nizamabad and expected to pick up in Marathwada. Local demand has been subdued in northern part of India wherein supplies are improving gradually. Market is running with huge stocks and stockists are trying to release their stocks on every rise in prices.

## Turmeric Futures Monthly Prices chart:



*In wake of heavy stocks gains in turmeric is Turmeric NCDEX June contract is expected to find support near 6500 and will honor the resistance of 7750 in near term.*



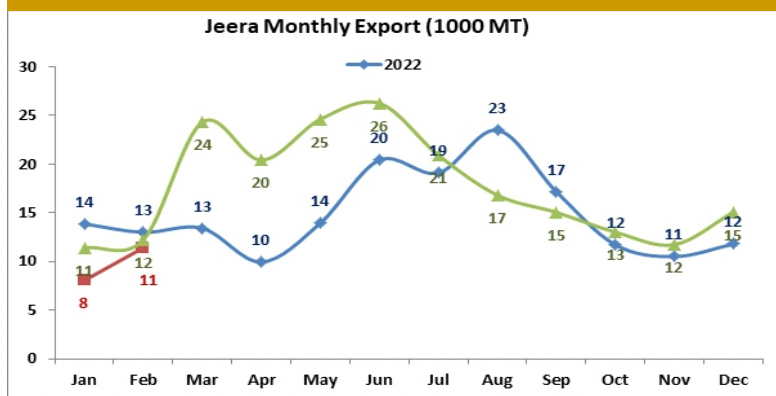
Jeera NCDEX futures rallied further in Apr'23 on lingering concerns over supply deficit in the market. Tighter carryover stocks and below normal arrivals in the market pushed up the jeera prices to the record levels. Market participants showed active interest in buying activities in anticipation of big rally in prices. Jeera prices have turned double in last one year ruled at 43750 at NCDEX by end of Apr'23. Also the robust export demand and dry global pipeline stocks fueled up prices.

Unseasonal rainfall in Rajasthan and Gujarat sparked worries over crop damage followed by yield losses. Growing fear of larger supply gap in the market caused by crop damage prompted market participants for buying on every dip in prices. The market is expecting a lower yield and quality of jeera this season, which has boosted the demand from domestic and export buyers. Concerns over crop condition and delayed harvest in Gujarat and Rajasthan due to unseasonal rainfall pushed the jeera prices up.

## Jeera futures Heatmap at NCDEX

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	4.40%	-1.81%	11.25%	22.83%	3.36%							
2022	19.75%	8.66%	1.80%	1.65%	-3.15%	0.54%	11.64%	5.74%	-2.27%	-2.95%	3.48%	26.45%
2021	6.08%	0.30%	9.17%	-5.51%	-0.97%	-2.80%	-0.71%	8.69%	1.32%	2.29%	6.78%	1.72%
2020	-13.20%	-2.98%	3.25%	1.49%	-5.48%	0.70%	3.44%	0.89%	-3.58%	5.35%	-4.56%	-8.26%
2019	-9.73%	-3.38%	2.01%	7.75%	2.68%	-1.41%	2.71%	-4.20%	1.63%	-4.43%	-0.73%	-0.25%
AVG	1.46%	0.16%	5.49%	5.64%	-0.71%	-0.74%	4.27%	2.78%	-0.73%	0.07%	1.24%	-4.92%

## Jeera Export Scenario



Jeera export from India dropped in recent month due to fall in domestic production. In year 2023, India exported only 19 thousand tonnes of jeera during Jan-Feb as compared to 27 thousand tonnes of previous year and 23 thousand tonnes of five years average. Demand from China has increased in recent months that supported jeera prices in India.

## Prices Outlook

Jeera Prices are expected to remain higher due to prevailing worries over supply gap in the market. Annual demand of jeera is estimated at 85 lakh bags (1 bag = 55 kg) against the total supply of 69 lakh bages. The Federation of Indian Spice Stakeholders (FISS) produced a crop estimate for seed spices in February this year, forecasting the jeera crop for 2022-23 at 3.84 lakh tonnes (69.96 lakh bags of 55 kg each), up 28% from last year's 3.01 lakh tonnes.

However, production is likely to be revised down in wake of crop damage and delayed harvesting in Rajasthan and Gujarat. Unseasonal rainfall in northern part of India and hailstorm in Rajasthan has affected the harvesting activities. Harvesting activities in Rajasthan is yet to complete and quality of the crop has affected due to unseasonal rainfall. Arrivals of new crop has improved but still reported below to normal due to weaker crop size. Robust export demand from China and lower production Gujarat is likely to support firmness in the prices. Jeera production is estimated to drop by 9% Y-o-Y to 200.78 thousand tonnes in Gujarat due to lower acreages and yield losses. Seasonal export demand of jeera is expected to pick up with increased supply of good quality of produce in the market.

Rally in Jeera prices is likely to remain continue due to prevailing concerns over supply deficit. However, intermitted prices correction is likely to be seen with rising supply of new crop in May. Apart from that, demand will be slower at higher ends as marginal traders will avoid bulk buying in expectation of price correction.

## Jeera Futures Monthly Prices Chart:



**Technically, Jeera prices are likely to move gradually towards the resistance of 51100 in coming weeks wherein 40000 will be the near term support for prices.**

Dhaniya futures continued its bearish streak in Apr'23 due to surging arrival pressure. Subdued demand of dhaniya against adequate supplies in the market kept prices under pressure in Apr'23. Dhaniya prices dropped to 6330 in Apr'23 down by 5% from the previous month. Supply surged up due to higher production in Rajasthan and Gujarat. Sharp rise in acreages under dhaniya and better yield resulted into significant rise in production. Dhaniya production is estimated to increase by 81% Y-o-Y to 376 thousand tonnes in year Gujarat during year 2022-23.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	-3.26%	-6.89%	-8.52%	-2.54%								
2022	14.80%	7.94%	2.70%	8.79%	-8.23%	1.49%	4.09%	-3.81%	-3.36%	0.24%	-12.09%	-16.19%
2021	5.56%	15.97%	-1.00%	-5.04%	2.08%	-2.15%	1.63%	18.69%	-3.30%	2.72%	5.92%	2.88%
2020	-5.28%	-8.86%	-1.60%	1.08%	-4.52%	11.66%	1.11%	9.83%	-2.61%	-0.74%	-5.52%	-7.97%
2019	3.97%	-6.48%	7.75%	7.93%	2.38%	-6.40%	-5.08%	-8.31%	-6.69%	22.27%	-2.19%	2.62%
AVG	3.16%	0.34%	-0.13%	2.04%	-2.07%	1.15%	0.44%	4.10%	-3.99%	6.12%	-3.47%	-4.67%

## Dhaniya Export and Import Scenario

Dhaniya export from India surged up in Feb'23 by 58% Y-o-Y to 3.68 thousand tonnes as prices turned competitive with continues fall. However, overall export has been down by 7.3% Y-o-Y during the time period of Apr'22-Feb'23.

India exported about 32.23 thousand tonnes during the time period of Apr'22-Feb'23 as compared to 34.77 thousand tonnes of previous year. Malaysia was the major importer of Indian dhaniya followed by China and Nepal.

Similarly, dhaniya imports in India surged up in year 2022-23 due to costlier Indian prices. Lower availability and costlier domestic prices prompted Indian buyers to import dhaniya from global market especially from Russia. India imported about 20 thousand tonnes of dhaniya during time period of Apr'22-Feb'23 as compared to 11.3 thousand tonnes of previous year, higher by 77% Y-o-Y.

## Prices Outlook

Dhaniya NCDEX May prices are likely expected to trade mixed to higher as market may witness short covering in expectation of downward revision in production. Report of yield losses and crop damage in Rajasthan due to recent unseasonal rainfall is likely to trigger short covering in the market. However, gains are likely to be limited due to bumper production estimates in Rajasthan and Gujarat. Supplies are expected to improve further that will restrict the major gains in prices.

## Dhaniya Futures Monthly Price Chart at NCDEX



Prices found support near 6400 and likely to face resistance of 7300 in coming weeks. Dhaniya NCDEX June futures are likely to trade in range of 6400 -7300 in coming weeks.

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