

SPICES DAILY

January 01, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remain stable during Saturday's trade. It was offered in the previous price range in Nizamabad amidst lacklustre trading activities. Prices also quoted steady in Delhi markets. Erode markets remained closed on Saturday. Fresh crop arrivals are expected to pick up during late January 2007 onwards. 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.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher than previous settlement and most-active April contract tested an intraday low of Rs. 2011 at the early hours of trade. The futures traded on an average upwards thereafter on some buying support at the lower price levels and tested an intraday high of Rs. 2039. However, the futures finished near unchanged level as profit taking curbed the advances. April contract traded in the range of Rs. 2011-2039 during Saturday'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. Prevailing weather conditions are favourable for the crop at this stage.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and some initial uptrend. Stochastic are moving downwards and the %K-line has entered the oversold 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. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of some early upward movements.

Turmeric 0704(NCTMCJ7)2006/12/30 - Daily

O 2029.00 H 2039.00 L 2012.00 C 2026.00 V 7,250 I 28,130 0

EMA(9) 2036.5 (18) 2048.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1975	1998	2026	2060	2081

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2035-2040 with a target of Rs. 2020 and then Rs. 2010 with a strict stop loss at Rs. 2065. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1900	-
	Gattah 1900	
Erode	Finger Closed	-
	Gattah Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper extended previous advances further during Saturday's trade. It was quoted higher by Rs. 200 per quintal amidst arrivals as well as offtake of 10 Mt. Lower global production as well as expectation of a lower domestic crop size has supported the firm market sentiments. 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. Traders also reported some export inquiries for the coming month. Prices are likely to improve in near future owing to its strong fundamentals.

FUTURES MARKETS:

Black pepper futures at NCDEX opened higher as compared to previous settlement and most-active January contract tested an intraday low of Rs. 10540 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 10790. Profit taking capped further advances, but the futures managed to finish with most of the gains. Most active January contract traded in the range of Rs. 10540-10790 during Saturday'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. IPC estimates Vietnamese crop lower at 68000 tons and expects only by early March

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 firm opening and initial uptrend. Stochastic are moving upwards in the normal region, hinting further uptrend. MACD is moving upwards in the negative territory. Prices closed well above the 9-day as well as 18-day EMA, hinting firm prices in short-term. Volume as well as open interest has declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady to firm opening with possibility of some early downward movements.

Pepper 0701(NCPEPF7)2006/12/30 - Daily

O 10544.00 H 10790.00 L 10544.00 C 10715.00 V 11,579 18,544 +180

EMA(9) 10221 (18) 10176



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	10211	10428	10715	11044	11261

TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 10700 with a target at Rs. 10800 and then Rs. 10900 with a strict stop loss at Rs.10600. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	9800	10
	Ungarbled	10400	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains closed during Saturday's trade. Chilli prices have retreated from its recent bull run owing to lack of buying support taking cues from the futures market. Buyers both domestic as well as overseas preferred to be on the side-line 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. Red chillies prices are likely witness some consolidation in the near future.

FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and most-active March contract tested an intraday high of Rs. 4277 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures tested an intraday low of Rs. 4150. The futures finished near day's low in late action. March contract traded in the range of Rs. 4150-4277 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 weak opening and initial downtrend. Volume has declined, while open interest has increased as compared to previous settlement. Prices closed below the 9-day as well as 18-day EMA, hinting short-term weakness in prices. MACD in the hourly chart are indicating further downtrend, while stochastic hinting possibility of some uptrend. Red chillies futures are likely to trade downwards following a steady to weak opening with possibility of some early upward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3874	4000	4175	4338	4469

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4200-4250 with a target of Rs. 4150 and then Rs. 4100 with a strict stop loss of Rs. 4325. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Jeera market in Unjha remained closed during Saturday's trade. It was quoted in higher price range in Delhi markets. 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. However, trade expectations of the crop varies widely and market is under uncertainty about the size of the crop. The fresh crop arrivals are expected to hit the market by mid-January onwards, which would help in determining the level of production. Jeera prices are likely to improve in the near future after some short-term consolidation.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the most-active January contract tested an intraday low of Rs. 8838 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures surged up to test an intraday high of Rs. 9023. Profit taking curbed some advances, but the futures finished with wholesome gains. January contract traded in the range of Rs. 8838-9023 during Saturday'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.

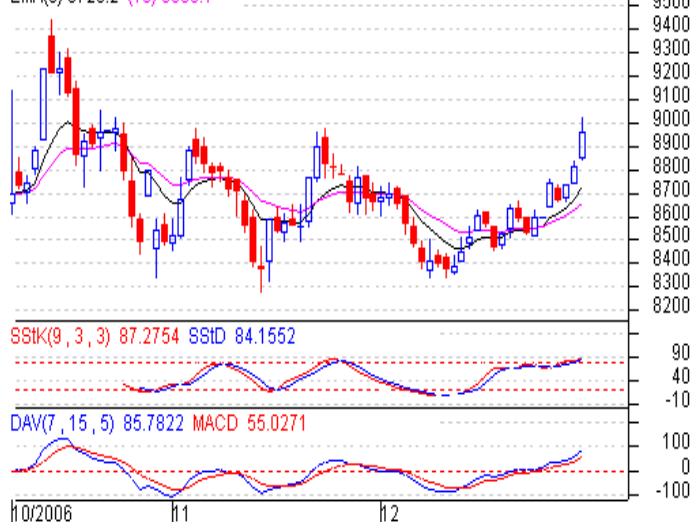
TECHNICALS

Candlestick pattern is indicating steady to firm opening and some initial downtrend. Stochastic are moving upwards in the overbought region, hinting further uptrend. MACD is moving upwards in the positive territory, supporting the strength in the market. Prices closed well above 9-day as well as 18-day EMA, hinting firm prices in short-term. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of some early downward movements.

JEERA 0701(NCJEEF7)2006/12/30 - Daily

O 8843.00 H 9022.00 L 8838.00 C 8960.00 V 7,005 | 11,379 +146

EMA(9) 8729.2 (18) 8659.1



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8839	8904	8960	9118	9177

TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 8900 with a target of Rs. 8975 and then Rs. 9050 with a strict stop loss of Rs. 8825. Trade cautiously with intra day outlook.

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

CARDAMOM

SPOT MARKETS:

Cardamom prices remained steady in ISMPCS auction at Pullianmala, Idukki. Most of the markets have better demand from domestic markets particularly ahead of festive season. The markets have low export demand as most of the commodity has already been procured and festive buying from international markets is complete. The auction saw arrivals of 11MT of cardamom with sale of similar quantity. Trading sources informed farmers are holding back in anticipation of a rise in prices in the near future. Last week Pullianmala auction saw higher arrivals of 18.1MT however the arrivals reduced this week due to yearend festivals in the region. The prices might recover slightly in the short term on the back of improved domestic demand. Moreover completion of harvesting might add some support to the prices. However fall in export demand and expectation of arrival of Guatemala crop in January might restrict the prices to rise sharply.

FUTURES MARKETS:

Cardamom prices continued to trade firm on the MCX futures market. Cardamom January futures contract opened Re 0.50 up at Rs 403.5 & thereafter hovered between Rs 398 - 407.50. The trading in Saturday's short session ended slightly up at Rs 405.50. Total volumes during the last trading day of the year were thin and dropped down to 916.

PRICE DRIVERS:

Bearish:

4. Tightening export demand
5. Guatemala crop in pipeline
6. Picking of crop in progress

Bullish:

3. Demand from stockists
4. Domestic Festive demand

Weather:

Mainly dry weather is likely over cardamom-growing states. Weather is congenial for picking and growth of crop.

TECHNICALS

Cardamom charts are displaying consolidation at current levels. Candlesticks pattern are reflecting slightly firm sentiments. The prices closed above short term EMA's indicating firmness in the MACD is rising in positive zone. Stochastic is bearish in neutral zone however RSI is rising in neutral region. The contract is most likely to witness volatile in prices with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX January	403	398	411	415

TRADE RECOMMENDATION:

Buy MCX January cardamom above 403 with a target of Rs. 408 and then Rs 412 with a strict stop loss at Rs. 400. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
ISM PCS, Pullianmala	325-330	11000

Disclaimer

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