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Indian Turmeric Market – Mar 18, 2010

India turmeric shoots up

India's turmeric market rose on firm cues from the physical market, where traders piled stocks expecting a rise in demand and on depleting carry-forward stocks.

Technically trend is bullish for short-term. There is good demand from stockists.

Carryover stocks of 14,000 Mts. were negligible. Overall trend is positive in turmeric. Buying is good in spot as this is the major demand period. In Turmeric, demand usually picks by March end. Overseas enquiries are also likely to increase.

As market is continuously moving up we may see some profit booking.



Market was anticipating a sharp fall in prices due to arrivals. In January difference between spot and futures price was huge. But now futures are coming to spot level.

In Erode, a major turmeric market in India, arrivals have come down to 700 Mts. per day from 1300 Mts. a few days ago. This is also supporting the upside.

Turmeric prices are ruling high in global and domestic markets on good demand.

Despite high unit value, exports of turmeric declined to 40,000 Mts. from 41,425 Mts. It indicates a

squeeze in supply.

Against an estimated demand of 430,000 Mts. this year, putting together the projected domestic consumption of 380,000 Mts. and an export target of 50,000 Mts., the total availability is estimated at 395,000 Mts. including 15,000 Mts. of carry-over stock. If these figures turn out to be true, then there could demand and supply mismatch.

Even though there have been reports of a rise in total output this year, the corresponding demand is expected to keep the prices steady to firm in the coming days. The trade has put the country's turmeric production this year at 380,000 Mts.

Domestic demand and low carryover stocks will continue to support the firm trend at least on a short term.

Turmeric arrivals usually start in mid-January in small quantities and gain momentum from March. The peak season runs till June.