

# WEEKLY AGRI REPORT

Weak Overseas Trend May Limit Spices Gains!

13th Sep 2010 to 18th Sep 2010





## JEERA

### JEERA MAY FACE SELLING PRESSURE

The NCDEX Jeera futures witnessed volatility during last week's trading sessions due to profit booking. In absence of cues from spot market, in the beginning of the week futures traded down where all running contract hit 2% initial lower circuit. However, prices showed some recovery during end of the week. The NCDEX Jeera futures are expected to open up on short covering during next trading session. Fresh buying at lower level can also be noticed. However, prices are likely to remain downside biased. As sluggish domestic and export demand might weigh on sentiments. As per data released by Spices Board, Jeera exports have decreased by 19% during April-July 2010 as compared to same period last year. Spot market of Unjha was closed for two days due to janmashtmi. According to market sources, Syria prices are hovering around \$3150/3200 per tonne, Indian prices are quoting at \$2600/2800 per tonne and Turkey prices are quoting in the range of \$2500 – 2800. As per Spices Board data, international price of Jeera in New York market was \$3.35 per kg during the week ended 27th August 2010, which was higher than \$2.69 per kg quoted in the same period last year.

### REASONS FOR MOVEMENT

- High Arrivals
- Selling Pressure

### Weekly Pivots

SCRIPT	JEERA
R4	15216
R3	14751
R2	14286
R1	14067
P	13821
S1	13602
S2	13356
S3	12891
S4	12426

### Weekly Chart



Last week Jeera was in consolidation and it was neither able to sustain at lower levels nor at higher levels. For the next week resistance in Jeera is found at 14230 and support at 13100.

### Strategy

Jeera is in a consolidation phase and one should use the strategy of selling on higher levels. If in the coming week Jeera sustains below the level of 13100 then we can expect a level of 12500, and if it sustains above 14230 we can see the level of 14600.



## GUARSEED

### EXPORT DECLINE OF GUAR MAKES IT LESS INTERESTING

After gaining more than 10% during the last 2 weeks, Guar futures declined 2.65% on Wednesday due to favorable monsoon and thereby expectations of better crop in the coming season. Export demand for Guar gum has declined. Also, lower domestic demand of Churi and Korma would provide support to the bears. Better production estimates in 2010-11 due to adequate rainfall resulting in higher sowing acreage would pressurize the prices in the medium term (October onwards). Sowing acreage increased about 100% in Haryana and Punjab in anticipation of better return as compared to other traditional crops. In the medium to long term (October onwards) prices will take cues from the stocks of Guar with the stockists, demand from the overseas buyers and the pace of arrivals of early sown Guar crop (Guari). Guar futures may extend its losses on expectations of better output and subdued demand for Churi and Korma. In the Short term (till September), prices will depend on the demand from the overseas buyers which is currently at a slow pace. In the medium to long term (October onwards) prices will depend on the pace of arrivals of early sown Guar crop and stocks of Guar with the stockists.

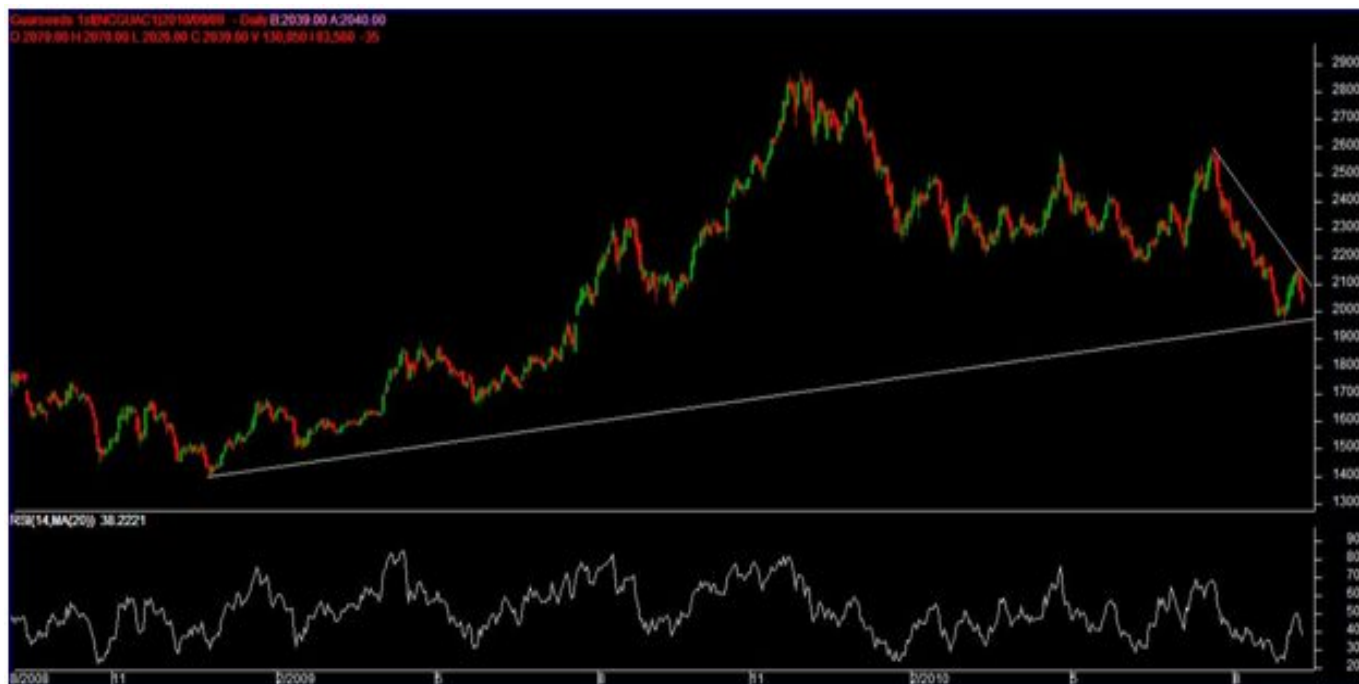
### REASONS FOR MOVEMENT

- Favourable Monsoon
- Low Export Demand

### Weekly Pivots

SCRIPT	GUARSEED
R4	2477
R3	2343
R2	2209
R1	2124
P	2075
S1	1990
S2	1941
S3	1807
S4	1673

### Weekly Chart



Last week Guar seed remained bearish for most of the week and it even closed near to its low. For the next week resistance in Guar seed is found at 2170 and support at 1960.

### Strategy

For next week traders should go for selling on higher level strategy, if Guar seed sustains below the level of 1960 we can see the level of 1860, and above 2170 it can come up till 2210.



## SOYABEAN

### SOYABEAN EXERTS BULLISH MARKET SENTIMENTS

In the short term, Soybean prices are expected to open lower on weak overseas market. For the long term, prices are expected to trade lower due to fresh arrivals in next two weeks in Madhya Pradesh, which is a major producing state of Soybean and it contributes more than 50% of its total production. Existing better carry over stock this year as compared to last year may provide support to the bears. October Soybean futures closed higher on account of better export figure of domestic soy meal. Overall, Open interest in Soybean futures has increased by 0.12% to 295430. Spread between NCDEX September and October contract is Rs-6.00 against previous day of Rs -3.50 per 100 Kg. CBOT November Soybean futures ended higher at \$ 10.48/bushels on Wednesday, down 3.25 cents/bushel as compared to previous close. CBOT December Soybean meal futures ended higher at \$ 304.80/ton on Wednesday, down \$1.90/tonnes as compared to previous close.

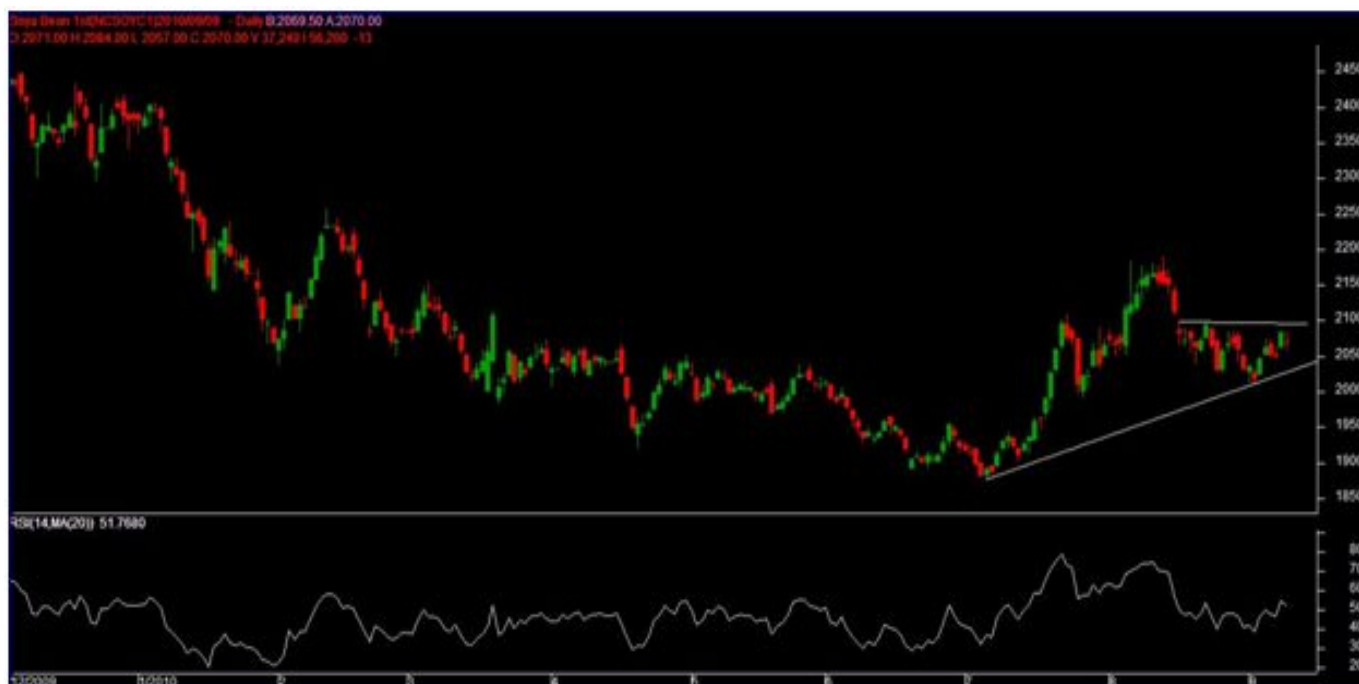
### REASONS FOR MOVEMENT

- Better Exports
- Fresh Arrivals

### Weekly Pivots

SCRIPT	SOYABEAN
R4	2188
R3	2147
R2	2107
R1	2088
P	2066
S1	2048
S2	2026
S3	1985
S4	1945

### Weekly Chart



Last week Soybean was in an upward consolidation phase and it moved in a narrow range of Rs. 40. For the next week Soybean has resistance at 2110 and support at 1960.

### Strategy

Soybean is in a consolidation phase on charts and one should look for selling opportunities at higher levels, if Soybean sustains below the level of 1960 we can see the level of 1880, and on the up side if it sustains above the level of 2110 we can see Soybean at 2150 level.



## CHANA

### IMPROVED PRODUCTION MAY PUT CHANA IN TIGHT SPOT

Chana futures gained from the lows of Rs.2,188 and settled higher at Rs. 2208 per qtl levels on expectation of revival in demand ahead of festive season from the domestic stockists. Overall, improved acreage towards other pulses and therefore improved production due to adequate rainfall in the food belt of India (Central India) will limit the gains. In long term (November onwards), bumper crop of Chana in the year 2009-2010 coupled with good carryover stocks will resist prices from trading higher. Prices will also take cues from price quotes of other major pulses. Spread between September and October contract is at Rs.66 as compared to Rs.64 in the previous day. Chana futures are expected to remain firm in the coming days on hopes of revival in demand ahead of festival season. However, in the short term prices may again decline due to better stocks from last year's bumper crop. In the medium to long term (October onwards) Chana prices may take cues from the prices of other pulses and sowing progress of Chana in the major growing areas.

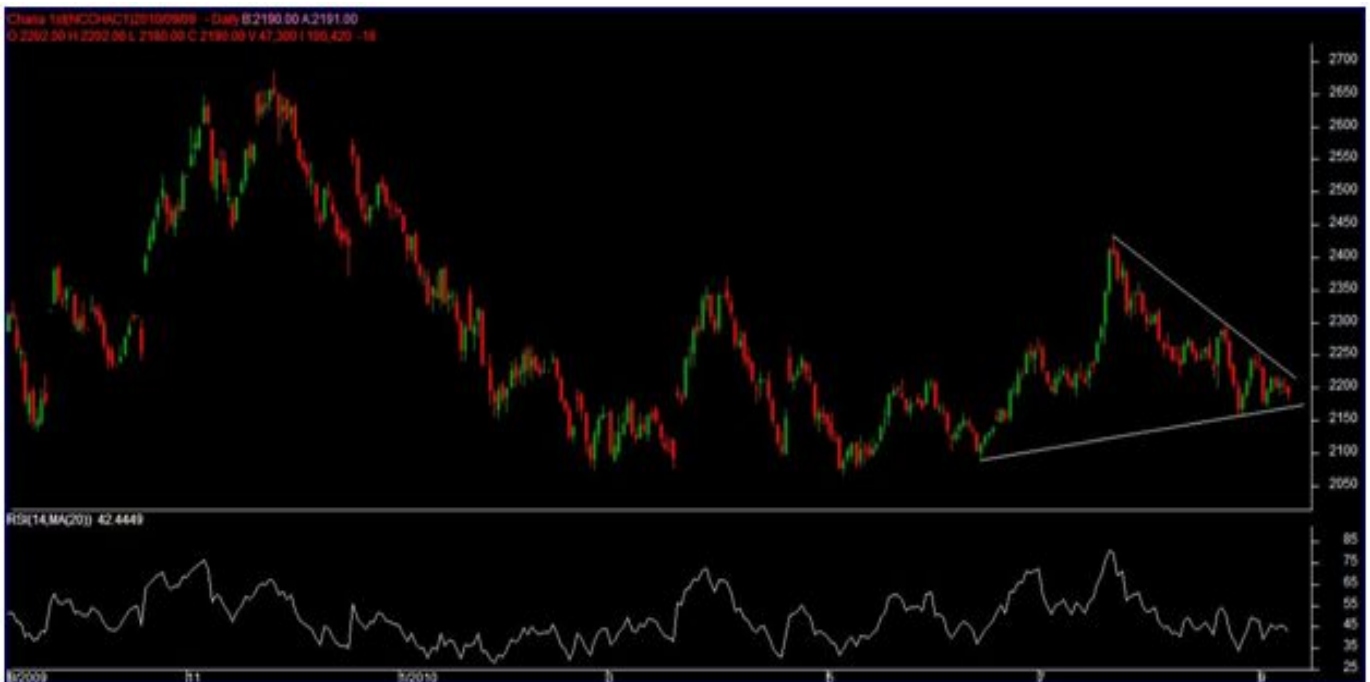
### REASONS FOR MOVEMENT

- Improved Acreage
- Fresh Demand

### Weekly Pivots

SCRIPT	CHANA
R4	2313
R3	2274
R2	2235
R1	2212
P	2196
S1	2173
S2	2157
S3	2118
S4	2079

### Weekly Chart



Last week Chana remained in a downward consolidated range and it closed near to its low. For the coming week Chana has resistance at 2290 and support at 2140.

### Strategy

Overall trend of Chana is of consolidation and one should go for selling at higher levels strategy in it. For the coming week if Chana sustains below 2140 level we can see it at 2090 and above 2290 we can expect the level of 2320.



## Weekly Pivots

Script	R3	R2	R1	PP	S1	S2	S3
JEERA	14513.00	14286.00	14067.00	13821.00	13602.00	13356.00	13137.00
TURMERIC	13560.00	13283.33	12946.67	12333.33	11996.67	11383.33	11046.67
PEPPER	22651.00	21594.67	21177.33	20703.67	20286.33	19812.67	19395.33
SOYABEAN	2178.50	2120.00	2101.50	2074.50	2056.00	2029.00	2010.50
GUARGUM	5884.00	5418.67	5130.33	4976.67	4688.33	4534.67	4246.33
GUARSEED	2303.00	2241.67	2148.33	2093.67	2000.33	1945.67	1852.33
CHANA	2395.00	2301.00	2278.00	2261.00	2238.00	2221.00	2198.00

Script	R3	R2	R1	PP	S1	S2	S3
MUSTARD SEED	564.55	554.47	549.38	544.22	539.13	533.97	528.88
WHEAT	1251.00	1233.20	1225.60	1220.20	1212.60	1207.20	1199.60
GUR	1191.60	1174.20	1117.20	1072.80	1015.80	971.40	914.40
CARDAMOM	1354.90	1417.40	1292.40	1229.90	1104.90	1042.40	917.40
CRUDE PALM OIL	426.40	424.93	422.77	419.13	416.97	413.33	411.17
REFINED SOYA OIL	505.00	502.63	496.77	491.53	485.67	480.43	474.57
MENTHA OIL	859.20	849.93	837.87	816.53	804.47	783.13	771.07



# Disclaimer



The information and views in this report, our website & all the service we provide are believed to be reliable, but we do not accept any responsibility (or liability) for errors of fact or opinion. Users have the right to choose the product/s that suits them the most.

**Investment in Commodity has its own risks.** Sincere efforts have been made to present the right investment perspective. The information contained herein is based on analysis and up on sources that we consider reliable. **We, however, do not vouch for the accuracy or the completeness thereof.** This material is for personal information and **we are not responsible for any loss incurred based upon it & take no responsibility whatsoever for any financial profits or loss which may arise from the recommendations above.**

The stock price projections shown are not necessarily indicative of future price performance. The information herein, together with all estimates and forecasts, can change without notice.

**CapitalVia does not purport to be an invitation or an offer to buy or sell any financial instrument.**

Analyst or any person related to CapitalVia might be holding positions in the stocks recommended.

It is understood that anyone who is browsing through the site has done so at his free will and does not read any views expressed as a recommendation for which either the site or its owners or anyone can be held responsible for.

**Our Clients (Paid Or Unpaid), Any third party or anyone else have no rights to forward or share our calls or SMS or Report or Any Information Provided by us to/with anyone which is received directly or indirectly by them. If found so then Serious Legal Actions can be taken.**

Any surfing and reading of the information is the acceptance of this disclaimer.

All Rights Reserved.