

Monthly Report On **SPICES**

NOVEMBER 2022

9th November, 2022



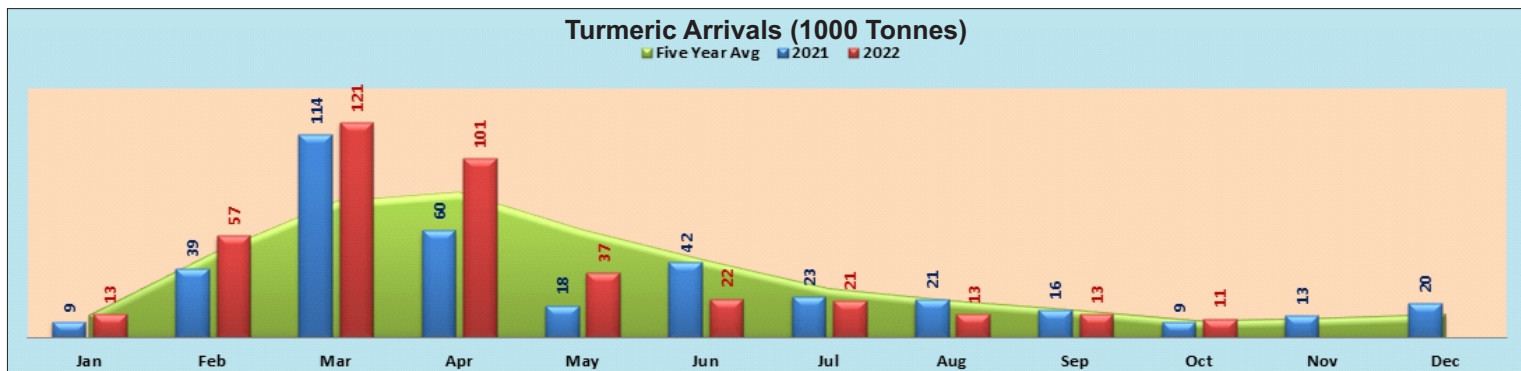
Moneywise. Be wise.

Major Price Drivers:

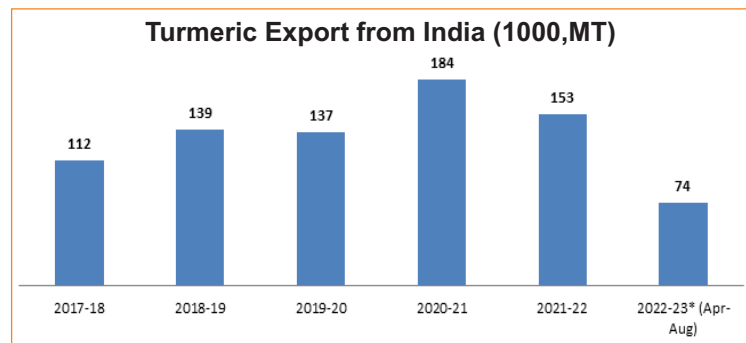
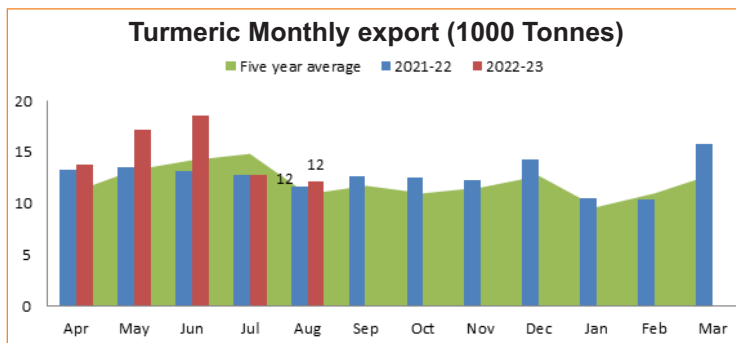
- Crop progress and weather condition
- Rising export demand
- Off season of arrivals

Turmeric prices extended its monthly gains for second consecutive month in Oct following emerging buying at local market. Festive buying of spices were reported good in Oct'22 as spices makers were busy to cover their positions in wake of off season of arrivals ahead. Seasonal arrival trend suggests that arrivals remains down in Oct-Dec period due to off season as stocks are released by traders only if they get good realization. Turmeric arrivals dropped to 10.89 thousand tonnes in Oct'22 compared to 13.29 thousand tonnes reported in Sep'22. However, overall arrivals have been higher by 21% on yearly basis in Oct'22 due to the robust export demand. Turmeric arrivals in Maharashtra rose up to 6444 tonnes in Oct'22 against the 4179 tonnes of previous year for corresponding period..

Turmeric State wise Arrivals in Tonnes		
State Name	Oct'21	Oct'22
Maharashtra	4179	6444
Tamil Nadu	1280	1923
West Bengal	1478	1327
Telangana	1619	1017
Andhra Pradesh	327	101
Others	68	38
Total	8951	10850



Stockiest are releasing their stocks due to active export demand. Overseas demand of turmeric has improved in year 2022 as prices looking competitive at prevailing levels. Turmeric export surged up by 5% Y-o-Y in Aug'22 and increased by 15% Y-o-Y so far in year 2022. India has exported around 111 thousand tonnes of turmeric in Jan'22-Aug'22 compared to 101 thousand tonnes of previous year where Bangladesh, UAE, Iran and Morocco are the major buyers. Iran and Morocco has increased their buying from India due to growing demand at their local market. Imports from Iran rose significantly in year 2022 as Iran bought 7.38 thousand tonnes during the time period of Jan'22-Aug'22 compared to 2.42 thousand tonnes of previous year for corresponding period. Similarly, Morocco imported 8.17 thousand tonnes so far in year 2022 against the 4.74 thousand tonnes of previous year.



Outlook:

Going forward, prices are likely to track the crop progress in southern states. Weather condition has improved in second half of Oct'22. Southern region witnessed excess rainfall in Oct'22 that has sparked worries of crop damage in Maharashtra, Telangana and Andhra Pradesh. Overall area under turmeric has been lower by 13% Y-o-Y till Oct'22 reported at 16921 Hec compared to 19376 Hectares of previous year. Festive as well as the wedding season demand is likely to improve in coming weeks that will support firmness in prices.

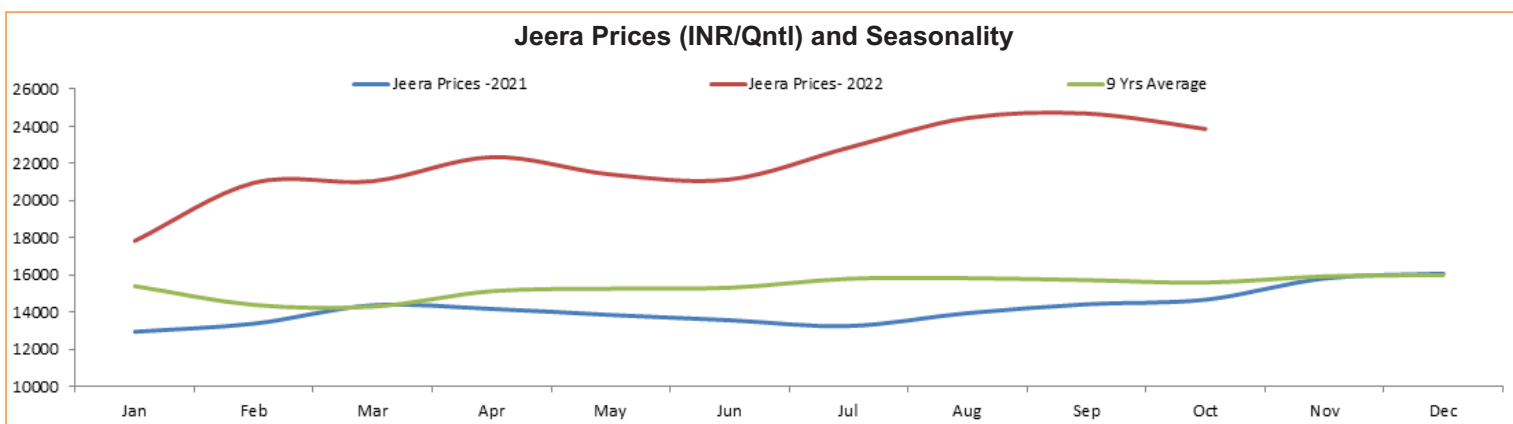
Arrivals are likely to remain lower due to lean arrival season. Considering the above fundamentals, Turmeric NCDEX Dec Prices are likely to hold the support of 6750 and likely to move up gradually towards the 8400 level in coming weeks.

Turmeric NCDEX Dec	S2	S1	Pivot Point	R1	R2
	6500	6908	7423	7884	8400

Major Price Drivers:

- Sowing area is expected to increase
- Limited buying by marginal traders
- Tighter stocks at major trading centers.

Jeera prices corrected about 3% in Oct'22 due to sluggish buying by spices makers and stockiest that sparked profit booking at futures platform. After touching a record high of 25860 INR/Quintal, jeera prices dropped to 22800 INR/Quintal in Oct'22 mainly due to demand concerns. However, prices recovered from the lowers in last week of Oct'22 due to tightness in supply. Arrivals remained poor in Oct'22 as stockiest are still optimistic to further rise in prices. Total arrivals of jeera were reported at 8.67 thousand tonnes in Oct'22 compared to 24.3 thousand tonnes of previous year for corresponding months. Only 7.6 thousand tonnes of arrivals were reported in Gujarat against the 21.6 thousand tonnes of previous year. Stockiest are holding the stocks in wake of lower production amid tighter carryover stocks of previous years that kept total supply lower in year 2022. Marginal buyers are going for hand to mouth buying due to higher prices as Jeera prices are still ruling much higher compared to previous year. Jeera prices which were ruling at INR 14000-16000 range for per quintal in Oct'21, now ruled at 24400 in Oct'22 due to supply deficit concerns.



Source: Reuters and SMC Research

Arrivals are likely to remain bleak due to off season as farmers' remains busy in sowing of new crop. Arrival pace will remain slower unless new crop touches the market in Feb- Mar of next year. Apart from that, global demand of Indian Jeera will remain stable in coming months as lower production in Syria and other exporting countries will force global buying to import jeera from India.

Demand from China has increased in recent months due to supply shortage in China. China accounted for 45% of total Indian export of jeera in Aug'22. Out of the total export of 23.47 thousand tonnes in Aug'22, about 10.62 thousand tonnes of jeera were imported by China. However, total export of jeera has been down by 31% Y-o-Y during the time period of Jan'-Aug'22 due to lower production. India exported about 1.27 lakh tonnes of jeera during above mentioned period compared to 1.83 lakh tonnes of previous year for corresponding period. Considering the higher prices and lower availability of jeera, total export is likely to remain down in coming months as well.

Outlook

Going forward, Jeera NCDEX Dec futures may correct further due to subdued demand at local market. As Jeera prices are still ruling much higher compared to the last year as well as normal prices that will attract only big players in the market wherein marginal buyers and stockiest are going for need based buying. However, losses are likely to be limited due to bleak supply outlook.

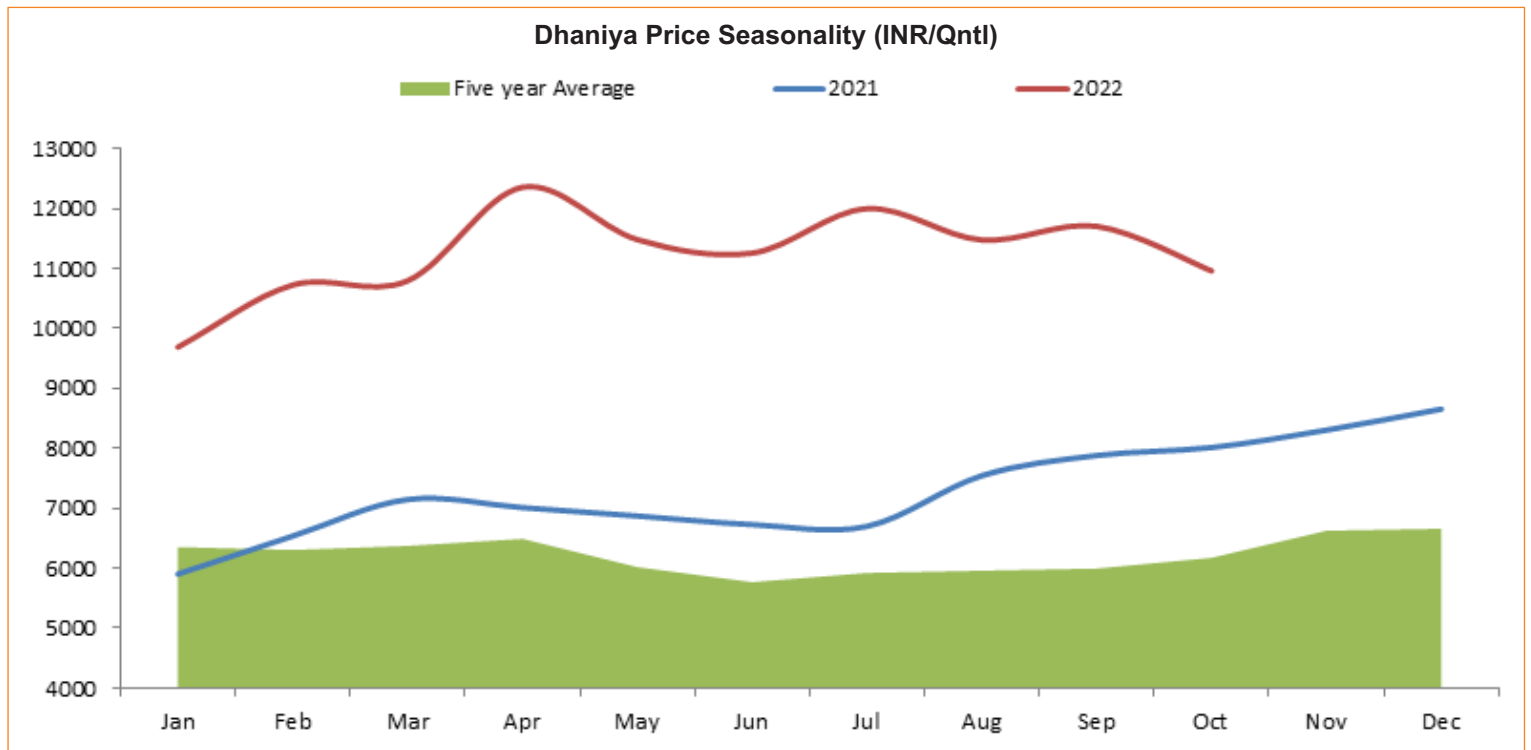
Arrivals are likely to remain lower unless new crop touches the market in Feb- Mar of next year. Apart from that, global demand of Indian Jeera will remain stable in coming months as lower production in Syria and other exporting countries will force global buying to import jeera from India. Jeera Dec prices are likely to slip towards the major support of 23000 in near term wherein 26000 will act as crucial resistance for jeera NCDEX Dec prices.

Jeera NCDEX Dec	S2	S1	Pivot Point	R1	R2
	22600	23400	24300	26200	27100

Major Price Drivers:

- On-going sowing activities
- Surging imports

Dhaniya prices witnessed choppy movement in Oct'22 with changing fundamentals. Prices surged up to 12060 levels in first week of Oct'22 with rise in festive buying amid lower supplies at physical market. However, prices wiped out its most of the gains by end of the Oct'22 mainly due to of rising imports amid subdued buying. Marginal traders kept them away from bulk buying due to above normal prices of dhaniya. Dhaniya Prices are still ruling much higher to the last year as well as five year average levels.



Outlook

Dhaniya NCDEX Dec Prices are set to slip further on demand concerns. Buying in dhaniya is likely to be limited in wake of normal sowing progress. Supplies are adequate at major trading centers due to rising imports that is keeping buyers away from heavy buying. Marginal traders are in wait and watch mood due to above normal prices of dhaniya. Ongoing sowing progress will be the major price driver in coming week and any disruption in sowing activities will cap the losses in prices. Dhaniya NCDEX Dec Prices are likely to honor the resistance of 11600 and will slip towards 10400 levels in near term.

Dhaniya NCDEX Dec	S2	S1	Pivot Point	R1	R2
	9600	10300	11400	12200	13000

Vandana Bharti (AVP - Commodity Research)
Ravi Shankar Pandey (Sr. Research Associate)

Boardline : 011-30111000 Extn: 625
Boardline : 011-30111000 Extn: 674

vandanabharti@smcindiaonline.com
ravi16@smcindiaonline.com

E-mail: smc.care@smcindiaonline.com



Corporate Office:

11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:

Lotus Corporate Park, A Wing 401 / 402 , 4th Floor ,
Graham Firth Steel Compound, Off Western
Express Highway, Jay Coach Signal, Goreagon
(East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:

18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata-700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd.) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities/commodities market.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject commodity.

DISCLAIMER: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions.

Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance of this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the commodity thereof, mentioned here in or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodities discussed herein(c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.