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Jeera

Exchange : Ncdex

Month : October

Risk : **Moderate**

BUY: On every dips

Target Price: Rs.
13,800/14200

Recent Trend:

Bullish

Volume:

Raising

Open Interest

Rising- Long Build Up

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Fundamental Scenario

- Our Short Term Spices first target in cumin seed of Rs.13, 500 (high Rs.13,608) has been very well achieved during the previous week. Jeera is in its last leg of Bull run of the year and we continue to remain bullish on the back of strong fundamentals as mentioned below.
- Arrivals have declined in the spot market from 18,000-20,000 bags to just 5,000-7,000 bags on daily basis at the start of the previous week. This would decline further to 3,000-4000 bags.
- Crop from Syria and Turkey should hit the markets some where in mid July. Production in both the countries expected to be tad lower at 18,500-19,000 tones and 7,000 tones respectively. This is primarily due to abrupt weather condition witnessed during maturing stage.
- As a result of which India has become only source of supply to the global markets. This was witnessed in export figures which were released recently; exports of cumin grew three times in April-May due to strong export demand. The country exported about 6,500 tones, compared with 2,180 tones a year-ago.
- China current year sowing area increased by 10% as compared to last year. Earlier crop estimates by trade sources were estimated between 8,000 MT to 10,000 MT. But this has been downgraded after recent rainfall damaging the crop. And now crop is expected to be around 5,000-6,000MT. Even if crop goes beyond the estimates even than Indian cumin will be in demand as China cumin seed quality is very bad compared to India and Syrian cumin seed.
- Geopolitical tension in Persian gulf could restrict trade from Syria, Turkey and Iran. This would result in overseas demand shifting to India.
- Going forward overseas demand is expected to shift to India as both the countries (Syria & Turkey) are left with lower stocks. Furthermore, Indian Cumin prices have always topped out during the month of July. And this could be the last bull rally for the year before prices correct.
- On the back of above fundamentals we upgrade our October futures target to Rs.13, 800-14,200 levels.

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