

SPICES DAILY

December 30, 2006

TURMERIC

SPOT MARKETS:

Domestic turmeric markets maintain the previous price range during Friday's trade amidst no significant change in its fundamental aspects. However, Finger variety was quoted in a slightly higher price range amidst some demand. Prices remain mostly steady for other varieties. Arrivals were reported to be steady as compared to previous day and consequently market remains quiet. 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. 2007 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. 2033. April contract traded in the range of Rs. 2007-2033 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 firm opening and initial uptrend. Stochastic are moving downwards and the %K-line has just 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 upwards following a steady to firm opening with possibility of some late downward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1989	2006	2026	2052	2069

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2015-2020 with a target of Rs. 2035 and then Rs. 2045 with a strict stop loss at Rs. 2000. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1900	-
	Gattah	1875-1900	
Erode	Finger	2050-2150	7000
	Gattah	2000-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper traded firm during Friday's trade. It was quoted at a much higher price by Rs. 300 per quintal amidst arrivals as well as offtake of 30 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. 10125 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures surged up to breach the 4 percent upper circuit level to test an intraday high of Rs. 10575. Most active January contract traded in the range of Rs. 10125-10575 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. 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 has increased significantly, while open interest has declined as compared to the previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of some late downward movements.

Pepper 0701(NCPEPF7)2006/12/29 - Daily

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EMA(9) 10098 (18) 10113



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	10007	10256	10535	10870	11101

TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 10500-10525 with a target at Rs. 10600 and then Rs. 10700 with a strict stop loss at Rs.10400. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	9600	30
	Ungarbled	10200	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains firm during Friday's trade. It was quoted in a higher price range on improved demand amidst reduced arrivals. 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 higher than previous settlement and most-active March contract tested an intraday low of Rs. 4220 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 4349. However, profit taking curbed the advances and the futures finished in negative territory in late action. March contract traded in the range of Rs. 4220-4349 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 EMA, hinting short-term weakness in prices. Stochastic as well as MACD in the hourly chart are indicating further downtrend. 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	4044	4143	4244	4321	4413

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4275-4300 with a target of Rs. 4200 and then Rs. 4150 with a strict stop loss of Rs. 4375. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5500-6500	7000
	LCA 334 (Bilty) 6100-7100	

JEERA (Cumin)

SPOT MARKETS

Jeera market witnessed a firm trade during Friday's trade. It was quoted at a higher price amidst improved 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. 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. 8730 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 8848. The futures finished near day's high in final action. January contract traded in the range of Rs. 8730-8848 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 firm opening and initial uptrend. Stochastic are moving upwards and the %K-line has entered 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 late downward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8696	8762	8814	8904	8957

TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 8800 with a target of Rs. 8875 and then Rs. 8900 with a strict stop loss of Rs. 8750. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1625-1675
	Ganesh	1700-1750
	Machine Cleaned	1775-1925

CARDAMOM

SPOT MARKETS:

Cardamom prices remained at their previous levels in Mars Enterprise's Vandanmedu auction. However the prices in other auction centers are ruling slightly firm these days due to better demand from domestic markets ahead of festive season. The markets are now witnessing meager export demand as most of the commodity has already been procured & festive buying from international markets is near end. Vandanmedu auction saw reduced arrivals of around 9.5 MT as against last weeks 17 MT of cardamom. The arrivals reduced due to yearend festivals in the region. The off take was of lesser quantity of 7.5MT of the commodity. In the short term the prices might continue to recover slightly if domestic demand continues. 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 rebound Friday at the NCDEX futures market. NCDEX Cardamom January futures contract opened low by Re1 at Rs 397 and thereafter bounced back to the highs of Rs 405.50 a Kg. The trading for the day culminated firm near the days high at Rs 403.50 a Kg. The total volumes during the day declined to 1499.

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 presence of bullish sentiments in the market. The prices closed above short term averages and MACD is rising in positive zone indicating decreasing bearish momentum. Stochastic is falling and RSI is rising in neutral region. The contract is most likely to see volatile movement of prices with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX January	398	395	409	413

TRADE RECOMMENDATION:

Buy MCX January cardamom above 401 with a target of Rs. 407 and then Rs 410 with a strict stop loss at Rs. 397. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
Mass Enterprise, Vandanmedu	325-340	9500

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