

SPICES DAILY

December 28, 2006

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remains mixed during Wednesday's trade. Gattah variety was quoted lower in Nizamabad, while finger variety quoted slightly higher in Erode. Prices remain mostly steady for other varieties. Limited arrivals kept the market quiet during Wednesday's trade. 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 slightly lower than previous settlement and most-active April contract tested an intraday high of Rs. 2037 at the opening session. The futures immediately ran into selling pressure and slide to test an intraday low of Rs. 2003. The futures traded mostly rangebound thereafter only to finish in the negative territory. April contract traded in the range of Rs. 2003-2037 during Wednesday'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 downwards in the normal region, hinting further downtrend. MACD is also moving downwards in the negative territory. Prices closed well 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 late upward movement.

Turmeric 0704(NCTMCJ7)2006/12/27 - Daily

O 2027.00 H 2037.00 L 2005.00 C 2018.00 V 20,090 I 30,620 -10

EMA(9) 2049.5 (18) 2059.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1975	1995	2018	2040	2060

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2020-2025 with a target of Rs. 2001 and then Rs. 1996 with a strict stop loss at Rs. 2039. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1900	300
	Gattah 1870	
Erode	Finger 2075-2125	5000
	Gattah 2000-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper traded stable during Wednesday's trade. It was quoted at an unchanged price amidst no arrivals as well as offtake. There was limited 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. Traders also reported some export inquiries for the coming month, though in a limited quantity. Prices are likely to improve in near future once the consolidation phase is over.

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. 10139 at the early hours of trade. The futures traded mostly downwards thereafter on increased selling interest and tested an intraday low of Rs. 9978. The futures finished near day's low in final action. Most active January contract traded in the range of Rs. 9978-10139 during Wednesday'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 firm opening and initial downtrend. Stochastic has made a bullish crossover and moving upwards in the normal region, hinting further uptrend. MACD is moving upwards in the negative territory. Prices closed above the 9-day EMA, hinting firm prices in short-term. Volume as well as open interest has declined as compared to the previous settlement. Black pepper futures are likely to trade downwards following a steady to weak opening initially with possibility of upward movement later.

Pepper 0701(NCPEPF7)2006/12/27 - Daily

O 10045.00 H 10128.00 L 9984.00 C 9997.00 V 7,714 I 10,633 -83

EMA(9) 9957.1 (18) 10057



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	9677	9841	9997	10131	10282

TRADE RECOMMENDATION:

Sell NCDEX January Pepper near Rs. 10000-10050 with a target at Rs. 9950 and then Rs. 9900 with a strict stop loss at Rs.10125. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	9200	Nil
	Ungarbled	9800	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains on an average firm during Wednesday's trade. It was quoted in a higher price range amidst lower 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 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 high of Rs. 4519 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures breached 4 percent lower circuit level to test an intraday low of Rs. 4270. March contract traded in the range of Rs. 4270-4519 during Tuesday'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 weak opening and initial downtrend. Volume has increased significantly, while open interest has also increased as compared to previous settlement. Prices closed well below the 9-day EMA, hinting short-term weakness in prices. Stochastic as well as MACD in the hourly chart are also portraying the bearish trend. Red chillies futures are likely to trade downwards following a weak opening with possibility of some late upward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4047	4153	4293	4397	4495

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4350 with a target of Rs. 4275 and then Rs. 4250 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) 5200-6200	7000
	LCA 334 (Bilty) 5800-6800	

JEERA (Cumin)

SPOT MARKETS

Jeera market remains steady during Wednesday's trade. It was offered at an unchanged price amidst higher arrivals. 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 2007 onwards, which would help in determining the expected 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 lower as compared to previous settlement and the most-active January contract tested an intraday high of Rs. 8738 at the early hours of trade. Increased selling interest has pressurised the futures and the futures slide to test an intraday low of Rs. 8661. The futures finished near day's low in final action. January contract traded in the range of Rs. 8661-8738 during Wednesday'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 slightly upwards in the normal region, hinting further uptrend. MACD is moving flat in the positive territory. Prices closed above 9-day as well as 18-day EMA, hinting firm prices in short-term. Jeera futures are likely to trade downwards following a steady to weak opening with possibility of some late upward movements.

JEERA 0701(NCJEEF7)2006/12/27 - Daily

O 8721.00 H 8735.00 L 8661.00 C 8668.00 V 4,992 I 13,497 -73.8

EMA(9) 8611.6 (18) 8586.3



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8530	8589	8668	8714	8767

TRADE RECOMMENDATION:

Sell NCDEX January Jeera near Rs. 8675-8700 with a target of Rs. 8625 and then Rs. 8600 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	1600-1650
	Ganesh	1675-1725
	Machine Cleaned	1750-1900

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