

Weekly Digest

KCSPL Research

Highlights

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- Jeera December futures traded lower by 0.96% during last week
- Along with futures spot price witnessed a decline of -0.75% during last week owing to lower demand and steady supply in the market
- Total Jeera Arrivals in major states had increased by 60% during last week
- Lower demand in Coriander futures brought correction of 1.12%
- Coriander spot markets arrivals in major states witnessed steady arrivals during last week
- Coriander Spot price decreased by 1.02% during last week

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NCDEX JEERA										
Contract	Open	High	Low	Close	% Change	Volume	%Change	OI	% Change	
Nov-17	18800	18835	18365	18365	-0.66	8709	-74.31	3465	-34.34	
Dec-17	19300	19220	18855	18855	-0.96	14583	-56.87	10251	40.85	
Jan-18	19180	19170	18840	18840	-0.83	558	-36.95	255	51.79	

- Higher sowing expectancy of 20% in the state of Gujarat led to decline in December future price during last week
- As per DAG (Directorate of Agriculture Gujarat) sowing of **23300 hectares** has been completed till 6th November
- Initial sowing in Gujarat had picked up significant pace as compared to last year's acreage of 3400 hectares due to favorable weather conditions
- In comparison to normal sowing (280300 hectares) **8%** has been completed till above date
- Saurashtra and Banaskata Regions are first to being sowing in Gujarat state
- Temperatures in other regions are still warmer and hence we are expecting certain delay (5-7 days) in Jeera sowing
- Exports for the current period has also not shown any major improvement which is less likely to support prices
- Hence with slight delay in sowing and lower trading activities in the market we are expecting sideways trend in future prices during this week

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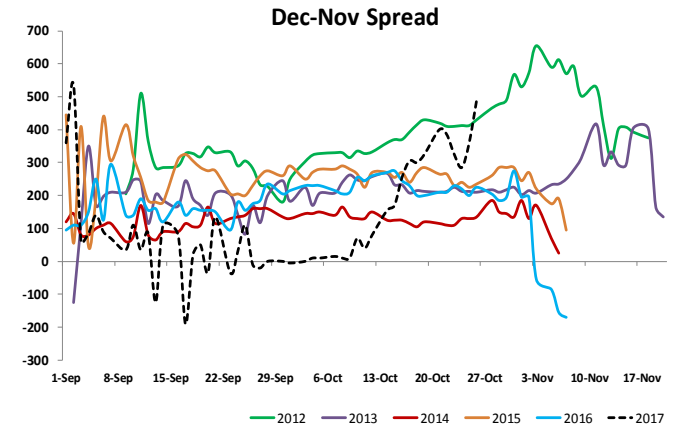
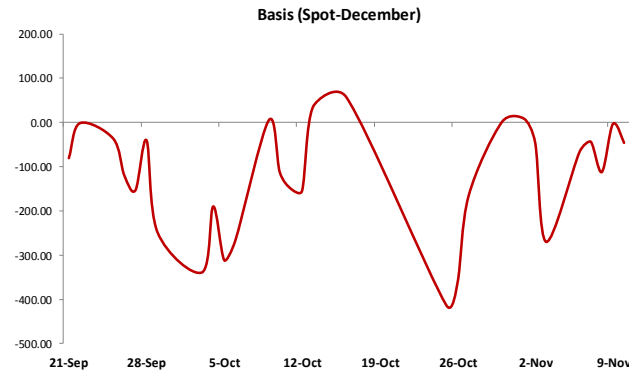
Jeera Arrivals (in tons)

State	% Change over previous week	6th Oct to 11th Nov	30th Oct to 4th Nov	23rd Oct to 28th Oct
Gujarat	90.24	909.37	478.01	432.99
Rajasthan	14.32	25.15	22	1.78
Others	-45.47	69.81	128.01	32.04
Total	59.92	1004.33	628.02	466.81

Source: Agmarket and KCSPL Research

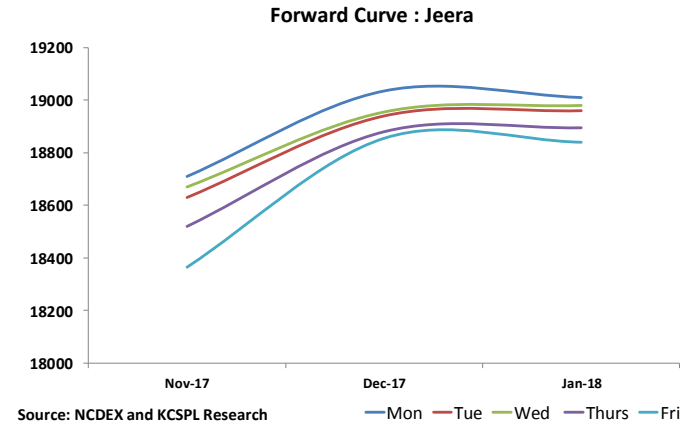
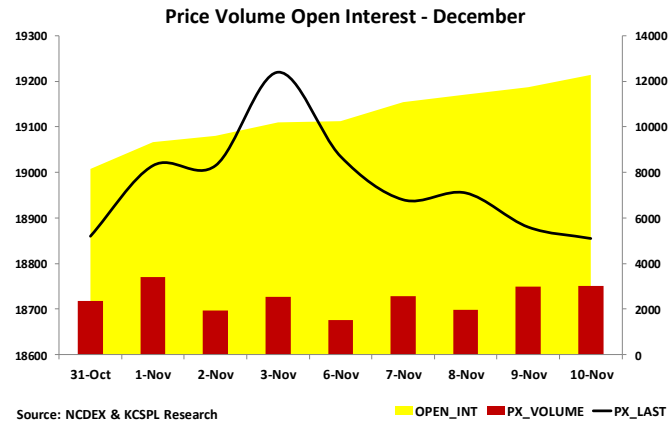
- Arrivals in Unjha market have been in higher range of 6000-8000 bags (1bag=55kgs) during last week compared to 2000-4000 bags of previous week. Stockiest are majorly selling old crops in expectancy of new better crop in the coming harvest season
- Also farmers are supplying higher Jeera, as prices in spot and futures market have been higher during the current period
- Other markets like Jodhpur (Rajasthan) brought in arrivals of 200-300 bags during last week. No major change has been observed compared to previous week
- As the domestic demand in current price levels is low we are expecting limited incline in spot and future prices
- Hence we expect range bound movement in spot and future prices during this week

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- Negative basis was witnessed on 10th November. The basis is trading at Rs.-46/quintal compared to previous week’s negative basis of -270/quintal due to greater incline in spot price as compared to December futures.
- December-November spread is trading in contango as on 10th November. Spread has widened to Rs.490 compared from Rs.385 owing to greater incline in December futures.

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- PVOI analysis indicates lower volumes and higher open interest during last week. Lower trading activities were witnessed during last week which led to decline in volumes. Hence we are expecting sideways trend during this week as there is demand and selling in the market.
- Shift in forward curve has been witnessed during last week. Forward curve is expected to trade in sideways trend during this week as sowing of Jeera are likely to face certain delay due to warm weather conditions

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JEERA Rs/quintal				
Spot	10-11-2017	% chg 1 week	% chg 1 month	% chg 1 year
Unjha	18808.8	-0.75	0.02	5.23

NCDEX WAREHOUSE (IN MT)				
Commodity	Location	10-11-2017	04-11-2017	Change
JEERA	Jodhpur	0	0	0
	Unjha	4550	5155	-605

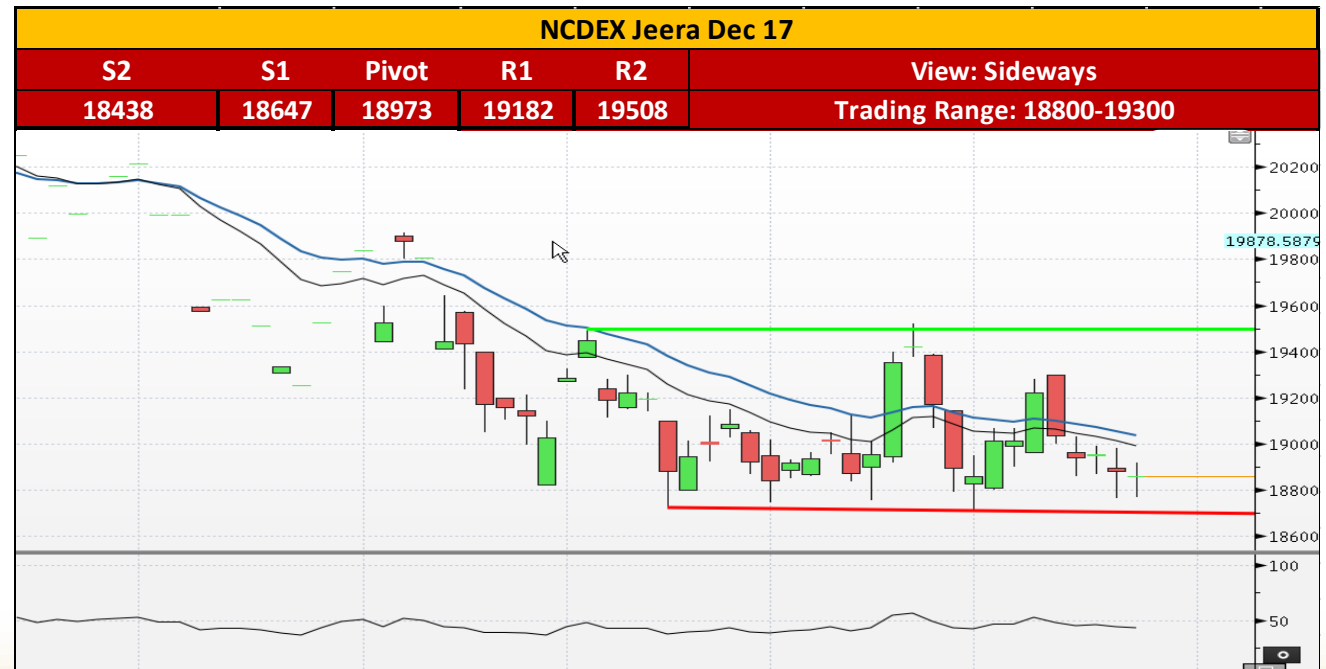
- Spot price traded lower by 0.75% during last week and closed at Rs.18808/quintal. Lower buying at Unjha spot market led to decline in spot price. Spot price is likely to trade sideways owing to lower demand and delayed sowing in the state of Gujarat.
- Valid stocks in NCDEX Unjha warehouse have decreased from 5155MT compared to **4550MT**. There are **138MT** quality pending in Unjha warehouse.

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Fundamental Outlook: Jeera Sowing is likely to be delayed by 5-7 days as major regions are still facing warm weather conditions. But lower demand at current prices is likely to limit any major uptrend in future prices. Taking the above factors into consideration we are expecting range bound movement in future prices during this week.

We are expecting sideways trend in Jeera December futures and we expect price to trade in the range of Rs.18800 –Rs.19300.

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NCDEX CORIANDER

Contract	Open	High	Low	Close	% Change	Volume	%Change	OI	% Change
Nov-17	5015	5072	4910	4935	-1.14	23150	-62.85	11220	-37.49
Dec-17	5140	5172	5015	5037	-1.12	35080	-46.95	33210	20.85
Jan-18	5200	5246	5114	5125	-0.99	7120	-10.10	1050	28.05

- Selling pressure continued during last week which brought decline in future prices
- Also lower demand in domestic market was unable to support prices.
- As coriander prices are trading at 5 year lows; we are expecting lower sowing in the major states of Gujarat and Rajasthan
- Switch in acreage to Jeera , Chana and ginger commodities is also estimated for year 2017-18
- Taking the above factors into consideration we are estimating limited downtrend in future prices and we may expect pull back during this week.
- Hence we expect sideways trend in future prices during this week

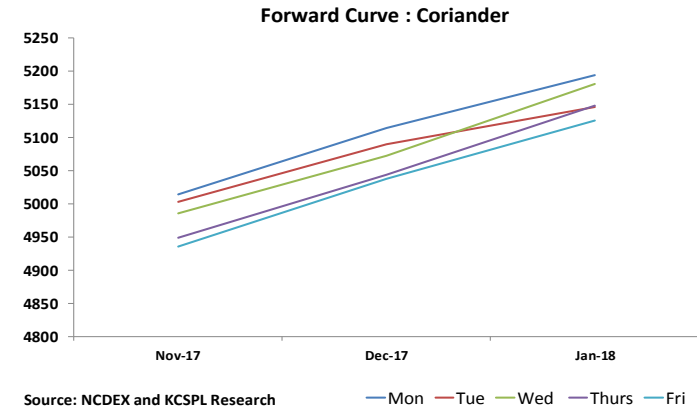
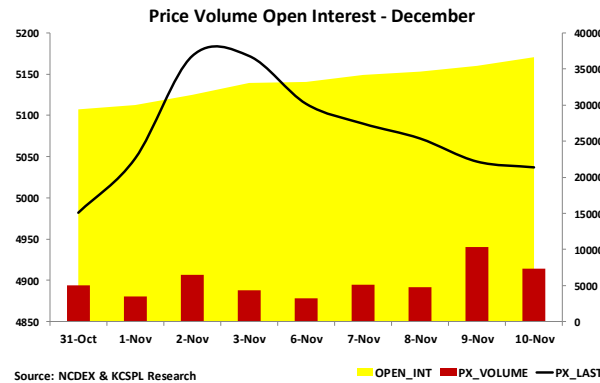
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Coriander Arrivals (in tons)

State	% Change over previous week	6th Oct to 11th Nov	30th Oct to 4th Nov	23rd Oct to 28th Oct
Gujarat	295.85	1929.95	487.55	1213.38
Rajasthan	25.46	1626.9	1296.7	1328.8
MP	-35.86	1924.48	3000.55	2008.72
Others	-55.66	370.5	835.5	281.6
Total	4.12	5851.83	5620.3	4832.5

- Arrivals during last week have witnessed significant rise in state of Gujarat. Arrivals in Gondal market were in the range of 6000-8000 bags (1 bag=40kgs) during last week. It is higher compared to previous' s week arrivals of 2000-3000 bags.
- Arrivals of 2000-2500 bags (1 bag=40kgs) has been witnessed in Kota and Baran market. No major change has been witnessed compared to previous week. Ramganj Mandi after a long holiday reopened with arrivals of 4000-5000 bags. This eventually led to increase in arrivals in Rajasthan state
- Arrivals in Guna market(MP) were in the range of 2000-3000 bags while Neemuch brought in arrivals of 700-1000 bags. Supply was reduced in Madhya Pradesh as retailers and wholesalers had enough stocks in their warehouses.
- This week we are expecting arrivals to be in similar range. But owing to lower sowing expectancy future prices are likely to witness limited downtrend. Hence we are expecting sideways trend for this week.

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- PVOI analysis of last week showcases steady volumes and higher open interest in the futures market. Roll-overs from November to December has been witnessed during last week which led to incline in open interest.
- No Major shift was noticed in forward curve during last week. Forward curve is expected to follow the seasonal uptrend during this week, as sowing for the current year is projected to be lower than last year.

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Coriander Rs/quintal				
Spot	10-11-2017	% chg 1 week	% chg 1 month	% chg 1 year
Kota	4831.25	-1.02	2.03	-35.35

NCDEX WAREHOUSE (IN MT)				
Commodity	Location	10-11-2017	04-11-2017	Change
CORIANDER	Baran	60	110	-50
	Gondal	4588	5783	-1195
	Jaipur	0	39	-39
	Kota	90	1445	-1355
	Ramganj	10	50	-40
	Total	4748	7427	-2679

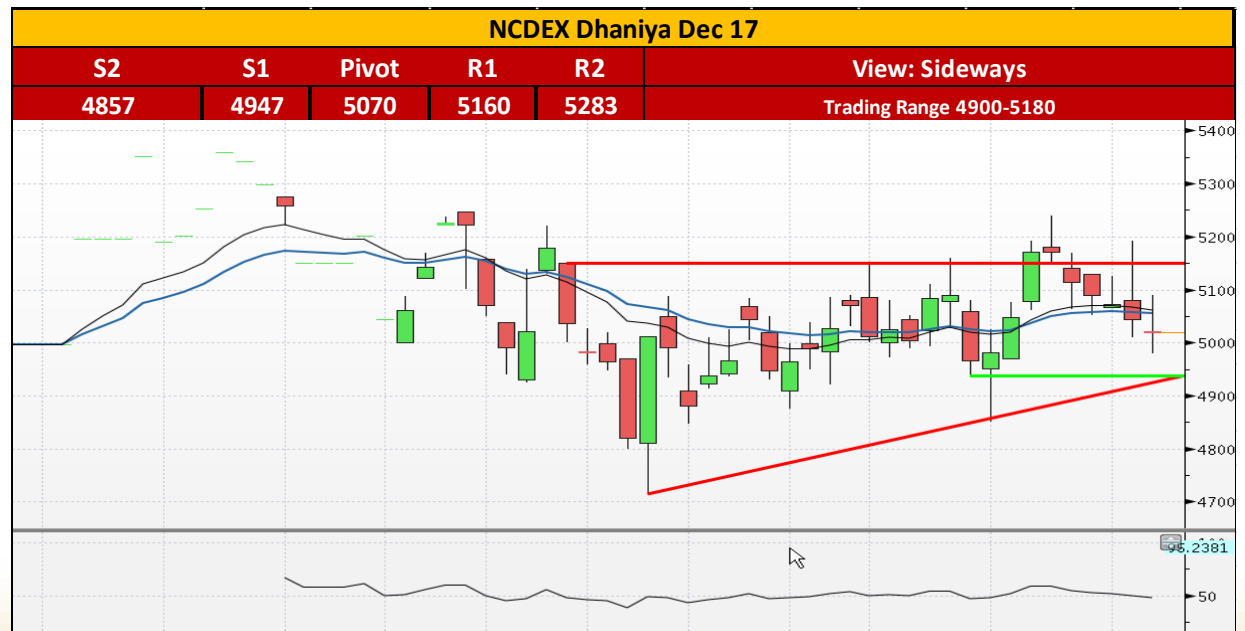
- Spot price witnessed further decline of **-1.02%** compared to previous week due to higher supply in Kota market. Downtrend in spot price is expected to be limited as there is steady demand and lower sowing for the current year.
- Currently there are **90MT** in Kota warehouse compared to 1445MT as on 10th November. There are **no** quantity in process.

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Fundamental outlook : Lower sowing expectancy for 2017-18 is projected to limit downtrend in future prices and we may expect pull back during this week. Hence we are expecting sideways trend on Coriander futures for this week.

Coriander December futures is expected to trade sideways in the range of Rs.4780-5150/quintal for the week

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