

## SPICES DAILY

January 02, 2007

### TURMERIC

#### SPOT MARKETS:

Domestic turmeric markets remained closed in Nizamabad and Erode on Monday. 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. Amidst such circumstances, domestic turmeric markets are likely to consolidate in the near future.

#### FUTURES MARKETS:

Turmeric futures at NCDEX opened higher than previous settlement and most-active April contract tested an intraday high of Rs. 2030 at the opening session of trade. The futures traded on an average downwards thereafter on increased selling interest and tested an intraday low of Rs. 2007. The futures finished with losses in final action. April contract traded in the range of Rs. 2007-2030 during Monday'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 steady to weak opening and initial downtrend. Stochastic are moving flat in the normal region, hinting indecision. MACD is moving flat 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 downwards following a steady to weak opening with possibility of some late upward movements.

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

O 2030.00 H 2030.00 L 2009.00 C 2015.00 V 5,590 I 28,170 -11

EMA(9) 2032.2 (18) 2045.1



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1965	1988	2015	2037	2060

#### TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2015-2020 with a target of Rs. 2000 and then Rs. 1990 with a strict stop loss at Rs. 2035. 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 traded with a firm trend in Kochi markets on Monday. It was offered much higher by Rs. 300 per quintal amidst no arrivals as well as offtake on Monday. 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 higher as compared to previous settlement and most-active January contract tested an intraday low of Rs. 10530 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures surged up to breach the 4 percent upper circuit level. January contract tested an intraday high of Rs. 11187 and finished with significant gains. Most active January contract traded in the range of Rs. 10530-11187 during Monday'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 firm opening and initial uptrend. Stochastic are moving upwards in the overbought region, hinting further uptrend. 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 has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of some late downward movements.

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

O 10730.00 H 11187.00 L 10531.00 C 11118.00 V 15,143 I 8,052 +403

EMA(9) 10401 (18) 10277



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	10588	10822	11118	11544	11761

### TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 11100-11125 with a target at Rs. 11200 and then Rs. 11300 with a strict stop loss at Rs.10900. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur remains closed during Monday's trade. 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 at the higher side. Red chillies prices are likely witness some consolidation in the near future.

### FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and most-active March contract tested an intraday high of Rs. 4260 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures tested an intraday low of Rs. 4080. The futures finished with losses in late action. March contract traded in the range of Rs. 4080-4260 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:

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 in the hourly chart are indicating further downtrend. Red chillies futures are likely to trade downwards following a steady to weak opening with possibility of some late upward movements.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3902	4000	4114	4227	4331

### TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4150-4175 with a target of Rs. 4075 and then Rs. 4025 with a strict stop loss of Rs. 4250. 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

Jeera market in Unjha remained firm during Monday's trade. It was quoted in higher price range amidst much higher offtake. 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 much higher as compared to previous settlement and the most-active January contract tested an intraday low of Rs. 9008 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures surged up to test an intraday high of Rs. 9238. Profit taking curbed some advances, but the futures finished with significant gains. January contract traded in the range of Rs. 9008-9238 during Monday'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 steady to 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 steady to firm opening with possibility of some late downward movements.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	9029	9118	9190	9355	9445

### TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 9175-9225 with a target of Rs. 9275 and then Rs. 9325 with a strict stop loss of Rs. 9100. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1650-1700
	Ganesh	1725-1775
	Machine Cleaned	1800-1950

## CARDAMOM

### SPOT MARKETS:

Cardamom prices dipped slightly on Monday in CPA's Bodinayakannur auction. The prices in most of the other major auction centers during the week however increased. The prices last week improved a bit on slightly better demand from the domestic markets. The auction saw arrivals of around 12.7MT of cardamom with reduced sale of about 11MT of cardamom. The sales dropped as most of the festive buying that emerged earlier has nearly ended. Completion of harvesting might add some 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 sharply.

### FUTURES MARKETS:

Cardamom prices on the MCX failed to sustain improved levels and dropped down again. Cardamom January futures contract lost Rs 10.50 as against weekends close of Rs 405.50 a Kg. During the day the prices declined lowest to Rs 385 a Kg and finally the trading for the day culminated in red at Rs 395. Total volume numbers increased to 3045.

### PRICE DRIVERS:

#### Bearish:

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

#### Bullish:

3. Demand from stockists
4. Domestic Festive demand

### Weather:

Mainly dry weather is likely over cardamom-growing states. Weather is congenial for picking and growth of crop.

### TECHNICALS

Cardamom charts are displaying the prices are consolidating at current levels. Candlesticks pattern are reflecting bearish sentiments. The prices closed below short term EMA's indicating weakness however MACD is rising in positive zone. Stochastic and RSI are falling in neutral region. The contract is most likely to witness volatile price movements with bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX January	402.5	407.0	388.5	384.0

### TRADE RECOMMENDATION:

Sell MCX January cardamom below 398 with a target of Rs. 391 and then Rs 386 with a strict stop loss at Rs.403.50. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg )
CPA, Bodinayakannur	320-330	12700

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