

SPICES

December 28, 2005

TURMERIC

Fundamentals

Nizamabad Mandi:

The market remained closed today due to some student agitation. However turmeric prices in Nizamabad market quoted low when compared to yesterday. Harvesting of turmeric may begin in next 10-15 days and thereafter may bring in an increase in supplies. The demand for Turmeric domestic and export is sluggish and traders are waiting for prices to come down with increased arrivals of fresh crop. The prices are expected to decline in coming days due to increased arrivals in the market.

Erode Mandi:

The prices of Turmeric for both finger and gattah grades improved today due to fewer arrivals when compared to yesterday. Off take is of around 60 to 70 percent. The fresh crop is expected to arrive in the market from February month. The demand has improved as against stable prices a few days before. The demand for turmeric is mainly from Uttar Pradesh and Bihar. The export demand for turmeric is less however it is expected to pick up pace in January month. The prices are expected to improve range bound in coming days

NCDEX Futures Market:

Turmeric futures turns bearish

Turmeric prices today opened low when compared to previous days close and remained bearish.

Spot Market Prices

Turmeric Prices at Nizamabad (Rs. Per quintal)

| Grades | 28.12.05 | 27.12.05 | Change |
|--------|----------|----------|--------|
| Finger | 2550.00 | 2600.00 | -50.00 |
| Gattah | 2450.00 | 2500.00 | -50.00 |

Futures Prices

NCDEX FUTURES (April 2006) (Rs Per Quintal)

| Last Traded Price | Previous Closing | Change |
|-------------------|------------------|--------|
| 2276.00 | 2286.00 | -10.00 |

Technical Analysis:

Candlesticks, MACD, MA and RSI are indicating bearish sentiments for tomorrow. However stochastic oscillator is indicating slight bullishness. The prices may open bearish tomorrow and thereafter may improve.

Technical Chart



Market Advice:

Turmeric APRIL NCDEX: The market may open steady firm and bearish and slight recovery at later trading sessions. Buy above 2278 with target of 2295 and a strict stop loss at 2264. Trade cautiously with intra day outlook.

Supports & Resistances

| Particulars | 29.12.2005 |
|----------------|------------|
| Support-1 | 2262.00 |
| Support-2 | 2240.00 |
| Previous Close | 2286.00 |
| Resistance-1 | 2291.00 |
| Resistance-2 | 2310.00 |

BLACK PEPPER

Fundamentals

Market Commentary: Pepper prices today declined steeply at Kochi spot market and at NCDEX futures market. At NCDEX January contract future opened weak when compared to yesterdays close and traded bearish and remained in the range of 6855.00-7080.00. The prices are declining on absence of effective demand globally.

Price Drivers:

Lack of foreign demand due to new year

Heavy technical based selling in futures market

High carry over stock of around 40000 - 60000 tonnes and increasing arrivals

Kerala Marketfed's decision to delay in further auction of pepper

Normal weather conditions in Southern India

Entry of Srilankan pepper in domestic market again

NCDEX Futures Market:

Black Pepper prices declined steeply

NCDEX Black pepper prices declined significantly today and settled 217 points below the previous close. Jan contract opened far low than previous close and remained bearish throughout.

Spot Market Prices

Black Pepper Prices at Kochi (Rs. Per quintal)

| Grades | 28.12.05 | 27.12.05 | Change |
|-----------|----------|----------|--------|
| Ungarbled | 6700 | 6750 | -50.00 |
| Garbled | 7100 | 7150 | -50.00 |

Futures Prices

NCDEX FUTURES (January 2006) (Rs Per Quintal)

| Last Traded Price | Previous Closing | Change |
|-------------------|------------------|---------|
| 6867.00 | 7084.00 | -217.00 |

Outlook: Pepper prices at both the domestic spot and futures markets are expected to witness weak sentiment in the coming days due to increased arrivals.

Technical Analysis:

Most of the technical indicators are showing bearish sentiments in the market; Candlesticks are also indicating highly bearish sentiments. The prices may remain further bearish tomorrow.

Technical Chart



Market Advice:

Pepper January NCDEX:

Prices are expected to remain bearish. Sell below 6867 with target of 6820-6800 with a strict stop loss at 6900. Trade cautiously with intra day outlook.

Supports & Resistances

| Particulars | 29.12.2005 |
|----------------|------------|
| Support-1 | 6827.00 |
| Support-2 | 6759.00 |
| Previous Close | 7084.00 |
| Resistance-1 | 6920.00 |
| Resistance-2 | 6975.00 |

RED CHILLIES

Fundamentals

Guntur Mandi

Prices Steady to Range Bound

At Guntur market prices remained steady today. The demand for chilli particularly from foreign markets is good. Malaysia and Srilanka are the major buyers of chilli. Arrivals of around 25000 bags of 40 Kg each were witnessed today. Harvesting is to begin from February month therefore fluctuations in prices can be seen during the months of February, March and April. Traders are expecting yield to be of 50-70 percent. The carry over stock is of 22.5 lakh tonnes that is quite normal. The chilli prices are expected to remain steady to range bound in coming days.

Spot Market Prices

Red Chilli Prices at Guntur (Rs. Per quintal)

| Grades | 28.12.05 | 27.12.05 | Change |
|---------|-----------|----------|--------|
| LCA 334 | 2500-2750 | 2750.00 | - |

Futures Prices

NCDEX FUTURES (March 2006) (Rs Per Quintal)

| Last Traded Price | Previous Closing | Change |
|-------------------|------------------|--------|
| 2983.00 | 2983.00 | 0.00 |

Technical Analysis:

MACD, and stochastic are showing the prices may improve further however other indicators are indicating a steady to range bound movement. Candlesticks are showing indecisive sentiment. So prices most likely to move range bound in upward direction tomorrow.

Technical Chart



Market Advice:

Chilli March NCDEX:

Prices are expected to move with bullish sentiment. Buy above 2984 with target of 3010-3025 and strict stop loss at 2958. Trade cautiously with intra day outlook.

Supports & Resistances

| Particulars | 29.12.2005 |
|----------------|------------|
| Support-1 | 2966.00 |
| Support-2 | 2940.00 |
| Previous Close | 2983.00 |
| Resistance-1 | 3011.00 |
| Resistance-2 | 3034.00 |

CUMIN (JEERA)

Fundamentals

Unjha Mandi

Jeera Prices stable

Jeera prices at Unjha market remained steady today too. Arrivals were around 1500 bags. Demand for Jeera remained normal around 4000 - 4500 bags today. Sowing in Gujarat and Rajasthan is almost complete. In Gujarat jeera crop is expected to come in March-April. The prices are expected to remain stable in the coming days but if climate witnesses some rain or moisture then it may affect jeera crop adversely resulting improvement in prices.

Spot Market Prices

Cumin (Jeera) Prices at Unjha (Rs. Per 20 Kg)

| Grades | 28.12.05 | 27.12.05 | Change |
|-----------------|------------|------------|--------|
| FAQ | 1120-1400 | 1120-1400 | - |
| Ganesh new | 1320 | 1320 | - |
| Machine cleaned | 1425--1450 | 1425--1450 | - |

Futures Prices

NCDEX FUTURES (January 2006) (Rs Per Quintal)

| Last Traded Price | Previous Closing | Change |
|-------------------|------------------|---------|
| 6235.10 | 6344.30 | -109.20 |

Technical Analysis:

All the Indicators and candlesticks are giving bearish signals. The prices are expected to further decline.

Technical Chart



Market Advice:

Jeera January NCDEX:

The prices are most likely expected to move downwards. However at the end the prices may witness slight upward movement to in later sessions. Sell below 6235 with target of 6215-6200 and strict stop loss at 6255. Trade cautiously with intra day outlook.

Supports & Resistances

| Particulars | 29.12..2005 |
|----------------|-------------|
| Support-1 | 6214.00 |
| Support-2 | 6189.00 |
| Previous Close | 6344.30 |
| Resistance-1 | 6283.00 |
| Resistance-2 | 6302.00 |

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