

SPICES DAILY

January 24, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets maintained its firmness during Tuesday's trade. It was offered at a higher price in Erode markets on higher offtake amidst steady 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 higher as compared to previous settlement and most-active April contract tested an intraday high of Rs. 2108 at the early hours of trade. Profit taking capped further advances and the futures traded downwards thereafter on increased selling pressure to test an intraday low of Rs. 2072 during late hours to finish near day's low. April contract traded in the range of Rs. 2072-2108 during Tuesday'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 to weak opening and initial downtrend. Stochastic are moving upwards and the %K-line has just entered the overbought region, hinting further uptrend. MACD is also moving upwards in the positive territory, supporting the firmness. 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. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of some upward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2001	2041	2079	2119	2159

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2075-2080 with a target of Rs. 2060 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	2150-2250	4500-5000
	Gattah	2000-2100	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remained steady during Tuesday's trade. It was quoted unchanged amidst arrival as well as offtake of 30 Mt. 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 higher as compared to previous settlement and the most-active February contract tested an intraday high of Rs. 11935 at the opening session of trade. Increased selling interest has pressurised the futures thereafter and the futures slide to test an intraday low of Rs. 11720 only to finish with significant losses. Most-active February contract traded in the range of Rs. 11720-11935 during Tuesday'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 steady to weak opening and initial downtrend. Stochastic are moving upwards and the %K-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 as well as open interest has declined as compared to previous settlement. Black pepper futures are likely to trade downwards following a steady to weak opening initially with possibility of upward movements later.

Pepper 0702(NCPEPG7)2007/01/23 - Daily

O 11924.00 H 11935.00 L 11721.00 C 11750.00 V 8,589 I 9,022 -138

EMA(9) 11577 (18) 11393



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	11429	11591	11750	12000	12162

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11675-11700 with a target at Rs. 11800 and then Rs. 11875 with a strict stop loss at Rs. 11575. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11700	30
	Ungarbled 11100	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remain firm during Tuesday's trade. It was offered at a higher price range amidst reduced arrivals as against previous day. 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. As per the latest available data, 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 and consequently the production is likely to be a bumper one. With a bumper harvest outlook, prices are likely to remain bearish in 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. 4353 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 4471. Profit taking capped further advances and the futures finished with losses in final action. March contract traded in the range of Rs. 4353-4471 during Tuesday'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 weak opening and initial downtrend. Volume as well as 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 weak opening with possibility of some upwards movements early in the session.

CHLL334GTR 0703(NCGRH7)2007/01/23 - Daily
O 4410.00 H 4470.00 L 4353.00 C 4390.00 V 9,635 I 5,915 -10
EMA(9) 4290.4 (18) 4278.2



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4179	4276	4390	4508	4600

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4400-4425 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) 5800-6400	15000
	LCA 334 (Bilty) 6400-7000	

JEERA (Cumin)

SPOT MARKETS

Jeera markets witnessed a stable trend during Tuesday's trade. Prices quoted unchanged in Unjha markets amidst steady arrival as well as offtake. 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 high of Rs. 9335 at the opening session of trade. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 9253. The futures curbed some losses only to finish in negative territory. Most-active February contract traded in the range of Rs. 9253-9335 during Tuesday'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 weak opening and initial downtrend. Stochastic is moving upwards in the normal region, hinting further uptrend. MACD is moving flat in the positive territory, hinting indecision. 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 moderately downwards following a steady to weak opening with possibility of upward movements later in the session.

JEERA 0702(NCJEEG7)2007/01/23 - Daily

O 9320.00 H 9335.00 L 9253.00 C 9287.00 V 4,923 I 15,717 -37

EMA(9) 9232.2 (18) 9178.4



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	9177	9233	9287	9383	9439

TRADE RECOMMENDATION:

Buy NCDEX February Jeera near Rs. 9250 with a target of Rs. 9300 and then Rs. 9350 with a strict stop loss of Rs. 9200. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1720-1770
	Ganesh	1770-1820
	Machine Cleaned	1875-2000

CARDAMOM

SPOT MARKETS:

While the cardamom spot prices stood firm at major trading centres, they reinvigorated the trade at Tuesdays auction at HSPL, Nedumkandam. With harvesting season at fag end and increasing buyers interest has kept the cardamom prices bullish at both auctions and spot markets as well. The total arrivals, consisting mainly of old stock, stood at 30 tonnes. However, with anticipation of further rise in prices, farmers withdrew nearly 2 tonnes. The average prices witnessed the sharp rise of Rs 45-50 against last week, while the MCX grade 7mm fetched seasons best at Rs 385 a kg. Emerging drought situation in Kerala and reduction in current year production is likely to sustain the firmness in cardamom in coming days.

FUTURES MARKETS

MCX Cardamom futures witnessed volatile trade with slightly bullish sentiments. Cardamom February contract opened at its near previous levels of Rs 438. Initially futures were traded downwards, testing the lows of Rs 430.50, however, on increased buying pressure the futures settled on the bullish tone at Rs 439.40.

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 reflect indecisive market however technical indicators Stochastics and MACD favours the bulls. Prices closed above both the 9 days EMA and 18 days EMA. The contract is most likely to trade upwards following a steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	428	424	447	451

TRADE RECOMMENDATION:

BUY MCX February cardamom above Rs 436 with a target of Rs 445 with a strict stop loss at Rs 431. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
HSPL, Nedumkandam	385	30,000

Disclaimer

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