

Monthly Report On

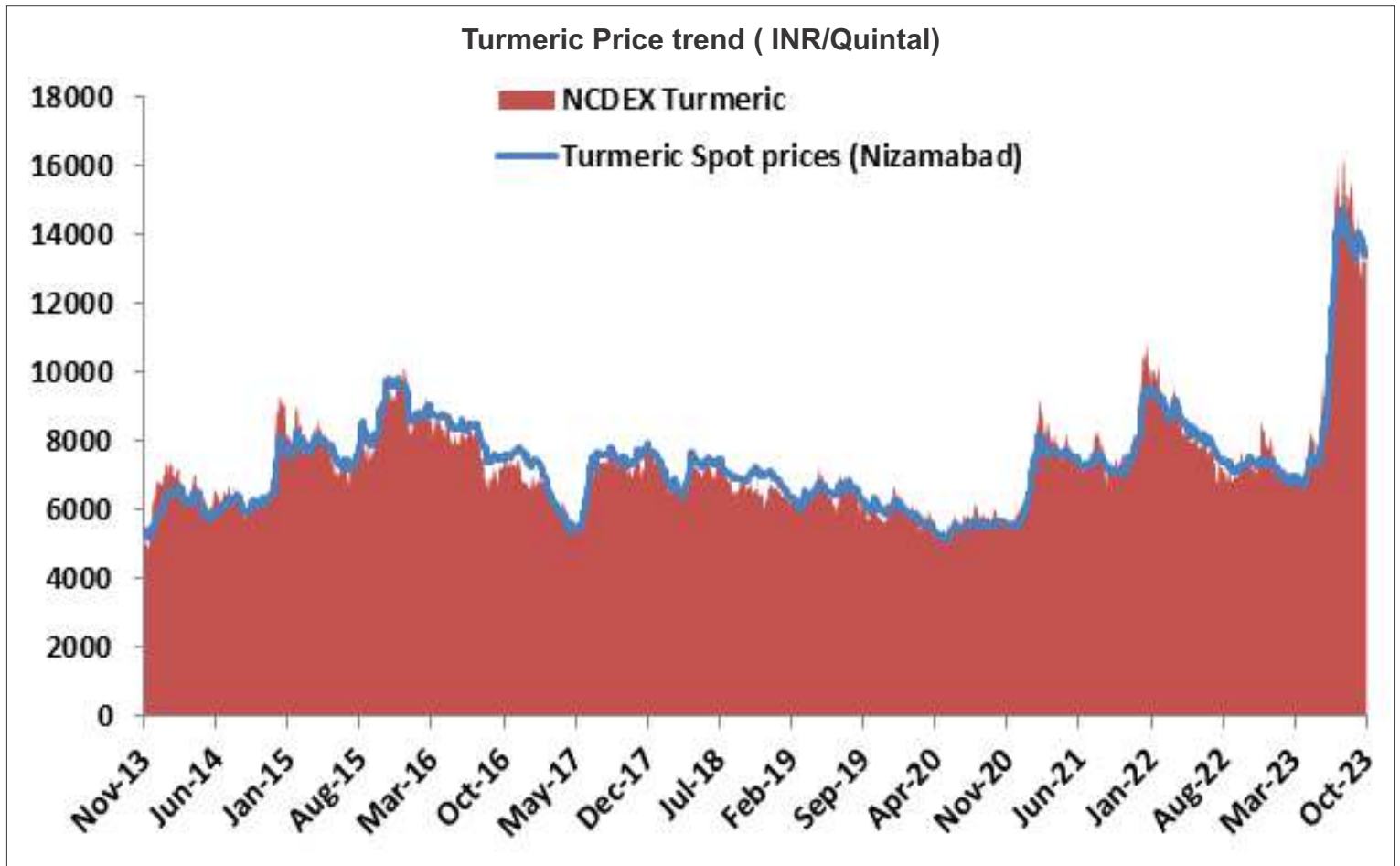
SPICES

NOVEMBER 2023



TURMERIC

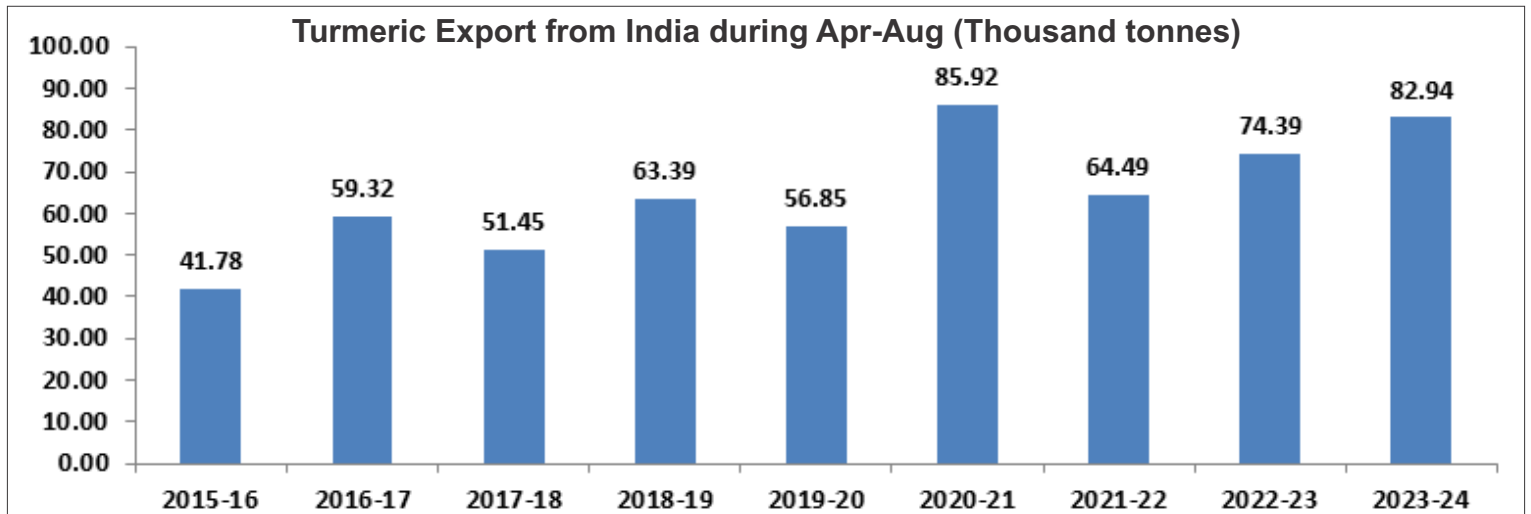
Turmeric prices dropped for third consecutive month in a row in Oct following muted buying at physical market. Lukewarm buying interest by millers and sluggish export enquires pulled down the turmeric prices further. Turmeric futures slumped 4% M-o-M in Oct'23 to 13424. Spot prices of turmeric which were ruling at premium of 700-800 per quintal during second week of Oct'23, lost its premium by end of Oct'23 due to demand concerns. Spot prices of turmeric also tumbled from 13770 to 13462 by end of Oct'23.



Turmeric exports dropped 7% Y-o-Y to 11.32 thousand tonnes in Aug'23 due to falling demand in UAE. UAE has been one of the largest importers of Indian turmeric trimmed its imports by 41% Y-o-Y so far in financial year 2023-24 and imported only 5.7 thousand tonnes during Apr23-Aug'23 as compared to 9.86 thousand tonnes of previous year of same period.

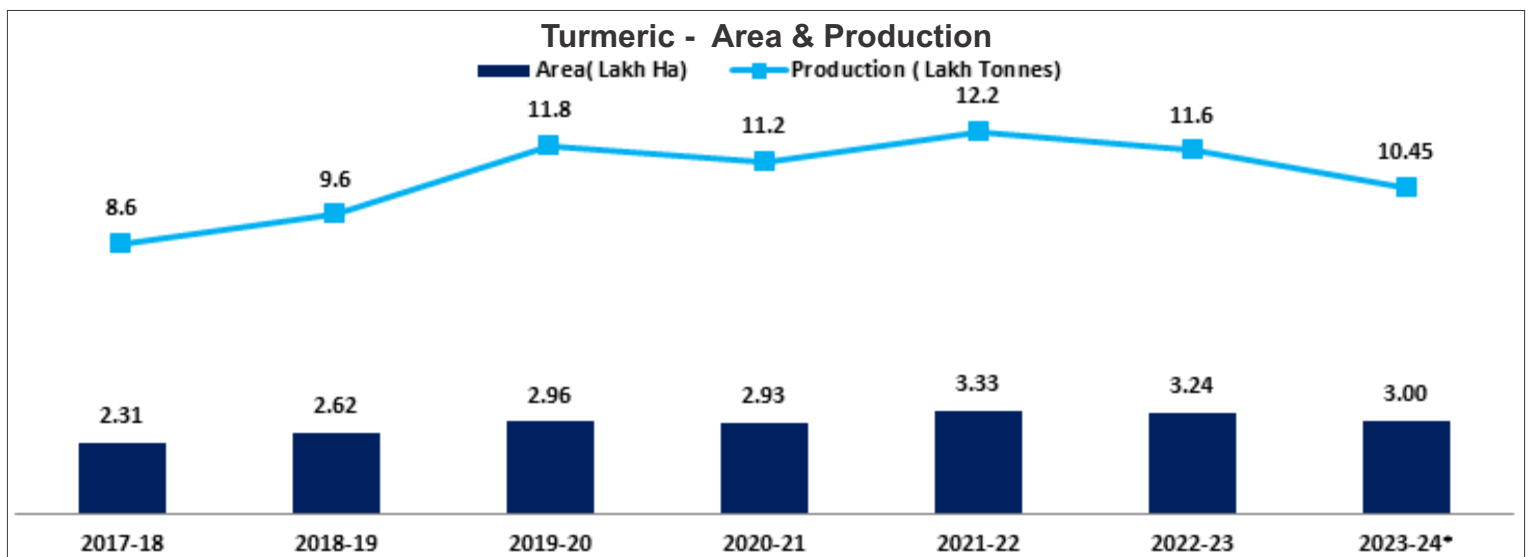
However, Bangladesh increased its imports of Indian turmeric by 68% Y-o-Y in year 2023-24 and topped the list of major export destination of India turmeric, imported about 22.96 thousand tonnes against the 13.59 thousand tonnes of previous year. India has exported about 82.93 thousand tonnes of turmeric during Apr'23-Aug'23 against the 74.37 thousand tonnes of previous year higher by 11.5% Y-o-Y. Export demand of turmeric has been higher in year 2023-24 with increased medical and dietary uses.

TURMERIC



Going forward, export demand of turmeric is likely to be limited as prices are still at multiyear high levels. Supplies are expected to improve as stockists will offload their stocks in fear of further fall in prices. Turmeric prices have tumbled by about 31% from the all-time high of 18076 on surging selling pressure in the market that is likely to remain continue in coming month as well.

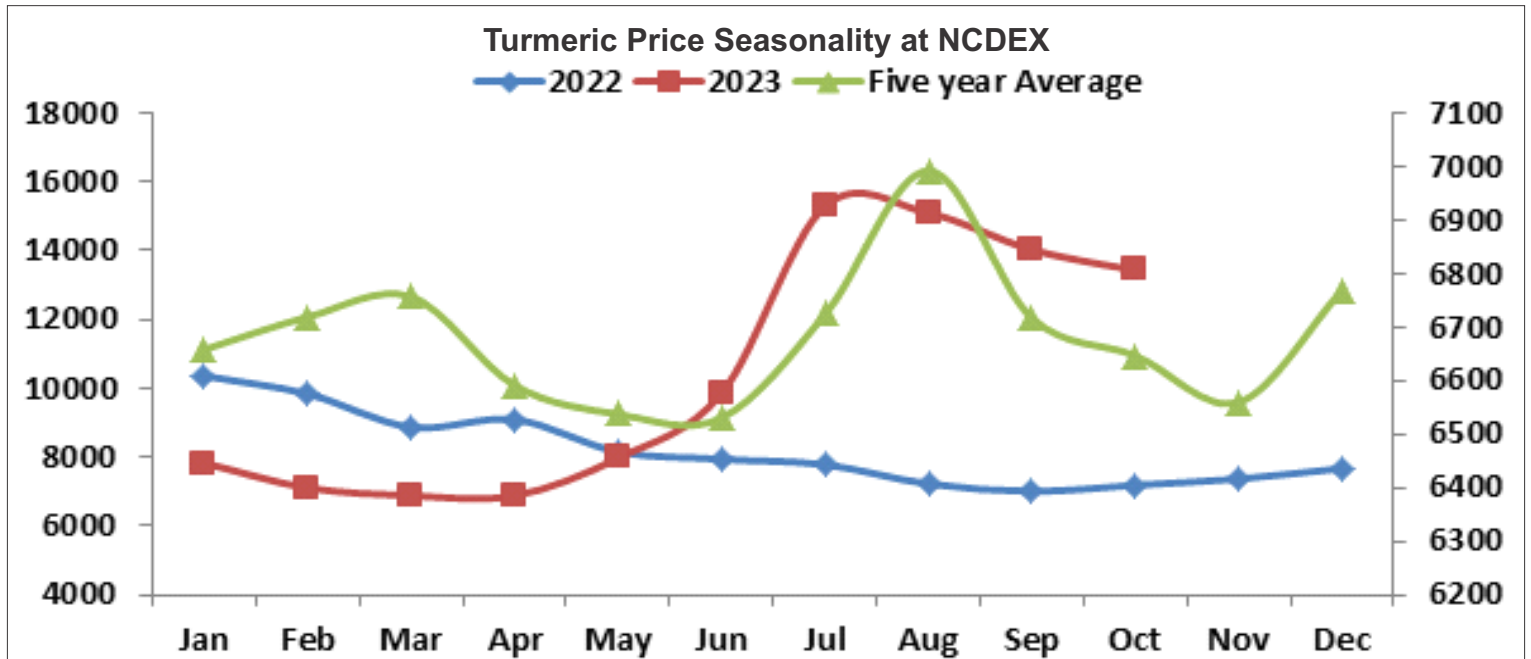
Production is estimated to be down by 10% Y-o-Y to 10.45 lakh tonnes in year 2023-24 due to yield losses in Maharashtra. Sowing for upcoming season has completed and crop for year 2024 is looking bleak due to fall in area under turmeric. Sowing area dropped in Maharashtra about 12%-15% Y-o-Y due to adverse weather condition at the time of sowing in Aug'23. Deficit monsoon rainfall in Aug'23 affected overall sowing activities across India. However, weather condition improved later in Sep'23-Oct'23 that led to ease in concerns of yield losses.



Outlook

Going forward turmeric prices are expected to trade sideways to higher in wake of weaker production outlook ahead. Supplies are likely to remain down unless arrivals of new crop doesn't pick up. Weather condition is estimated to remain drier in coming weeks that will support the crop progress and yield prospects but lower acreages under turmeric in year 2023 is likely to keep production down. Price Seasonality of turmeric depicts prices remain higher in Nov-Dec and expected to remain higher in year 2023 as well in wake of wider gap between supplies and demand.

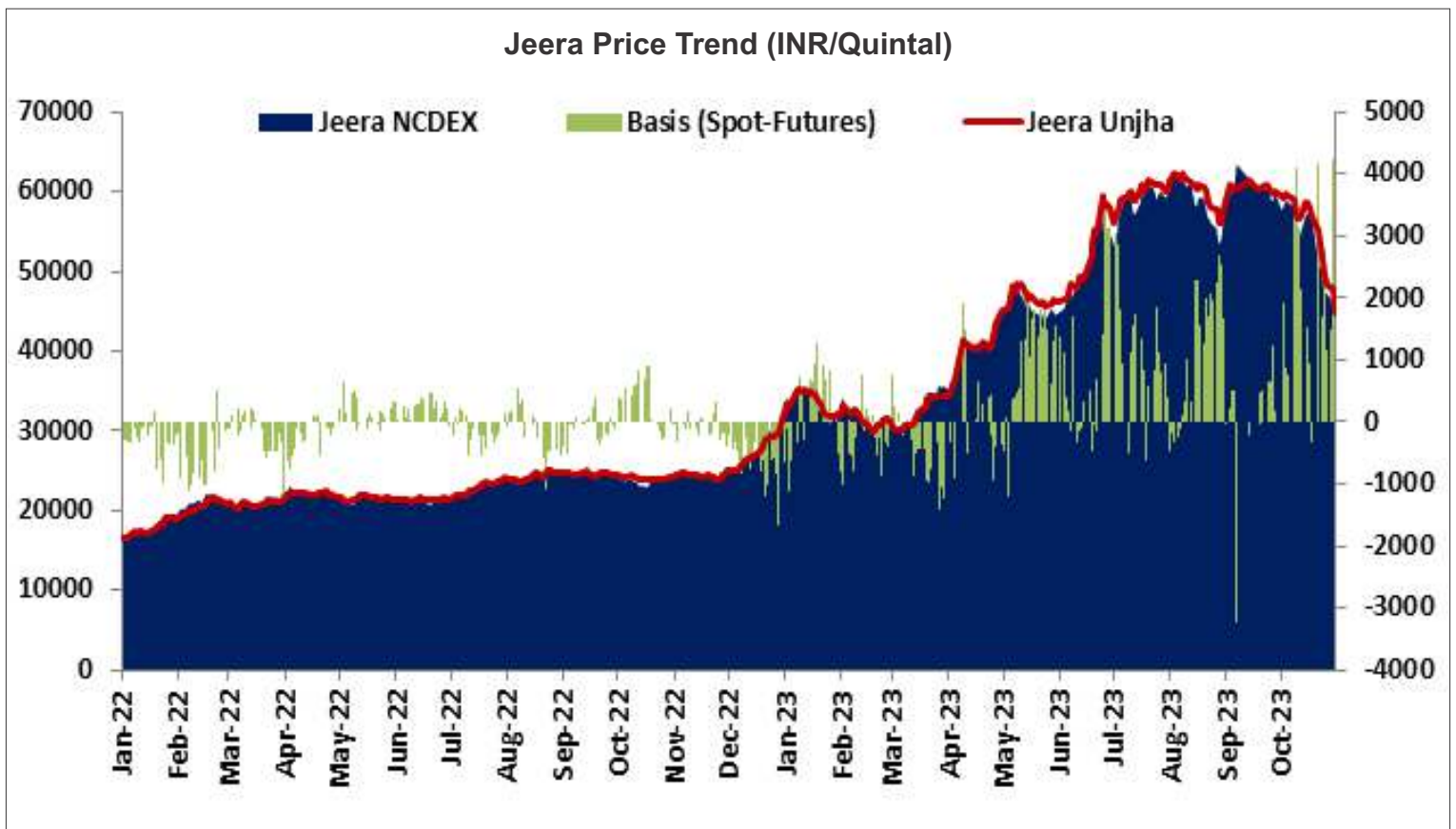
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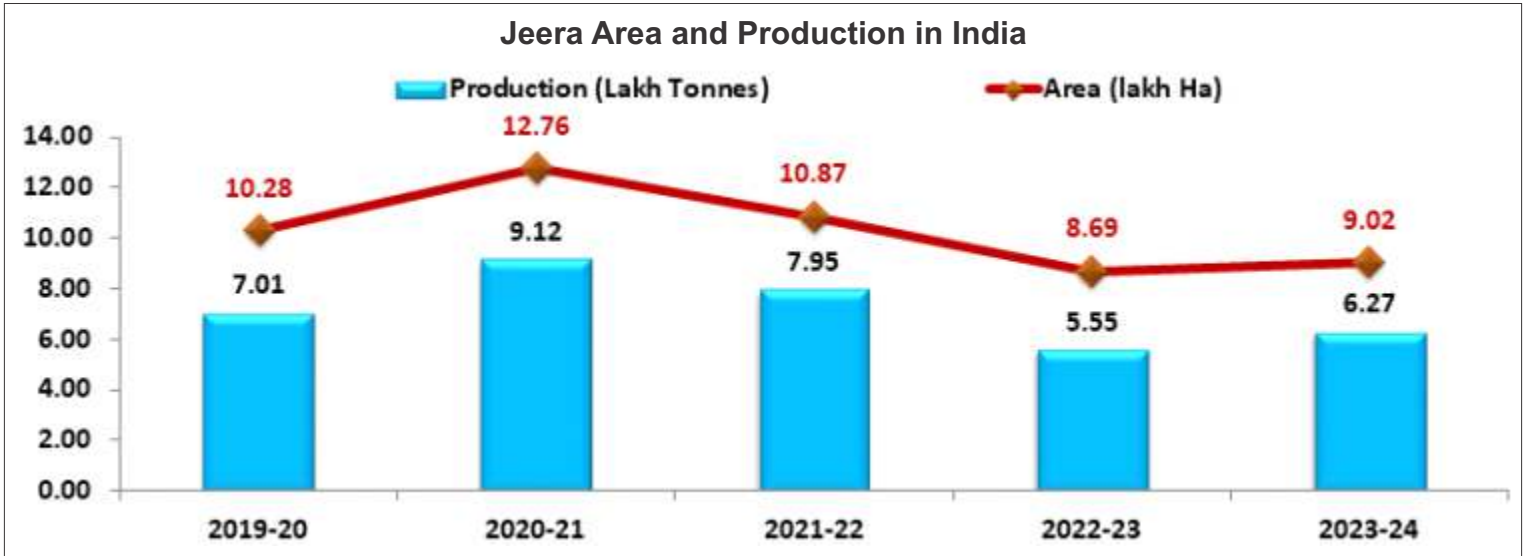
Technically, Turmeric prices have retraced about 50% of its high of last leg and holding the support of 12780 at futures platform. Prices have discontinued its lower lows trend last week at weekly prices chart and kept its gains sustained in current week. Short covering is likely to be seen ahead in wake of shrinking supplies in the market.



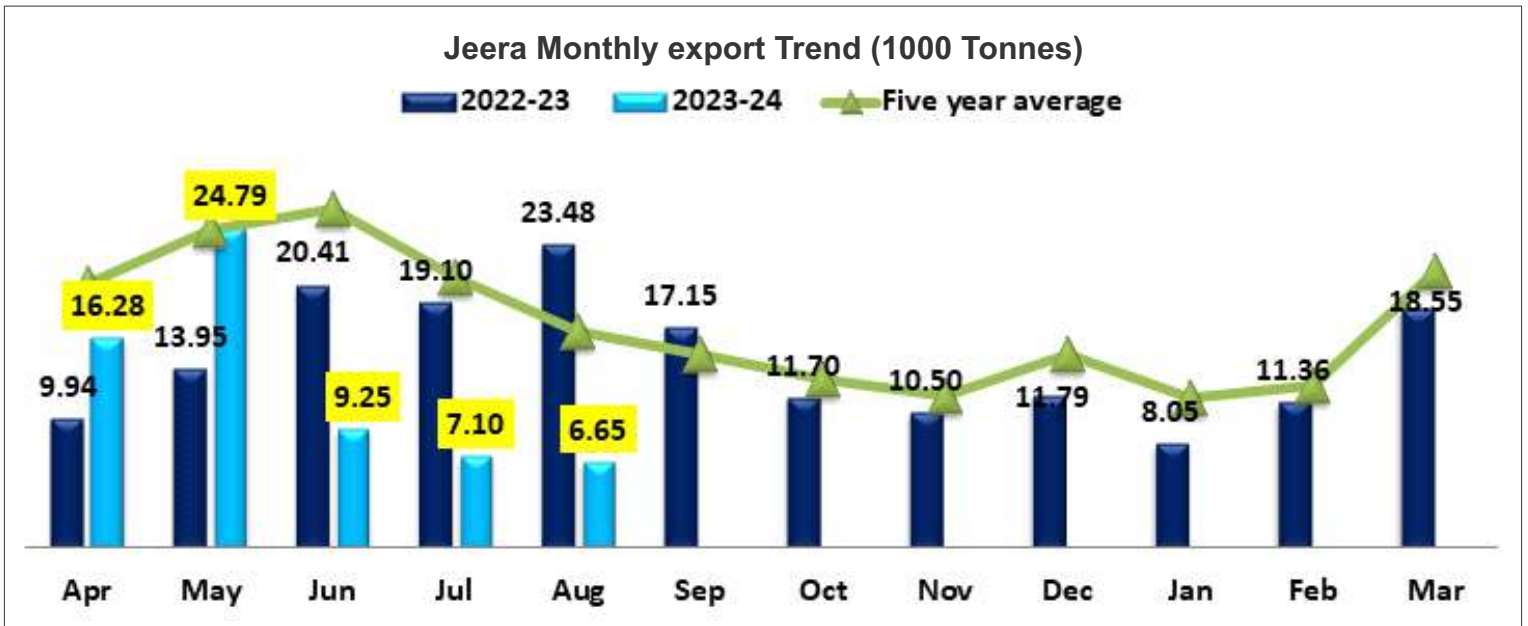
Jeera prices witnessed sharp losses in Oct'23 tracking muted domestic demand. Mounting fear of further fall in prices and bleak export enquires sparked profit booking at futures as well as physical counters. Warehouses of NCDEX started depleting with surging selling pressure in the market and impact of the same was visible at futures platform. Jeera futures dropped about 39% to 40500 in first week of Nov'23 from the record high level of 65900 tracking lukewarm demand at physical market. Similarly, spot prices of jeera at Unjha market dropped 31% from 62200 to 42800 by first week of Nov'23. Prices also took sowing prospects in account and reacted negatively on improved sowing prospects. Better return over cost of cultivation and conducive sowing prospects reflected weighed on the market sentiments. However, new crop of jeera is still away by 5 months and stocks levels are lower as compared to last year that led the spot prices to rule at premium over the futures prices. Spot prices were ruling on premium of INR 2300 per quintal over those futures due to limited availability of quality produce in the market.



Jeera sowing has started on positive note in Gujarat and Rajasthan and expected to pick up in coming weeks. Being as a rabi crop jeera is sown during Oct-Nov in major producing states in central and north west India. Jeera production in year 2023-24 is estimated at 6.27 lakh tonnes against the 5.55 lakh tonnes of last year higher by 13% Y-o-Y due to sharp rise in area. However, reports of yield losses due to untimely rainfall in Gujarat that deteriorated the quality of the crop and that sparked rally in prices. Area under jeera is estimated to increase further due to better realization over cost of cultivation in year 2023. Farmers are showing interest to increase their area under jeera that will lead to rise in production atleast by 8%-10% in coming year may stand near at 6.83 lakh tonnes.

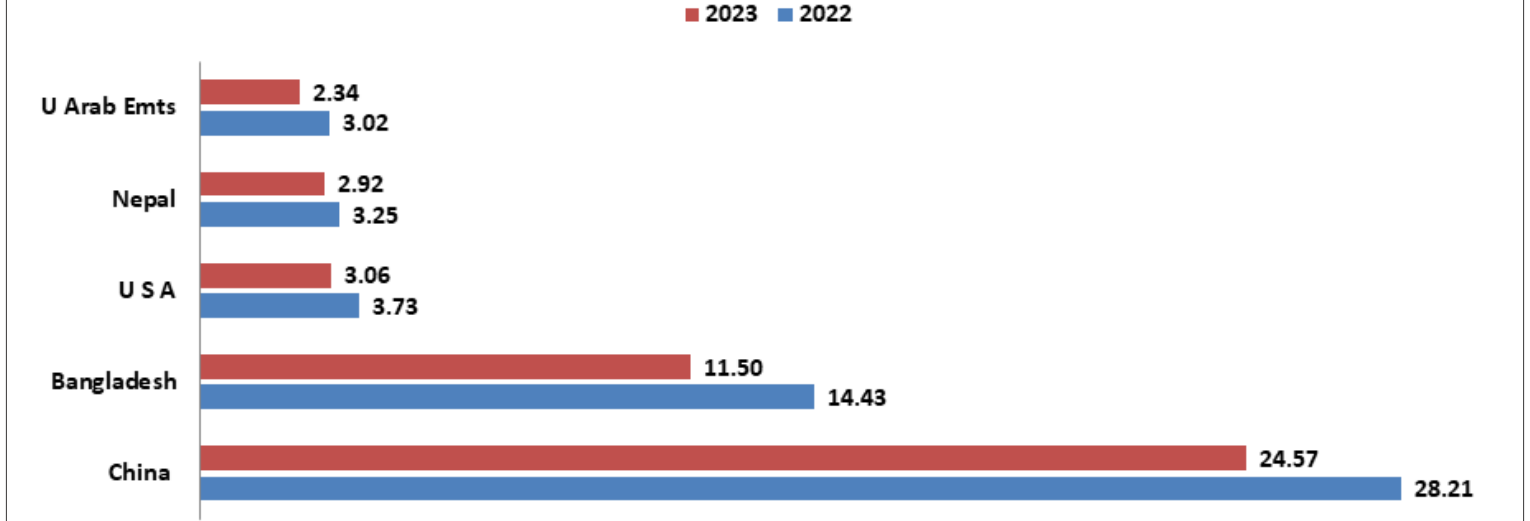


Jeera export dropped sharply in year 2023 with strong rally in first three quarter in year 2023. Tighter availability of quality stocks prompted millers and stockists for hoarding. Arrivals dropped noticeably at major trading centers that led to sharp rise in prices. Export enquires dropped with increased price disparity of Indian jeera in global market. Jeera export from India slumped 72 % Y-o-Y to 6.6 thousand tonnes in Aug'23 as compared to 23.5 thousand tonnes of previous year. Total jeera export dropped to reported at 64.17 thousand tonnes during Apr'23-Aug'23 against the 86.9 thousand tonnes of previous year down by 26 % from the previous year.



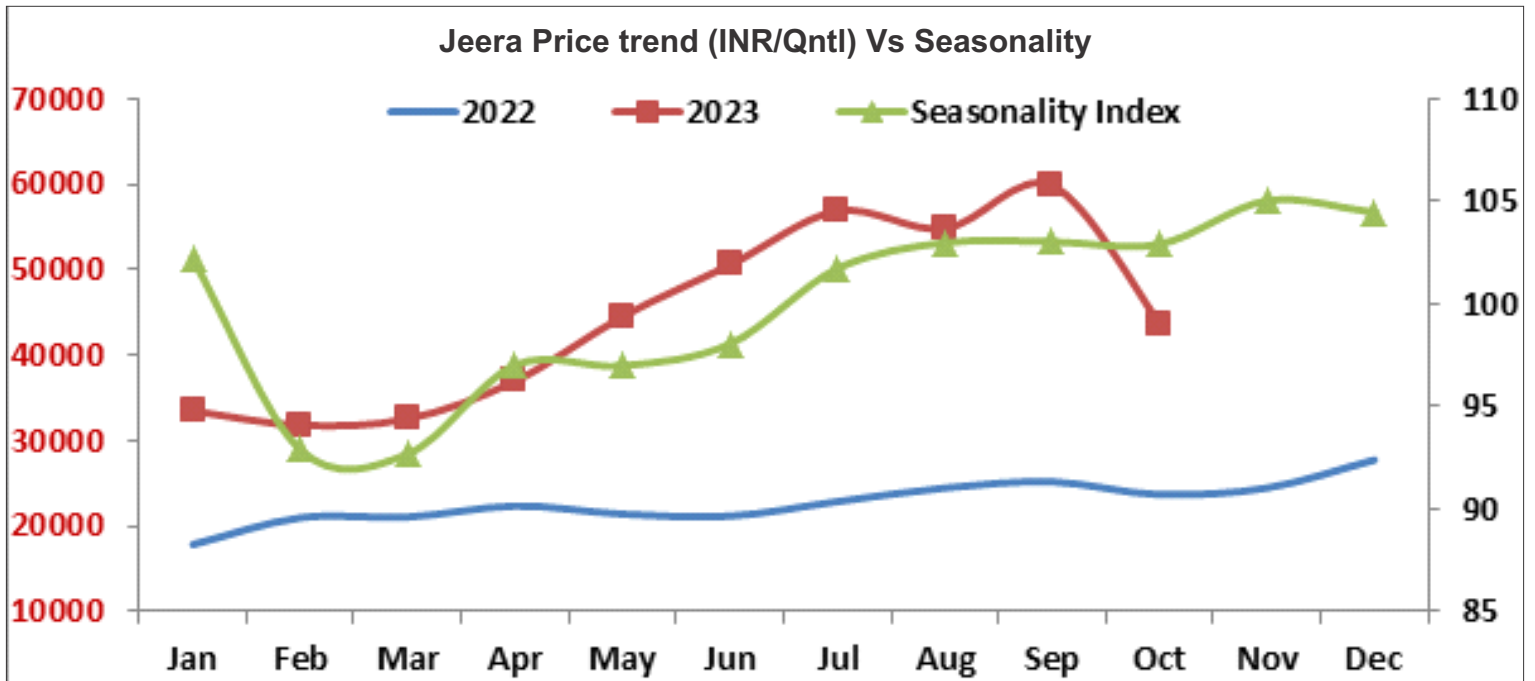
Export Seasonality of jeera suggests exports remain subdued till Nov and improves in Dec. Considering the current supply demand situation it seems exports are expected to improve coming months as exports has started turning viable with persistent fall in prices in domestic market. Considering the current export pace, total export of jeera is likely to fall by 15% in year 2023-24 to 150 thousand tonnes against the 176 thousand tonnes reported in year 2022-23. China and Bangladesh has reduced its buying in year 2023 and impact of same is being seen on overall exports. China imported only 24.5 thousand tonnes in year 2023 against the 28.2 thousand tonnes of previous year.

Jeera Export from India during Apr-Aug to major destinations (1000 tonnes)



Going forward, jeera prices are expected to fall further on muted demand concerns. Spice markers are avoiding bulk buying in anticipation of larger crop ahead in year 2024. Ending stocks surged in year 2023-24 by 9% Y-o-Y and expected stand at 255 thousand tonnes by end of Mar'24 with fall in exports and domestic consumption. However, downfall is likely to be limited as market can witness fresh buying near 36000 levels in wake of better export prospects ahead. New crop is still away by 5 months and market is still facing the supply shortage of quality produce. Major focus will be on sowing numbers which is expected to pick up from Nov onwards. Adverse weather always will be risk for prices as any reports on excessive rainfall and extreme dryness will support firmness in prices but weather forecast is looking supportive for sowing as of now.

Jeera Price trend (INR/Qntl) Vs Seasonality



Prices are expected to slip further with intermittent gains and may find support near 36450 whereas resistance is seen at 52000.

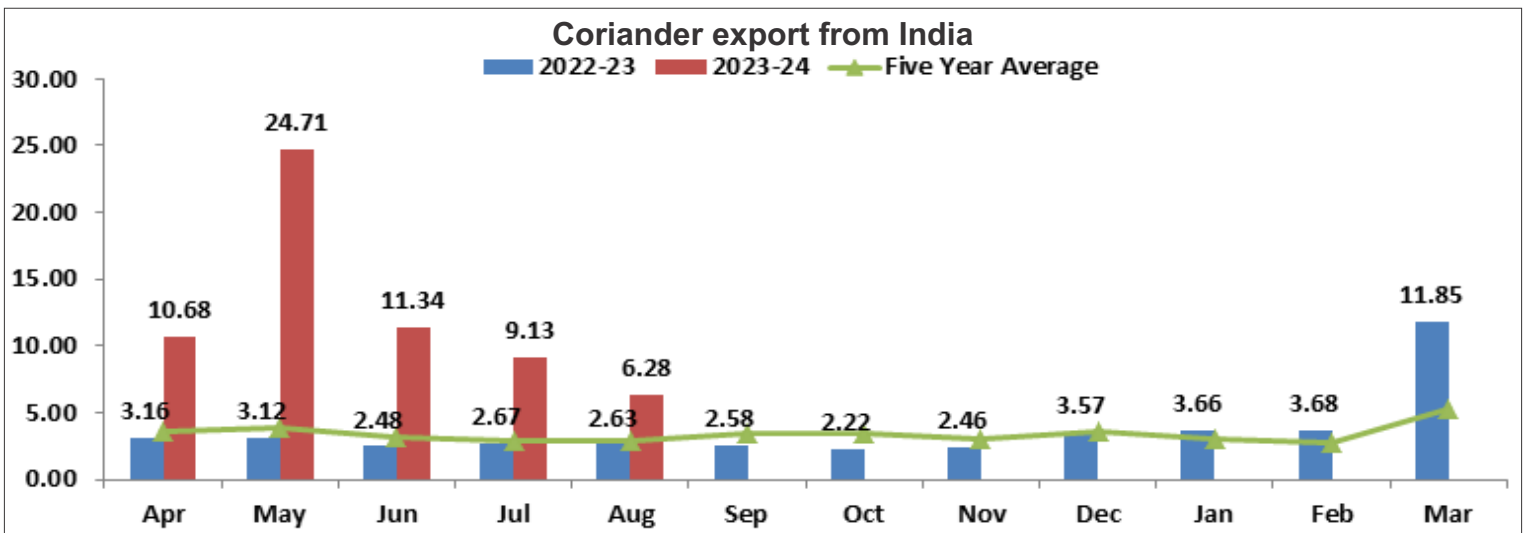
Monthly Chart of Jeera



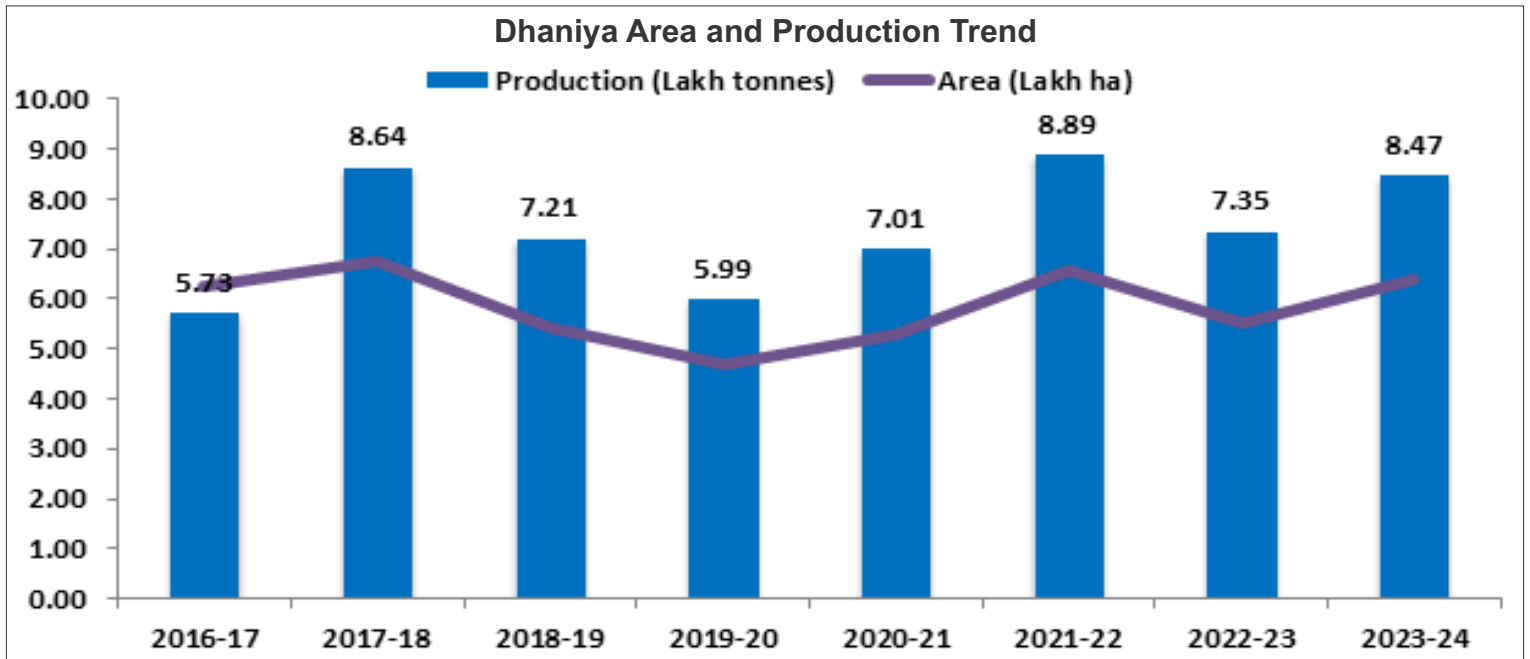
Dhaniya prices halted its downfall in Oct as started recovering on account of fresh buying in the market. Shrinking supplies in domestic as well as in International market and robust export demand of Indian dhaniya supported firmness in prices. Dhaniya futures moved up by 6% M-o-M to 7230 in Oct'23 and rose further in first week of Nov'23.



Export demand of Indian dhaniya rose significantly in year 2023 with increased buying by China. Supply concerns in China and active buying by chinese millers led to significant rise in coriander imports in China from India. China imported about 34198 tonnes of coriander during Apr'23-Aug'23 as compared to 2275 tonnes of previous year for corresponding period. India exported about 62.16 thousand tonnes of dhaniya in during Apr'23-Aug'23 against the 14.05 thousand tonnes of previous year. Other importers of Indian dhaniya are Malaysia, UAE Egypt and Saudi Arab.



Dhaniya prices are expected to trade mixed to higher in coming weeks mainly due to active export demand of Indian dhaniya. Supply concerns in global market and improved demand from China is likely to support prices to move up further. Apart from that prices will track the sowing progress for upcoming season that is likely to speed up in coming weeks of Nov-Dec. Considering the better return on cost of cultivation it seems area under coriander may increase for marketing year 2024-25. Higher production will cap the excessive gains in prices. Coriander production is estimated to 8.47 lakh tonnes in year 2023-24 as compared to 7.35 lakh tonnes of previous year.



Dhaniya prices are expected to trade in range of 6600 -8000 in coming weeks.



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