

Monthly Report On

SPICES

AUGUST 2023



TURMERIC

Turmeric prices kept its gains intact in July on aggressive buying for good quality produce in the market and posted 55% of monthly gains at NCDEX. Robust export demand and weather concerns for crop progress added firmness in prices. Prices crossed 15000 marks in July'23 and later surpassed 18000 levels in first week of Aug'23. With sharp gains in prices arrivals increased but prices stood firm with intermittent correction due to limited availability of quality produce in the market. Most of the arrivals arrived with inferior quality. Quality of the turmeric crop affected badly due to heavy rainfall at time of harvesting in Apr-May in Maharashtra. Overall arrivals of turmeric has been higher on yearly basis during time period of Apr'23- July'23 as about 200 thousand tonnes of turmeric arrived during above mentioned period in year 2023 against the 180 thousand tonnes of previous year.

Ongoing sowing and crop progress is major price driver for turmeric and forecast of drier weather in southern and central region has added worries to turmeric crops. Sowing activities almost completed in Maharashtra and likely to pick up in Andhra Pradesh. Area under turmeric is estimated to be down by 15-20% in year 2023 due to monsoon concerns at the time of sowing. Considering the drier weather forecast in central and southern region in month of Aug'23, it seems crop progress will be slower and sowing activities is likely to be affected in southern part of India. About 3.24 lakh Ha was sown under turmeric in year 2022-23 and expected to drop to 2.75 lakh Ha in year 2023-24.

Stockists and Spice millers are very active and going for aggressive buying in wake of bleak supply outlook ahead. Apart from that, robust export demand is also supporting bullish momentum of the market. India exported about 39.42 thousand tonnes of turmeric during the time period of Apr-May'23 as compared to 30.9 thousand tonnes of previous year, higher by 28% Y-o-Y.



Considering the current supply demand fundamentals, it seems turmeric Oct contract is likely to trade in range of 14500-19300 in coming weeks

Jeera futures resumed its uptrend following renewed buying in local market. Prevailing concerns over supply shortage and active export enquires supported firmness in jeera prices. Export jumped for 2 consecutive months of Apr-May reported at 47 thousand tonnes as compared to 23 thousand tonnes of previous year. Major buying came from China as China increased its jeera import from India due to rising demand amid lower crop over there. China imported about 22.8 thousand tonnes of jeera in Ap-May'23 as compared to just 3.2 thousand tonnes of previous year. Bangladesh, Nepal and UAE are the major buyers of Indian jeera in year 2023.

Jeera prices also rose due to the hoarding as farmers and stockists are reluctant to release their stocks in anticipation of another round of rally in prices. Pipelines are drier due to weaker crop and stocks are likely to remain tighter unless new crop touches the market. arrivals are expected to increase in wake of forecast of drier weather in Rajasthan and Gujarat in Aug. Technically, prices are ruling in highly overbought zone of RSI and may witness correction in near term. However, major trend is likely to remain bullish and there us upside potential of 67000 in jeera in coming weeks.



Jeera Sep prices are likely to trade in range of 55000-67200 in coming weeks.

Dhaniya NCDEX Aug prices are likely to trade higher mainly due to increased export demand. Supply from black sea is expected to decline as Russia exited from grain deal with Ukraine that has affected the global supply badl and supported the firmness in Indian prices. India exported about 35.4 thousand tonnes during time period of Apr-May'23 against the 6.3 thousand tonnes of previous year. China, UAE Saudi Arab, Iran has been the major buyers of Indian coriander in year 2023.

Overall arrivals of dhaniya has been higher so far since Apr'23 due to larger crop size but most of the stocks are in stockists hand and they are reluctant to release stocks at prevailing prices. About 304.3 thousand tonnes arrived in the market during the time period of Apr-Jul'23 as compared to 112.6 thousand tonnes of previous year.

Stockists are farmers are busy in hoarding in wake of drier global supply pipe line.



Dhaniya NCDEX Sep futures are likely to trade in range of 6700-8400 in coming weeks.

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