

SPICES DAILY

December 23, 2006

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remain on an average steady during Friday's trade. Prices quoted unchanged in Nizamabad amidst lower arrivals. Erode markets remained closed on Friday. Fresh crop arrivals are expected to hit the market during late January 2007. However, market stock position is reported to be comfortable enough to offset the delay in the fresh crop arrivals. Amidst such circumstances, domestic turmeric markets are likely to consolidate in the near future with possibility of slight uptrend in short-term on emerging demand from North Indian markets.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher than previous settlement and most-active April contract tested an intraday high of Rs. 2120 at the early hours of trade. Profit taking capped further advances and the futures traded sharply downwards thereafter to test an intraday low of Rs. 2054. April contract traded in the range of Rs. 2054-2120 during Friday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock of turmeric in the market
2. New crop to arrive during late January
3. Weather suitable for growth of crop

Bullish:

1. Moderate demand at the lower price tags
2. Demand expected to improve from North India owing to winter season

Weather:

Isolated rainfalls are likely at few places over the turmeric producing region. Heavy incessant rains in turmeric growing belts are not desirable for the crop at this stage.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic are moving upwards in the normal region, hinting further uptrend. MACD is moving flat in the negative territory. Prices closed below the 18-day EMA, hinting weak prices in short-term. Turmeric futures are likely to trade downwards following a steady to weak opening and upwards thereafter.

Turmeric 0704(NCTMCJ7)2006/12/22 - Daily

O 2107.00 H 2120.00 L 2055.00 C 2065.00 V 24,560 I 32,830 -39

EMA(9) 2064.2 (18) 2068.7



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1998	2032	2065	2111	2142

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2040-2050 with a target of Rs. 2075 and then Rs. 2090 with a strict stop loss at Rs. 2025. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1975	250
	Gattah 1875	
Erode	Finger Closed	-
	Gattah Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper traded weak during Friday's trade. It was quoted at a lower price by Rs. 100 per quintal in Kochi markets amidst arrivals as well as offtake of 10 Mt. Market remains under pressure amidst some fresh crop arrivals as well as its quality concerns. Moreover, there was virtually no overseas demand as the international buyers are seemed to be sidelined after some strong buying in the recent past. Given the lower price of Indian pepper at the global markets, export opportunities are seen bright once the international buyers return into the market after the yearend holidays. Prices are likely to improve in near future from the recent downfall, though may witness some consolidation in coming few days.

FUTURES MARKETS:

Black pepper futures at NCDEX opened lower as compared to previous settlement and most-active January contract tested an intraday high of Rs. 9948 at the early hours of trade. The futures traded sharply downwards thereafter on increased selling interest and finished with significant losses after testing a low of Rs. 9706. January contract traded in the range of Rs. 9706-9948 during Friday's trade.

PRICE DRIVERS:

Bullish:

1. Pepper export has increased by 54 percent during April-October 2006-07
2. Low stocks with competitors, lower global production
3. Total quantum of import of pepper under Indo-Sri Lanka Free Trade Agreement is restricted to 2500 Mt per annum

Bearish:

1. Reports of fresh crop arrivals in the market of poor quality
2. Lack of overseas demand ahead of yearend holidays

Weather:

Isolated rain/thundershowers are likely at few places over the pepper-growing regions. Rains might delay plucking of maturing pepper crop.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic has made a bearish crossover and moving downwards in the normal region, hinting further downtrend. MACD is moving flat in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Black pepper futures are likely to trade downwards following a steady to weak opening initially and upwards thereafter.

Pepper 0701(NCPEPF7)2006/12/22 - Daily

O 9900.00 H 9948.00 L 9706.00 C 9784.00 V 7,539 | 11,635 -117

EMA(9) 9925.8 (18) 10106



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	9451	9596	9784	10093	10259

TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 9700 with a target at Rs. 9850 and then Rs. 9900 with a strict stop loss at Rs.9600. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 9100	10
	Ungarbled 9700	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains on an average bearish during Friday's trade. It was quoted in a lower price range amidst lack of buying support. Chilli prices rallied recently amidst improved buying support taking cues from the futures market. Red chillies turned in favours of the bears on reports of fresh crop arrivals in the market recently. Moreover, buyers both domestic as well as overseas preferred to be on the sideline eyeing further fall in prices. However, the fresh arrivals are limited in quantity and reported not to be of superior quality. Domestic production of red chillies during 2006-07 crop year is expected at the higher side as compared to the lower production in 2005-06 crop year. Red chillies prices are likely witness some weakness in the near future.

FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and most-active March contract tested an intraday low of Rs. 4462 at the early hours of trade. However, the futures traded on an average upwards thereafter on increased buying support and tested an intraday high of Rs. 4595 to finish in positive territory. March contract traded in the range of Rs. 4462-4595 during Friday's trade.

PRICE DRIVERS:

Bullish:

1. Crop arrival to pick up only during February
2. Higher demand for better quality of red chillies

Bearish:

1. Forthcoming crop is expected good due to higher acreage
2. Some fresh crop arrivals in the market

Weather:

Isolated rain/thundershowers are likely at few places over the chilli growing regions. Prolonged rains at this stage might delay the maturity of crop as well as harvesting.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Volume has declined, while open interest has increased as compared to previous settlement. Prices closed above the 9-day EMA, hinting short-term strength in prices. Red chillies futures are likely to trade upwards following a steady to firm opening with possibility of some late downward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4321	4405	4548	4697	4771

TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 4500 with a target of Rs. 4575 and then Rs. 4600 with a strict stop loss of Rs. 4400. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 6000-6600	10000
	LCA 334 (Bilty) 6600-7300	

JEERA (Cumin)

SPOT MARKETS

Domestic jeera market remains steady during Friday's trade. It was offered at an unchanged price amidst steady arrival as well as offtake. Sowing of jeera is reported to have fallen during this season and the production figure is expected to be lower than the previous year. Heavy rainfall in some jeera producing areas of Gujarat at the time of sowing has resulted in lower acreage this year. The fresh crop arrivals are expected to hit the market by mid-January 2007 onwards. Amidst such favourable fundamentals, jeera prices are likely to improve in the near future.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher than previous settlement and the most-active January contract tested an intraday high of Rs. 8595 at the opening session. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 8517. The futures finished near day's low in final action. January contract traded in the range of Rs. 8517-8595 during Friday's trade.

PRICE DRIVERS:

Bullish:

1. Anticipation of lower acreage in Gujarat
2. New crop size likely to be lower
3. Cumin export has increased by 254 percent during April-October 2006-07

Bearish:

1. Fresh crop arrivals likely during mid-Jan
2. Comfortable stock position
4. Likely higher acreage in Rajasthan

Weather:

Mainly dry weather is likely over the jeera producing region. Climate is suitable for sowing of jeera crop, which is in progress in Gujarat.

TECHNICALS

Candlestick pattern is indicating steady to weak opening and initial downtrend. Stochastic is moving flat in the normal region, hinting indecision. MACD is moving upwards in the negative territory. Prices closed below 9-day as well as 18-day EMA, hinting weakness in prices. Jeera futures are likely to trade downwards following a steady to weak opening and upwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8399	8470	8530	8613	8690

TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 8500 with a target of Rs. 8560 and then Rs. 8600 with a strict stop loss of Rs. 8450. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1590	1500
	Ganesh 1670	
	Machine Cleaned 1700-1900	

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