

SPICES DAILY

January 16, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remain mostly closed on Monday on celebration of "Pongal" festival. At Delhi markets, it was traded on an average steady as compared to previous day's trading. Turmeric markets witnessed lacklustre trade for the past few days amidst limited buying interest. Fresh crop arrivals are expected to pick up during late January onwards. However, market stock position is reported to be comfortable enough to offset the delay in the fresh crop arrivals. Domestic turmeric markets are likely to remain rangebound in short-term with weak bias.

FUTURES MARKETS:

Turmeric futures at NCDEX opened on an average steady as compared to previous settlement and most-active April contract tested an intraday high of Rs. 1973 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 1960 during late hours of trading. The futures finished at unchanged level in final action. April contract traded in the range of Rs. 1960-1973 during Monday's trade.

PRICE DRIVERS:

Bearish:

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

Bullish:

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

Weather:

Isolated rainfalls are likely over south coastal Tamil Nadu. Mainly dry weather over rest of the region. Prevailing weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic are moving upwards in the normal region, hinting further uptrend. MACD is also moving upwards in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume as well as open interest has increased as compared to previous settlement. Turmeric futures are likely to trade upwards following a steady to firm opening initially with possibility of some downward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1932	1947	1968	1989	2005

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 1960 with a target of Rs. 1975 and then Rs. 1985 with a strict stop loss at Rs. 1950. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper market in Kochi maintains its previous steadiness at the start of the week. It was quoted unchanged amidst arrivals as well as offtake of 25 Mt. Lower global productions as well as expectation of a lower domestic crop size has supported the market sentiments. Given the lower price of Indian pepper at the global markets, export opportunities are seen bright as the international buyers are returning into the market after the yearend holidays. India has exported pepper valued at Rs. 166 crore during April-November 2006, up by 89 percent as compared to same period of last year. Black pepper prices are likely to remain bullish in near future owing to its strong fundamentals once the consolidation phase is over.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the most-active February contract extended previous advances further to test an intraday high of Rs. 11545 at the early hours of trade. Profit taking capped further advances and the futures traded downwards during the late hours of trading. The February contract slide to test an intraday low of Rs. 11365 before finishing with some gains in final action. February contract traded in the range of Rs. 11365-11545 during Monday'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. Lack of buying support at the physical markets
2. Overseas demand yet to pick up after the yearend holidays

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 steady to firm opening and initial downtrend. Stochastic are moving downwards in the normal region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. 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. Black pepper futures are likely to trade moderately downwards following a steady to firm opening with possibility of upward movement later.

Pepper 0702(NCPEPG7)2007/01/15 - Daily

O 11366.00 H 11540.00 L 11365.00 C 11409.00 V 9,812 110,098 +65

EMA(9) 11331 (18) 11146



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	10871	11144	11409	11703	12000

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11300-11350 with a target at Rs. 11450 and then Rs. 11550 with a strict stop loss at Rs.11175. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11200	25
	Ungarbled 10600	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains closed on Monday on celebration of "Pongal" festival. Domestic red chillies prices have moved up to the higher side recently owing to depleting stocks in the market as well as presence of overseas buyers. Talks of lower Chinese crop have also supported the market sentiments. Export of chilli has increased by 41 percent in value to touch Rs. 380 crore during Apr-Nov 2006. Domestic production of red chillies during 2006-07 crop year is expected higher. Red chillies prices are likely to remain bearish in the near future with possibility of some short-term gains.

FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and most-active March contract tested an intraday low of Rs. 4255 at the early hours of trade. The futures traded upwards on increased buying interest and tested an intraday high of Rs. 4319. Profit taking wiped away most of the gains, but the futures managed to finish in negative territory. March contract traded in the range of Rs. 4255-4319 during Monday'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:

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 downtrend. Volume has increased, while open interest has declined 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 downwards following a steady to firm opening with possibility of some early upward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4148	4207	4274	4363	4425

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4300 with a target of Rs. 4250 and then Rs. 4220 with a strict stop loss of Rs. 4340. 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

Domestic jeera markets witnessed lacklustre trade on Monday. It was offered at an unchanged price range as compared to previous trading day despite a drop in daily arrival in the market. Domestic production of jeera is likely to be lower than the year ago figures. However, trade expectations of the crop varies widely and market is under uncertainty about the size of the crop. Present weather conditions are good enough for crop developments and consequently have dampened the market sentiments. Fresh crop arrivals are expected to pick up during the later half of this month. Meanwhile, jeera exports have increased by 224 percent in value terms and 236 percent in quantity terms during Apr-Nov 2006. Jeera prices are likely to remain bullish in the near future on 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. 8951 at the early hours of trade. The futures traded upwards thereafter on increased buying support and tested an intraday high of Rs. 9125 to finish near day's high in late action. Most-active February contract traded in the range of Rs. 8951-9125 during Monday'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 during April-Nov 2006

Bearish:

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

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 firm opening and initial uptrend. Stochastic are moving downwards and the %K-line has entered in the oversold region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. Prices closed above 18-day EMA, hinting firm prices in short-term. Volume as well as open interest has increased as compared to previous close. Jeera futures are likely to trade upwards following a firm opening with possibility of some downward movements later.

JEERA 0702(NCJEEG7)2007/01/15 - Daily

O 8982.00 H 9125.00 L 8951.00 C 9124.00 V 7,047 I 16,785 +123

EMA(9) 9124.5 (18) 9095.3



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	8945	9038	9124	9228	9311

TRADE RECOMMENDATION:

Buy NCDEX February Jeera near Rs. 9100 with a target of Rs. 9175 and then Rs. 9200 with a strict stop loss of Rs. 9050. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1625-1675	1500
	Ganesh	1680-1730	
	Machine Cleaned	1780-1900	

CARDAMOM

SPOT MARKETS:

Cardamom prices remained moderately high at major spot markets as the arrivals continued to decline at the major auction centres. The continued demand particularly from the Western and Central markets helped the prices to sustain at higher level. The weekly auction at CPA, Bodinayakannur on Monday saw poor arrivals and of poor quality as well. The arrivals stood at 14 tonnes. However, the average prices remained at season's best. Average price during the current season has gone up to Rs 297.06 per kg from Rs 225.35 per kg the previous season. Export continued to remain negligible as market sources says that Guatemala has surplus stocks to cater international market at lower prices in. However, Cardamom prices are likely to sustain, as domestic demand remains steady.

FUTURES MARKETS

Cardamom futures witnessed bullish sentiments at MCX with January contract hitting the upper circuit at Rs 397 on its expiry. Cardamom February contract opened slightly up at Rs 410 against previous close of Rs 407.90. Contract was traded in the higher territory throughout the session. The prices moved in the range of Rs 424-407.90 before it closed the session Rs 6.90 at Rs 416.90.

PRICE DRIVERS

Bearish: 1. Guatemala crop in pipeline
2. Increasing Guatemala exports

Bullish: 1. Picking in final stage, arrivals declining
2. Slightly better demand from North India

WEATHER

Isolated rain and thundershowers are likely over coastal Tamil Nadu and Kerala. Prevailing dry and hot weather not congenial for yield as well as quality.

TECHNICALS

Candlesticks are reflecting bullish sentiments prevailing in the market. MACD is bullish in negative zone and the prices closed above short term EMA's. Oscillators are rising in neutral region. The contract is most likely to witness volatile movement of prices with firm bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	412	406	423	429

TRADE RECOMMENDATION:

Buy MCX February cardamom above 415 with a target of Rs. 423 with a strict stop loss at Rs. 409. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
CPA, Bodinayakannur	340-350	14000

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