

SPICES DAILY

January 04, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remained on an average steady to weak during Wednesday's trade. It was quoted lower in Nizamabad markets owing to weak demand. Turmeric prices remained mostly rangebound during the last few days of trading owing to lack of any significant changes in its fundamental aspects. 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. Domestic turmeric markets are likely to remain weak in the near future.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher as compared to previous settlement and most-active April contract tested an intraday high of Rs. 2048 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 1971. The futures finished near day's low in final action. April contract traded in the range of Rs. 1971-2048 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. Prevailing weather conditions are favourable for the crop at this stage.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Stochastic are moving flat in the normal region, hinting indecision. MACD is moving downwards 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 downwards following a weak opening with possibility of some upward movement later.

Turmeric 0704(NCTMCJ7)2007/01/03 - Daily

O 2041.00 H 2048.00 L 1972.00 C 1988.00 V 53,010 I 31,500 -46

EMA(9) 2024.0 (18) 2038.3



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1932	1950	1988	2018	2038

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 1995-2000 with a target of Rs. 1975 and then Rs. 1960 with a strict stop loss at Rs. 2020. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1875	-
	Gattah 1875	
Erode	Finger 2050-2150	5500
	Gattah 1975-2025	

BLACK PEPPER

SPOT MARKETS

Black pepper traded weak in Kochi markets during Wednesday's trade. It was quoted lower by Rs. 100 per quintal amidst arrivals as well as offtake of 5 Mt. Lower global production as well as expectation of a lower domestic crop size has supported the firm market sentiments. 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. Prices are likely to improve in near future owing to its strong fundamentals.

FUTURES MARKETS:

Black pepper futures at NCDEX opened lower as compared to previous settlement and near-month January contract tested an intraday high of Rs. 11158 at the opening session of trade. The futures traded mostly downwards thereafter on increased selling interest and slide to test an intraday low of Rs. 10560. January contract finished with more than 3.3 percent loss in final action. Near-month January contract traded in the range of Rs. 10560-11158 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. IPC estimates Vietnamese crop lower at 68000 tons and expects only by early March

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 weak opening and initial downtrend. Stochastic are about to make a bearish crossover in the overbought region, hinting likely technical correction. MACD is moving upwards in the positive territory, hinting strength in price trend. 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 and upward thereafter.

Pepper 0701(NCPEPF7)2007/01/03 - Daily

O 11100.00 H 11130.00 L 10570.00 C 10751.00 V 18,050 I 6,180 -359

EMA(9) 10588 (18) 10407



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	10248	10460	10751	11208	11436

TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 10600-10650 with a target at Rs. 10800 and then Rs. 10900 with a strict stop loss at Rs.10450. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10100	5
	Ungarbled	10700	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains steady during Wednesday's trade. It was offered at an unchanged price range as compared to previous day. 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 higher. Red chillies prices are likely to remain weak in the near future.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and most-active March contract tested an intraday high of Rs. 4120 at the opening session of trade. Increased selling interest has pressurised the futures thereafter and the futures tested an intraday low of Rs. 3992. The futures finished in negative territory in late action. March contract traded in the range of Rs. 3992-4120 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. 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 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 further downtrend. Red chillies futures are likely to trade downwards following a steady to weak opening with possibility of some upward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3850	3925	4063	4157	4228

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4100 with a target of Rs. 4000 and then Rs. 3975 with a strict stop loss of Rs. 4160. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5500-6500	2000-3000
	LCA 334 (Bilty) 6000-7000	

JEERA (Cumin)

SPOT MARKETS

Jeera market in Unjha remained steady to weak during Wednesday's trade. It was quoted in a lower price range 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 onwards, which would help in determining the level of production. Jeera prices are likely to improve 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 January contract tested an intraday low of Rs. 8975 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. 9190. The futures finished near day's high in final action. January contract traded in the range of Rs. 8975-9190 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 firm opening and initial uptrend. Stochastic are moving upwards in the overbought region, hinting further uptrend. MACD is moving upwards in the positive territory, supporting the strength in the market. Prices closed well above 9-day as well as 18-day EMA, hinting firm prices in short-term. Jeera futures are likely to trade upwards following a firm opening with possibility of some late downward movements.

JEERA 0701(NCJEEF7)2007/01/03 - Daily

O 9045.00 H 9190.00 L 8980.00 C 9185.00 V 7,719 | 9,768 +94

EMA(9) 8940.0 (18) 8802.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8892	8987	9185	9355	9445

TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 9150-9175 with a target of Rs. 9250 and then Rs. 9300 with a strict stop loss of Rs. 9075. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1625-1675
	Ganesh	1700-1750
	Machine Cleaned	1800-1925

CARDAMOM

SPOT MARKETS:

Cardamom prices are trading weak these days as most of the festive buying is over and markets have low demand from domestic markets. The exports of cardamom are negligible. The buyers are mainly from west and south Indian states. The prices improved last week due to demand from food industries particularly ahead of festival season. Completion of harvesting might add slight support to the prices. However fall in export demand and expectation of arrival of Guatemala crop by late this month might restrict the prices to rise. The market has some unconfirmed reports of decline in Guatemala crop this year however exporters from Guatemala deny such talks. Rise in Guatemala crop will further hamper the export of domestic cardamom.

FUTURES MARKETS:

Cardamom on the MCX continued to trade weak. The prices drawing down in most of the cardamom contracts trading on the exchange. Cardamom January futures contract opened bearish at Rs 392 a Kg as against Tuesday's close of Rs 392.5 a Kg. the prices weakened to the low of Rs 384 and finally closed in red Rs 388 down by Rs 4.5 when compared with prior days settlement price of Rs 392.5. The volumes traded increased however open interest declined in Wednesday's session.

PRICE DRIVERS:

Bearish:

4. Meager export demand
5. Guatemala crop in pipeline
6. Picking of crop in progress

Bullish:

3. Slight domestic demand

Weather:

Mainly dry weather is likely over cardamom-growing states. Weather is congenial for picking however crop requires slight rains & humidity at the current stage for its better growth.

TECHNICALS

Cardamom charts are showing a downtrend. Candlesticks are reflecting bearish sentiments prevailing in the market. The prices closed below short term EMA's indicating bearishness and MACD is declining and is most likely expected to enter negative zone. Stochastic Oscillator is falling in oversold region. The contract is most likely to witness volatile price movement with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX January	384.0	379.0	391.0	394.0

TRADE RECOMMENDATION:

Sell MCX January cardamom below 395 with a target of Rs. 391 and then Rs 387 with a strict stop loss at Rs. 398. Trade cautiously with intra day outlook.

Centers (Held on Jan2' 2006)	Prices/Kg (7mm)	Arrivals (Kg)
HSPL, Nedukandum, Idduki	350	28000

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