



15th May, 2008

SNAPSHOT

World pdtn.	11-12 Ltons
India's pdtn.	3.65 L tons
India's pdtn(%)	78%
India's Exports	0.3 L tons

HIGHLIGHTS

- **India the largest producer of the spice, with almost 80% of the world's produce.**
- **Stock position at the beginning of the year was estimated to be at 47250 tonnes.**
- **India's production for 2007-2008 is pegged at 3, 65,750 tonnes, mainly due to good acreage.**
- **India is the largest exporter of turmeric with annual exports of around 30,500 MT. UAE is the major importer of the spice, accounting for around 18% of India's total export.**

OUTLOOK -Bullish

Support	3350
Resistance	3600
Target	3675
CMP:	3460

- **In India Turmeric is produced mainly in states of Andhra Pradesh, Maharashtra, Orissa, Tamil Nadu, West Bengal, Karnataka and Kerala, with Andhra Pradesh leading as the largest turmeric producing state.**
- **Shortage of good quality turmeric has pushed the turmeric prices to new highs. With 20% of the total produce already sold, the prices are expected to be bullish in the near future**

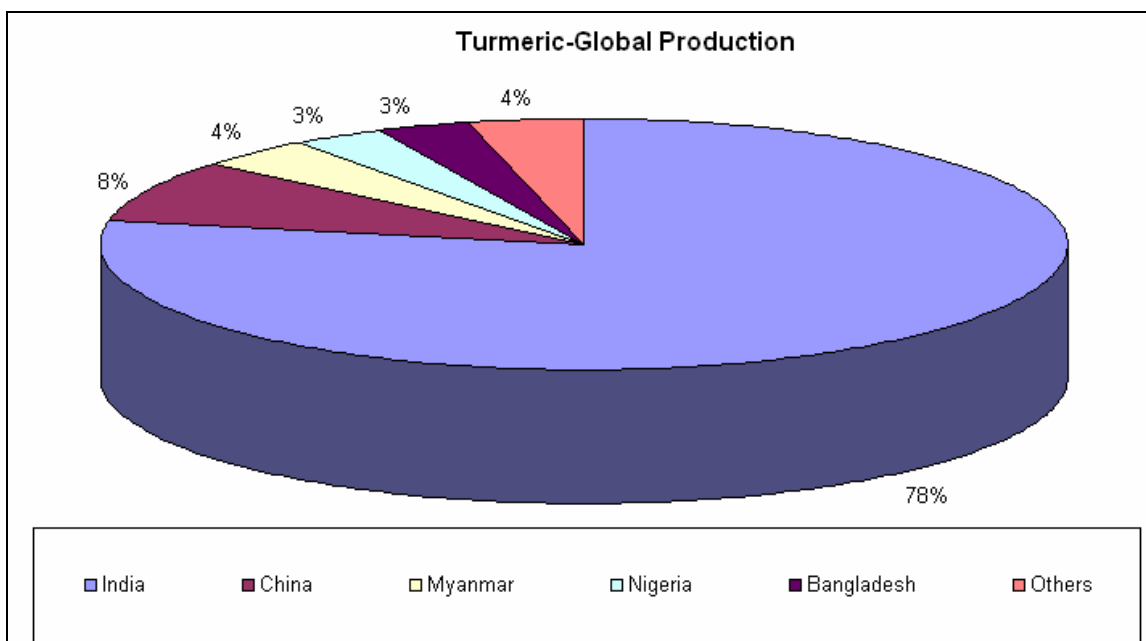


INTRODUCTION

Turmeric is an important commercial spice crop grown in India and it is named as “Indian saffron”. Indian turmeric is considered the best in the world due to presence of high curcumin content. Number of varieties is available in the country and is known mostly by name of locality where they are cultivated. Some of the popular cultivars are Duggirala, Tekkurpet, Sugandham, Amalapuram, Erode local, Alleppey, Muvattupuzha, Lakadong. Turmeric is used as a condiment, dye, drug and cosmetic in addition to its use in religious ceremonies.

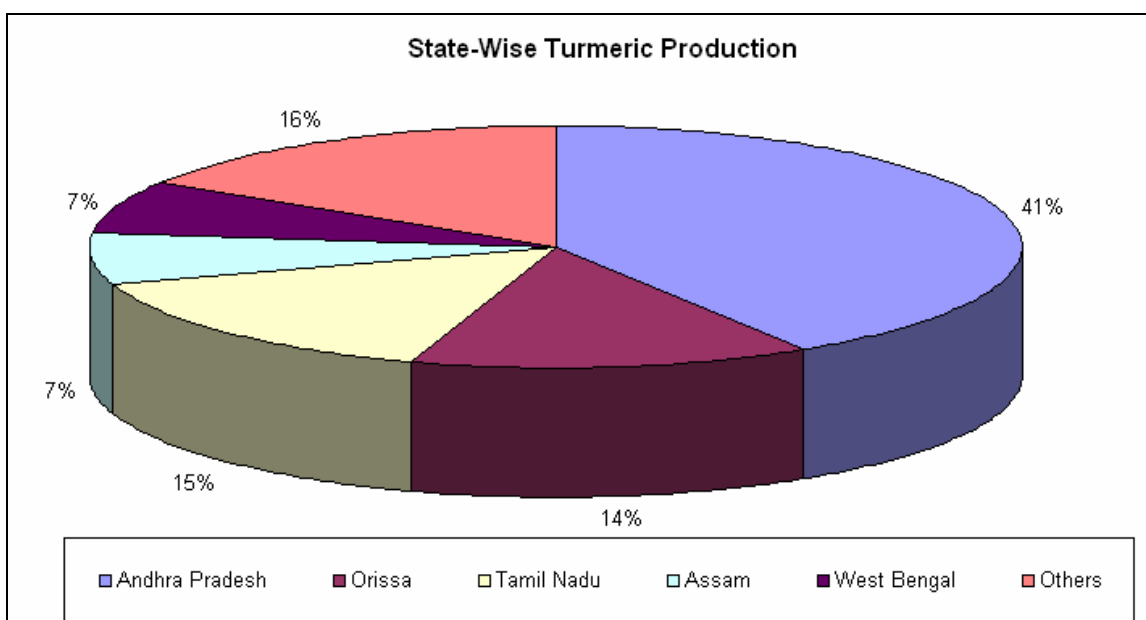
GLOBAL SCERANIO

India is considered as the largest producer, consumer and exporter of turmeric in the world . Other major producers of the spice are China, Myanmar, Nigeria, Bangladesh, Pakistan, Srilanka, Taiwan, Burma and Indonesia, etc., Global production is estimated around 11 -11.5 lakh tonnes. India contributes about 78per cent of the world production and 60 per cent to the total trade. The increasing demand for natural products as food additives makes turmeric an ideal produce as a food colorant. Additionally, anti-cancer and antiviral activities of turmeric may also increase its demand from pharma industry.



INDIAN SCENARIO

India has the largest share in production, consumption and export of turmeric in the world. It accounts for 78 per cent of the world output and 60 per cent of world exports. Indian turmeric is considered the best in the world market because of its high curcumin content. In India, it is cultivated in the states of Andhra Pradesh, Maharashtra, Orissa, Tamil Nadu, West Bengal, Karnataka and Kerala. India has 1.81 Lakh hectares under turmeric cultivation with a total production of 8.9 lakh tonnes during 2007-08. In India, increasing trend in production witnessed in last 2-3 years due to increase in acreage. Farmers have shifted from Chilli and Sugarcane cultivation to turmeric in addition to that in time monsoon accompanied by high productivity. In India, average yield of turmeric during 2006-07 is 4952 Kgs/ha.



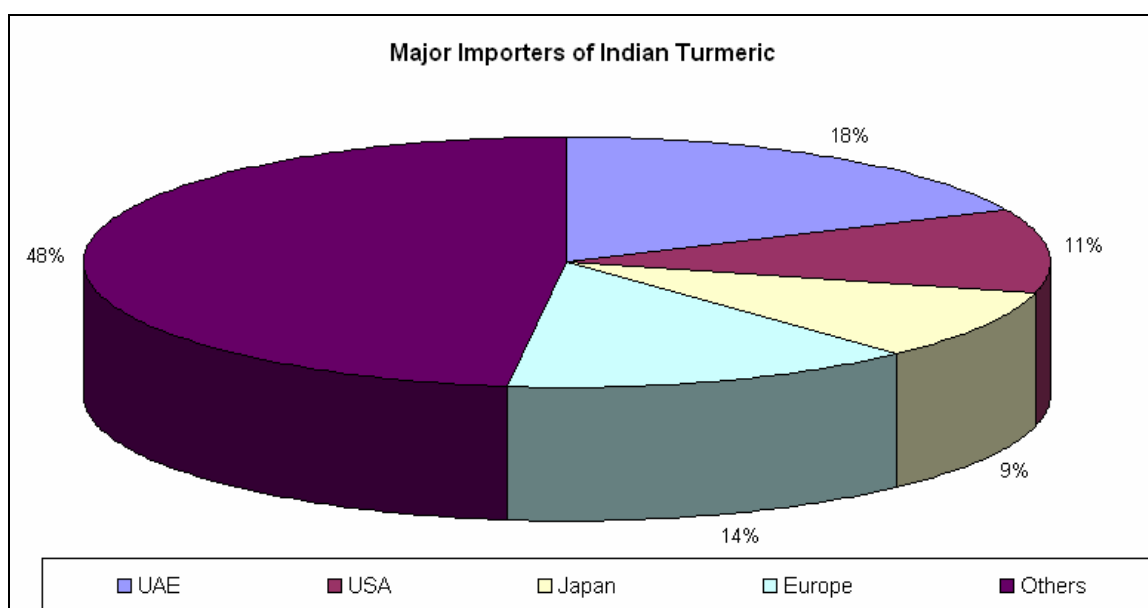
Turmeric is a seasonal and annual kharif crop. Its crop duration is generally 7-9 months depending on the variety. In major producing states of India, sowing takes place in the month of July and harvesting commences from December to February. March-April months are peak arrival period in turmeric.

It is cultivated commercially as an annual crop, by planting small rhizomes or pieces of rhizome either on flat soil or in furrows between ridges. The growing plants require heavy manuring to get the best yield possible. Turmeric is ready for harvesting 7 to 10 months after planting, when the lower leaves turn yellow. Harvesting is done by digging the rhizomes up. Leafy tops are then cut off and the roots and adhering earth is removed. Rhizomes are then washed. Some of these are retained for replanting as a future crop. The remainder is processed into turmeric.

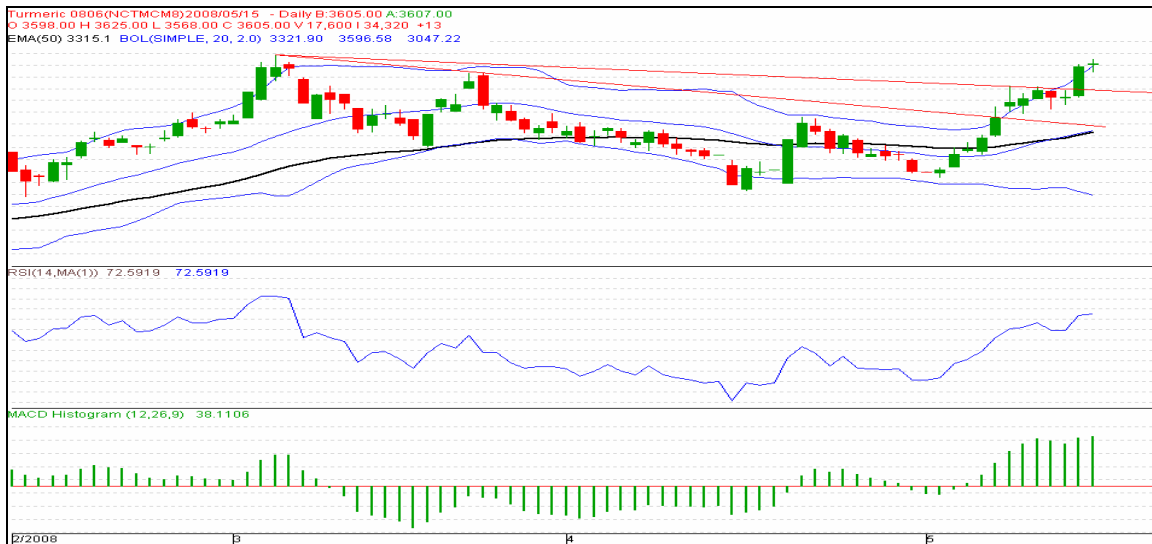
India has been dominant player in the global turmeric market. Other major exporters are Thailand, other Southeast Asian countries, pacific islands, Central & Latin American countries and Taiwan. Turmeric is shipped in the form of dry turmeric, fresh turmeric, turmeric powder, curcuminoids, dehydrated turmeric powder, oils and oleoresins. Exports of turmeric, during the period from April to October 2007, from India pegged at 30,500 Mt.

WORLD TRADE SCENARIO

United Arab Emirates (UAE) is the major importer of turmeric from India accounting for 18per cent of the total exports followed by United States of America (USA) with 11 per cent. The other leading importers are Bangladesh, Japan, Srilanka, UK, Malaysia, South Africa, Netherlands and Saudi Arabia. All these countries together account for 75per cent of the world trade, and Asian countries supplies to the entire world. Remaining 25per cent is met by Europe and Central and Latin American countries.



TECHNICAL OUTLOOK



Turmeric (Ncdex-June) is trading at 3600 levels and is forming strong bullish patterns in the charts. In the daily charts it is trading above the 50 EMA indicating bullishness and has provided two important break outs of 3378 and 3515 level. Fundamentally too the counter is bullish with shortage of good quality turmeric and only 20% of the total produce left to be sold. In this scenario we may see the bull run to continue in the counter. The RSI is placed at 71.9 levels and MACD (12-26) is in the positive zone. In the forth coming trading sessions we may see some correction in the counter. The level of 3350-3400 seems to be good support for the counter and it looks improbable for the counter to break these levels and any closing around these levels should be used to make fresh entries for targets of 3600-3700.

Disclaimer

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MCX - 28850, NCDEX - 00635

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