

SPICES DAILY

January 27, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained steady to slightly weak during Thursday's trade. It was offered in a slightly lower price range in Erode markets amidst higher arrivals. Nizamabad markets remained closed. Arrivals have started from the fresh harvest, though the quality of the same is reported to be inferior one with higher moisture contents and quantity is also not enough to make any significant impact on prices. Traders reported improved demand scenario against the price rise. Fresh crop arrivals are expected to get momentum during the later half of the month that would further pressurise the prices.

FUTURES MARKETS:

Turmeric futures at NCDEX opened lower as compared to previous settlement and most-active April contract tested an intraday low of Rs. 2058. The futures retraced back again to test an intraday high of Rs. 2084. The futures curbed most of the gains on profit taking, but managed to finish with marginal gains in late action. April contract traded in the range of Rs. 2058-2084 during Thursday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock of turmeric in the market
2. Fresh crop arrivals reported in Nizamabad
3. Weather suitable for growth of crop

Bullish:

1. Improved demand amidst depleting stocks
2. Moderate demand from North India owing to winter season

Weather:

Mainly dry weather over the producing region. Prevailing weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates steady opening and initial downtrend. Stochastic are indicating possibility of a downward technical correction. MACD is also moving indecisively in the positive territory. Prices closed above the 9-day as well as 18-day EMA, hinting firm prices in short-term. Volume as well as open interest has increased as compared to previous settlement. Turmeric futures are likely to trade downwards following a steady opening with possibility of some upward movement early in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2007	2034	2068	2090	2117

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2075-2080 with a target of Rs. 2050 and then Rs. 2040 with a strict stop loss at Rs. 2100. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2100-2200	10000
	Gattah	2000-2100	

BLACK PEPPER

SPOT MARKETS

Black pepper markets firmed up again during Thursday's trade. It was offered higher by Rs. 200 per quintal amidst no arrivals as well as offtake. Traders reported improvement in domestic demand. Overseas enquiries are also reported after a while and traders are optimistic of prospective export demand given the lower price of Indian pepper at the global markets. The export story so far remains quite bright as India exported pepper worth Rs. 166 crore during April-November 2006. With global pepper production estimated to decline by 15-20 per cent (IPC estimates) and 3.46 per cent growth in global consumption, prices are likely to head skywards in the global market in near future. Domestic scenario could well match the global trend given the estimated decline in the production this year.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the near-month February contract tested an intraday low of Rs. 11650 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures surged up to test an intraday high of Rs. 12140 with over 4 percent gain. Near-month February contract traded in the range of Rs. 11650-12140 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Pepper export has increased by 89 percent to Rs. 166 crore during April-November 2006-07
2. Low stocks with competitors, lower global production
3. IPC estimates Vietnamese crop lower and expects only by early March

Bearish:

1. Moderate buying support at the physical markets

Weather:

Mainly dry weather over the pepper-growing regions. Present weather conditions are favourable for the pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates firm opening and initial uptrend. Stochastic are moving upwards and the %D-line has just entered the overbought region, hinting further uptrend. MACD is moving indecisively in the positive territory. Prices closed well above the 9-day as well as 18-day EMA, hinting firm prices in short-term. Volume has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of late downward movements.

Pepper 0702(NCPEPG7)2007/01/25 - Daily

O 11650.00 H 12140.00 L 11650.00 C 12140.00 V 14,838 I 7,744 +460

EMA(9) 11706 (18) 11499



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	11532	11830	12140	12516	12790

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 12150 with a target at Rs. 12275 and then Rs. 12350 with a strict stop loss at Rs.12050. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11900	Nil
	Ungarbled 11300	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains bearish during Thursday's trade. It was offered at a lower price range amidst higher arrivals in the markets. Market sentiments have turned in favour of the bears as fresh crop arrivals started getting momentum at present. Arrivals are likely to pick up further in the coming month and consequently adding to the bearishness. Talks of lower Chinese crop and prospective export demand have to some extent helped to check the downtrend. Chilli export from the country has increased to Rs. 380 crore during April-November 2006. Acreage under chilli this year is estimated to have doubled. With a bumper harvest outlook, prices are likely to remain bearish in 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. 4360 at the opening session of trade. The futures traded upwards on increased buying interest and tested an intraday high of Rs. 4458. Profit taking pared most of the gains in late action, but the futures managed to settle in positive territory. March contract traded in the range of Rs. 4360-4458 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Talks of lower Chinese crop; prospective export demand
2. Chilli export has increased by 41 percent in value during Apr-Nov 2006

Bearish:

1. Forthcoming crop is expected good due to higher acreage
2. Crop arrivals in the market gaining pace

Weather:

Mainly dry weather over the chilli growing regions. Weather conditions are favourable for the crop at present.

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 as well as 18-day EMA, hinting short-term firmness in prices. Stochastic and MACD are indicating further uptrend. Red chillies futures are likely to trade upwards following a steady and firm opening initially and downwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4171	4276	4390	4470	4567

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4425 with a target of Rs. 4350 and then Rs. 4325 with a strict stop loss of Rs. 4475. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5600-6200	20000-25000
	LCA 334 (Bilty) 6200-6800	

JEERA (Cumin)

SPOT MARKETS

Jeera markets remained firm during Thursday's trade. It was quoted in a higher price range amidst lower arrivals. Some fresh crop arrivals are reported in small quantity and are of inferior quality. Domestic production of jeera is expected at the lower side owing to reduced acreage under the crop this year. Fresh crop arrivals are likely to pick up during the mid of next month onwards that would eventually help to determine the actual size of the crop, estimations of which varies widely at present. Moreover, the present cold weather conditions are also seen beneficial for the crop growth. Meanwhile, jeera exports have increased by 236 percent in quantity during Apr-November 2006. Jeera prices are expected to remain bullish in the near future supported by its strong fundamentals.

FUTURES MARKETS:

Jeera futures at the NCDEX opened lower as compared to previous settlement and the most-active February contract tested an intraday low of Rs. 9165.3 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 9269. The futures finished in positive territory in final action. Most-active February contract traded in the range of Rs. 9165.3-9269 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Estimations of lower acreage under jeera
2. New crop size expected to be lower
3. Cumin export has increased by 236 percent in quantity terms

Bearish:

1. Fresh arrivals started in small quantity
2. Moderate stock position

Weather:

Mainly dry weather is likely over the jeera producing region. Climate is suitable for the crop at this stage.

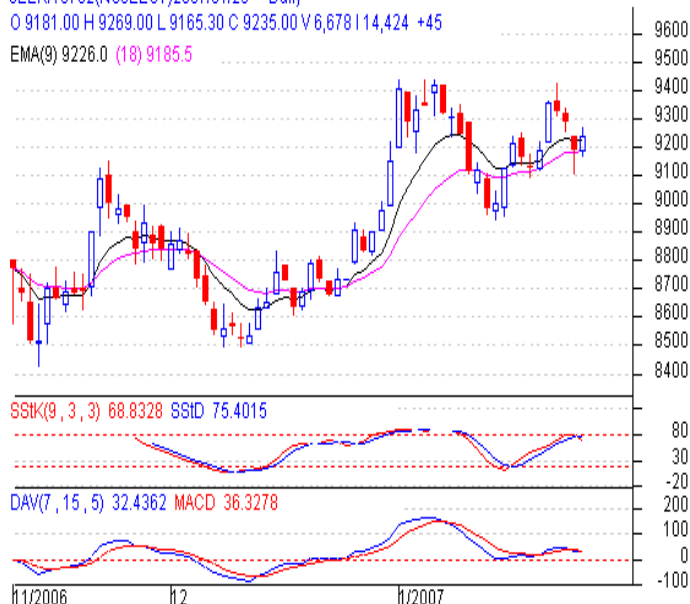
TECHNICALS

Candlestick pattern is indicating steady to firm opening and initial uptrend. Stochastic has made a bearish crossover in the normal region. MACD is moving downwards in the positive territory, hinting weakness. Prices closed above 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 close. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of late downward movements.

JEERA 0702(NCJEEG7)2007/01/25 - Daily

O 9181.00 H 9269.00 L 9165.30 C 9235.00 V 6,678 I 14,424 +45

EMA(9) 9226.0 (18) 9185.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	9105	9156	9235	9342	9393

TRADE RECOMMENDATION:

Buy NCDEX February Jeera near Rs. 9200 with a target of Rs. 9275 and then Rs. 9300 with a strict stop loss of Rs. 9150. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1750-1800
	Ganesh	1800-1850
	Machine Cleaned	1900-2025

CARDAMOM

SPOT MARKETS:

Uptrend in Cardamom prices continued at major auction centres as demand from northern India swells. The drought like situation in Kerala and declining arrivals at auction has contributed to the current tightness in cardamom. At the weekly auction at STCL, Bodinayakannur on Thursday, the total arrivals stood at 40 tonnes. However, farmers withdrew nearly 2 tonnes of cardamom on the anticipation of further improvement in prices. The average price for cardamom stood around Rs 310-315 a kg, while the MCX grade 7mm fetched between Rs 380-385 a kg. The spot prices have also seen the bullish trend over the past week, gaining around Rs 40-50 at major trading centre. Moreover, with renewed export demand, particularly from Saudi and reported reduction in global production, the prices are likely to remain firm in coming days.

FUTURES MARKETS

MCX Cardamom futures witnessed firm sentiments with bullish tone. Cardamom February contract opened steady at Rs 437 against the previous close of Rs 436.20. Futures were traded upwards on increased buying interest and tested the highs of Rs 444.90. Futures hovered in the range of Rs 444.90- 436 and finally settled in the positive territory at Rs 441.

PRICE DRIVERS

Bearish:

1. Release of Guatemalan cardamom
2. Increasing Guatemala exports

Bullish:

1. Near drought situation in Kerala
2. Declining arrivals
3. Rising demand from North India
4. Increasing overseas demand

WEATHER

Partly cloudy conditions over Tamil Nadu, however dry and hot weather likely to continue in Kerala and Karnataka, which is not conducive for cardamom crop.

TECHNICALS

Candlesticks chart pattern reflects bullish sentiments. MACD is in positive region and moving slightly downwards. Prices closed above both the 9 days EMA and 18 days EMA. Stochastic favours the bears. The contract is most likely to trade upwards following a steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	429	424	451	458

TRADE RECOMMENDATION:

BUY MCX February cardamom above Rs 437 with a target of Rs 446 and then Rs 449 with a strict stop loss at Rs 432. Trade cautiously with intra day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
STCL, Bodinayakannur	380-385	40,000

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.