

Monthly Report On **SPICES**

MARCH 2022

20th March, 2023



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TURMERIC

Turmeric prices extended its losses for third consecutive month following muted demand in local market. Commencement of new arrivals in southern part of India and limited buying by spices millers weighed on market sentiments. Most of the spice millers preferred hand to mouth buying in wake of improved supply situation at major trading centers. Most active contract of Turmeric traded at NCDEX tumbled 3.4% M-o-M in Feb'23 and slipped further by 5% in Mar'23 and ruled below 6800 level.

Turmeric NCDEX Apr futures are expected to trade down with surging arrival pressure at major trading centers. Arrival pace has picked up in benchmark Nizamabad market as about 22000-26000 is being arrived on daily basis. Similarly, Arrivals in Sangli, Selam, Erode has also improved that will put pressure on prices. However, cumulative arrivals at major mandies have been down by about 60% Y-o-Y in Mar'23. About 17 thousand tonnes were arrived during 1-10th March'23 as compared to 43 thousand tonnes of previous year. Local spice millers demand has been bleak wherein export enquires premium quality of turmeric in Nizamabad is improving that will cap the major downfall in prices. Turmeric Apr contract is expected to slip towards the support of 6600 and will honor the resistance of 7460 in near term.



Turmeric April contract is expected to slip further may find support near 6200 wherein 7400 will be the major resistance.

Jeera traded mixed to higher in March following increased overseas demand. Stockiest are active due to tighter carry forward stocks with spice millers. Slower pace of arrivals also supported firmness in Jeera prices. Most active Jeera contract ruled near to 34000 in third week of March'23 higher by 15% against the Feb close.

Jeera NCDEX Apr futures are likely to trade sideways to down due to increased supply condition. Fresh arrivals have increased in Unjha market of Gujarat and likely to surge up in Rajasthan as well. About 55000-60000 bags are being arrived on daily basis. Yield has been good in Rajasthan that will lead to rise in production Rajasthan significantly. Total production is estimated to increase by 28% Y-o-Y to 384 thousand tonnes in year 2023 as Federation of Indian Spices Stakeholder. Global pipe line stocks of jeera have been tighter due to lower export from India during year 2021-22. India exported about 146.07 thousand tonnes of jeera during Apr'22-Jan'23 as compared to 177 thousand tonnes of prior year. However, losses are likely to be limited as prices are holding strong support near 29000 and buying is visible when prices come near to this level.



A steep correction is expected in Jeera prices as prices are ruling above normal levels due to tighter stocks. However, supplies are expected to improve in coming week wherein production is also estimated to be higher by 25%-28% in year 2023 that will put pressure on prices. Jeera prices are likely to trade in range of 29000-35000.

Dhaniya Prices extended its losses following higher production outlook for upcoming season that weighed on the market sentiments. Millers and stockiest remained away from heavy trade in expectation of further fall in prices. Dhaniya prices dropped 2% M-o-M and ruled near at 7150 in third week of Mar'23.

Dhaniya NCDEX Apr prices are expected to trade on negative note 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, there is weather risk to crop as above normal temperature Rajasthan in Mar will lead early ripening of crop that will affect the yield and harvesting activities adversely. At the same time, reports of crop damage resulted with untimely rainfall and hailstorm in major growing region of northern part of India during Mar'23 will cap the major downfall in prices.



Higher production outlook will pull down the prices further. However, emerging weather risk and reports of crop damage due to untimely rainfall in Mar'23 will cap the gains. Dhaniya NCDEX Apr Prices are likely to trade in range of 6000-7700.

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

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