

## SPICES DAILY

January 05, 2007

### TURMERIC

#### SPOT MARKETS:

Domestic turmeric markets maintain the previous steadiness during Thursday's trade. It was quoted steady in Nizamabad markets amidst lacklustre trade. Turmeric prices remained rangebound for the past few days amidst lack of any significant changes in its fundamental aspects. 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. With a good harvest outlook, domestic turmeric markets are likely to remain weak 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. 1990 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and slide to test an intraday low of Rs. 1948. The futures finished with losses in final action. April contract traded in the range of Rs. 1948-1990 during Thursday'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 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 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 has declined, while open interest has increased as compared to previous settlement. Turmeric futures are likely to trade moderately downwards following a steady to weak opening and upward thereafter.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1900	1932	1962	2000	2030

#### TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 1975 with a target of Rs. 1955 and then Rs. 1945 with a strict stop loss at Rs. 1990. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1875	-
	Gattah 1875	
Erode	Finger 2050-2150	4500
	Gattah 1975-2025	

## BLACK PEPPER

### SPOT MARKETS

Black pepper traded steady in Kochi markets during Thursday's trade. It was quoted unchanged despite huge arrivals as well as offtake of 75 Mt. Lower global productions 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. India has exported pepper valued at Rs. 166 crore during Apr-Nov 2006, up by 89 percent as compared to same period of last year. 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 remained highly volatile thereafter. Near-month January contract tested an intraday low of Rs. 10560 at the early hours of trade. The futures traded mostly upwards thereafter on increased buying interest and tested an intraday high of Rs. 10875. The futures finished with some gains as profit taking capped further advances. Near-month January contract traded in the range of Rs. 10560-10875 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 at 68000 tons and expects only by early March

#### Bearish:

1. Reports of fresh crop arrivals in the market of poor quality
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 uptrend. Stochastic has made a bearish crossover in the overbought region, hinting further downtrend. MACD is moving flat 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 declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady to firm opening with possibility of some late downward movements.

Pepper 0701(NCPEPF7)2007/01/04 - Daily

O 10700.00 H 10861.00 L 10560.00 C 10727.00 V 9,646 I 5,746 +14

EMA(9) 10609 (18) 10437



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	10264	10500	10727	11062	11306

### TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 10650-10700 with a target at Rs. 10800 and then Rs. 10850 with a strict stop loss at Rs.10550. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10100	75
	Ungarbled	10700	

## RED CHILLIES

### SPOT MARKETS

Red chillies traded moderately firm in Guntur markets during Thursday's trade. It was quoted in a higher price range amidst depleting stocks in the markets. Chilli prices have in general 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. 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 weak 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. 4121 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures tested an intraday low of Rs. 4029. The futures finished with gains on late buying support. March contract traded in the range of Rs. 4029-4121 during Thursday'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 uptrend. Volume as well as open interest has declined 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 likely trend reversal. Red chillies futures are likely to trade upwards following a steady to firm opening with possibility of some downward movement later.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3932	4000	4086	4195	4264

### TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 4050 with a target of Rs. 4100 and then Rs. 4150 with a strict stop loss of Rs. 4005. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	5600-6600
	LCA 334 (Bilty)	6100-7100
		5000

## JEERA (Cumin)

### SPOT MARKETS

Jeera traded firm in Unjha markets during Thursday's trade. It was offered in a higher price range owing to increased offtake amidst reduced 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. However, trade expectations of the crop varies widely and market is under uncertainty about the size of the crop. Fresh crop arrivals are expected to hit the market by mid-January onwards, which would help in determining the level of production. 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 improve in the near future on its strong fundamentals.

### FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the near-month January contract tested an intraday high of Rs. 9250 at the early hours of trade. Futures traded mostly rangebound thereafter, but slide during late hours to test an intraday low of Rs. 9142. The futures finished near day's low in final action. Near-month January contract traded in the range of Rs. 9142-9250 during Thursday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Estimations of lower acreage in Gujarat
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 steady to weak opening and initial downtrend. Stochastic are moving downwards in the overbought region, hinting likely downward correction. 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 downwards following a steady to weak opening with possibility of some late upward movements.

JEERA 0701(NCJEEF7)2007/01/04 - Daily

O 9200.00 H 9236.60 L 9155.00 C 9159.90 V 6,513 I 8,904 +19

EMA(9) 8977.0 (18) 8835.6



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8981	9058	9159.9	9272	9361

### TRADE RECOMMENDATION:

Sell NCDEX January Jeera near Rs. 9175-9200 with a target of Rs. 9100 and then Rs. 9050 with a strict stop loss of Rs. 9275. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1660-1710	2500
	Ganesh	1730-1780	
	Machine Cleaned	1840-1960	

## CARDAMOM

### SPOT MARKETS:

Cardamom traded at slightly firm prices at the STCL's Bodinayakannur auction center. The auction saw arrival of 40MT of cardamom however sale was of only 38MT. The prices are improving as harvesting of cardamom is near completion. The prices earlier recovered a bit on festive buying. The exports of cardamom continued to be thin of about 5 -10 MT. 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. The exporters from Guatemala reports exports are increasing and exporters have a stock of around 8000MT of cardamom. Rise in Guatemala crop will further hamper the export of domestic cardamom.

### FUTURES MARKETS:

Cardamom prices bottomed down in most of the contracts trading on the MCX. Cardamom Jan futures contract opened low by Re 1 at Rs 387 a Kg as against Wednesday's close of Rs 388. The prices thereafter tried to recover and went up to the high of Rs 387.50 a Kg however the prices failed to sustain higher levels and dropped down sharply to create the contracts low of Rs 372.50. The trading for the day culminated in red by Rs 14 down at Rs 374. The volumes traded increased during Thursday's trade.

### PRICE DRIVERS:

#### Bearish:

1. Meager export demand
2. Guatemala crop in pipeline
3. Increasing Guatemala exports

#### Bullish:

4. Picking of crop near completion
5. 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. MACD is declining in negative zone and the prices closed below short term EMA's. Oscillators are indicating bearishness. The contract is most likely to witness bearishness of prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX January	364.5	359.5	382.5	389.5

### TRADE RECOMMENDATION:

Sell MCX January cardamom below 379 with a target of Rs. 371.5 and then Rs 367 with a strict stop loss at Rs. 384.5. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg )
STCL, Bodinayakannur	370-380	40000

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