

## SPICES DAILY

January 18, 2007

### TURMERIC

#### SPOT MARKETS:

Turmeric markets remained bearish on Wednesday after the long holidays. Fresh arrivals were reported from Nizamabad markets, where prices were quoted lower. However, the quality is reported to be inferior one with higher moisture contents. Stocks in the cold storage are reported to have exhausted at present. However, Erode markets remained closed. Crop arrivals are likely to get momentum during the later half of the month. With a better harvest outlook in this season, turmeric markets are likely to remain bearish in the near future.

#### FUTURES MARKETS:

Turmeric futures at NCDEX opened lower as compared to previous settlement and most-active April contract tested an intraday high of Rs. 1996 at the early hours of trade. The futures retreated immediately on increased selling interest and tested an intraday low of Rs. 1972. The futures remained within Tuesday's range and finished with losses in final action. April contract traded in the range of Rs. 1972-1996 during Wednesday'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. 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 weak 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 above the 9-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 early upward movement.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1948	1960	1982	2008	2021

#### TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 1990-1995 with a target of Rs. 1970 and then Rs. 1965 with a strict stop loss at Rs. 2007. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1825	2000
	Gattah 1825	
Erode	Finger Closed	-
	Gattah Closed	

## BLACK PEPPER

### SPOT MARKETS

Black pepper market in Kochi maintains its previous steadiness during Wednesday's trade. It was quoted unchanged amidst arrivals as well as offtake of 20 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 once the consolidation phase is over.

### FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the most-active February contract traded downwards to test an intraday low of Rs. 11250 at the early hours of trade. The futures retraced back again on increased buying support at the lower price levels and tested an intraday high of Rs. 11410 during the late hours of trading only to finish unchanged in final action. Most-active February contract traded in the range of Rs. 11250-11410 during Wednesday'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 opening and indecision in the market. Stochastic are moving downwards in the normal region, hinting further downtrend. MACD is also 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 has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade moderately downwards following a steady to weak opening and upwards thereafter.

Pepper 0702(NCPEPG7)2007/01/17 - Daily

O 11332.00 H 11410.00 L 11250.00 C 11350.00 V 7,784 110,119 0

EMA(9) 11342 (18) 11189



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	10975	11158	11350	11601	11785

### TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11275-11300 with a target at Rs. 11400 and then Rs. 11475 with a strict stop loss at Rs.11175. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11200	20
	Ungarbled 10600	

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur remains weak on Wednesday after the long holidays. Prices have moved to a lower range amidst increased in market arrivals. Talks of lower Chinese crop continue to support 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 owing to higher acreage under the crop this season. 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 high of Rs. 4286 at the opening session of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 4197. The futures finished with significant losses in final action. March contract traded in the range of Rs. 4197-4286 during Wednesday'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. Fresh crop arrivals in the market gaining momentum

### 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 increased as compared to previous settlement. Prices closed below the 9-day as well as 18-day EMA, hinting short-term weakness in prices. Stochastic and MACD are indicating indecision in the markets. Red chillies futures are likely to trade downwards following a steady to weak opening with possibility of some early upward movements.

CHLL334GTR 0703(NCGRH7)2007/01/17 - Daily  
O 4270.00 H 4286.00 L 4197.00 C 4233.00 V 6,680 I 6,305 -60  
EMA(9) 4250.8 (18) 4264.2



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4080	4165	4233	4322	4402

### TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4250-4275 with a target of Rs. 4200 and then Rs. 4175 with a strict stop loss of Rs. 4325. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 6000-6600	15000
	LCA 334 (Bilty) 6600-7200	

## JEERA (Cumin)

### SPOT MARKETS

Domestic jeera markets remain firm during Wednesday's trade. It was offered at a higher price range in Unjha markets amidst higher offtake. 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 higher as compared to previous settlement and the most-active February contract tested an intraday high of Rs. 9250 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 9125.1 to finish near day's low in final action. Most-active February contract traded in the range of Rs. 9125.1-9250 during Wednesday'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 weak opening and initial downtrend. Stochastic is moving upwards in the normal region, hinting further uptrend. MACD is moving flat in the positive territory. Prices closed below 9-day EMA, hinting weak prices in short-term. Volume has declined, while open interest has increased as compared to previous close. Jeera futures are likely to trade downwards following a weak opening initially with possibility of upward movements later.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	8955	9043	9130	9223	9316

### TRADE RECOMMENDATION:

Sell NCDEX February Jeera near Rs. 9150-9175 with a target of Rs. 9100 and then Rs. 9075 with a strict stop loss of Rs. 9225. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1670-1720
	Ganesh	1725-1780
	Machine Cleaned	1825-1950

## CARDAMOM

### SPOT MARKETS:

No weekly auction was held at CPMC, Kumily on Wednesday on account of celebration of PONGAL festival. However, spot prices for cardamom remain steady to firm at major trading centres. Domestic prices of cardamom have moved up to the higher side recently owing to declining arrivals at auction centres, reduced production and presence of overseas buyers. On other hand, the export demand for Indian cardamom has improved due to its superior quality and reported decline in Guatemalan production and its quality. Market sources report that the cardamom prices are likely to remain firm in spot market, as Guatemala is not ready to release its cardamom in Indian market at current prices. Further, the demand from pan masala industries also remains firm.

### FUTURES MARKETS

MCX Cardamom futures witnessed lacklustre trade with bearish undertone. Cardamom February contract opened slightly firm at Rs 415, up by Rs 1.10, however it failed to sustain its initial firmness and observed bearish movement throughout the trading session. Prices hovered in the narrow range of Rs 415-408.50 before it closed the session Rs 1.90 down at Rs 412.

### 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 rainfall likely over coastal 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 indicating bearish sentiments. Technical indicators Stochastics and MACD favour 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 weak opening.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	401	398	420	424

### TRADE RECOMMENDATION:

SELL MCX February cardamom below Rs 416 with a target of Rs 407 and then Rs 403 with a strict stop loss at Rs 420. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg )
-	-	-

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