

## News & Development

NCDEX Turmeric Future price had traded bullish during the month January so far closing at Rs.6380/quintal on 25th January, higher by 9.38% compared to Rs.5924/quintal as on 31st December. Improved buying in the domestic market with easing lockdown situation and higher exports from India supported prices in the last couple of weeks. Moreover, farmers have also been holding back their stocks to create a supply tightness scenario to support prices as masala millers continue to buy turmeric in smaller lots due to weak exports from India.

Fundamentally for the month ahead, we are estimating NCDEX Turmeric futures to trade bullish, as the recent developments in Maharashtra (Maratwada regions) and Telangana have indicated that the crop conditions/ yield has been reported to be lower by 5-10% compared to the previous year. This has raised uncertainty for a possible poor quality crop during the coming harvesting season starting from the Mid-February month onwards. Uncertainty is also prevailing in the state of Tamil Nadu after the winter rainfall that has damaged the standing crops. So far, the amount of loss in the said state is still not confirmed and the actual damage may be witnessed in the coming weeks. Moreover, this year's all India production could also face a decline by 8-10% to 8.6-8.8 lakh tonnes as compared to the previous year's 9.5-9.6 lakh tonnes. However, extreme bullishness in prices can be capped as farmers continue to hold good amount of stocks since the last year; especially during the peak lockdown situation (April-May 2020), where the domestic demand and exports had taken a big blow from the covid-19 pandemic and lockdown. Exports from India is expected to rise in the ongoing marriage season and expectancy of greater demand in the middle east during the Ramadan period for the April month.



On the daily chart, NCDEX Turmeric (Apr) has closed above its **"Upper Bollinger Band"**, which confirms that the bulls have established control. Moreover, **Super Trend (7,1)** has given a buy signal which suggests bullish presence in the counter. Additionally, Turmeric has been trading above its **"Parabolic SAR"** which indicates power in the hands of the bulls. Furthermore, momentum indicator **RSI (14)** has sustained above its 50 level which suggests positive momentum in the counter. Also, price has sustained above its **"Upward Sloping Trend Line"** which confirms bullishness. **So, based on the above technical structure one can initiate a long position in NCDEX Turmeric (Apr) future at CMP 6420 or a fall in the prices till 6360 levels can be used as a buying opportunity for the upside target of 7220. However, the bullish view will be negated if NCDEX Turmeric (Apr) closes below the support of 5990.**