

## News & Development

NCDEX Turmeric Future price has traded lower during the month of September so far and closed lower by 6.33% at Rs.5872/quintal on 17th September, compared to Rs.6244/quintal as on 31st August. Lower demand in the festive season and lower arrivals in Nizamabad market led to long liquidation in Turmeric future prices. However, farmers have also been holding back their stocks due to prevailing partial lockdown situation in many states. This has created a supply tightness situation in the domestic market and has also supported prices in the from extreme bearishness.

Fundamentally for the month ahead, we are estimating NCDEX Turmeric futures to trade bullish, as the last 5 years historical seasonal factors indicate for further buying in the current month September, which is considered as the growth/yield period. In addition, continued rainfall in the southern states of India has created worries of crop damage especially in the state of Tamil Nadu. This is expected to bring lower arrivals in the coming months in the domestic markets, as farmers are expected to not release huge chunk of the stocks. Relatively lower prices of turmeric has also lead to crop switch to other crops such as Soybean and Cotton for sowing in the above states as well to a certain extent. Moreover, reports of higher exports of turmeric in the global markets during the month of August has improved the sentiments for higher exports in the month of September and September as well. Spices market (Jeera, Coriander & Turmeric) had been sluggish since the lockdown, but then domestic market activities have resumed pace amid the festive season for the coming 1-2 months. With easing lockdown situation worldwide, spices exports to European countries and United States is expected to show further recoveries. Overall, we are estimating bullish trend in NCDEX Turmeric futures for the month ahead.



On the daily chart, NCDEX Turmeric (Oct) has sustained below its 20\*50 Days **“Simple Moving Average”**, which confirms that the bears are in control. Moreover, **Super Trend (7,1)** has given a sell signal which suggests bearish presence in the counter. Additionally, Turmeric has been trading below its **“Parabolic SAR”** which indicates power in the hands of the bears. Furthermore, momentum indicator **RSI (14)** has sustained below its 50 level which suggests negative momentum in the counter. Also, momentum indicator **Stochastic (6)** has given a negative crossover which confirms bearishness. **So, based on the above technical structure one can initiate a short position in NCDEX Turmeric (Oct) future at CMP 5870 or a rise in the prices till 5950 levels can be used as a selling opportunity for the downside target of 5070. However, the bearish view will be negated if NCDEX Turmeric (Oct) closes above the resistance of 6300.**