

SPICES DAILY

January 03, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remained on an average steady during Tuesday's trade. Arrivals were reported meagre in Nizamabad, while it has declined in Erode markets as compare to previous trading day. 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 steady as compared to previous settlement and most-active April contract tested an intraday low of Rs. 2009 at the opening session of trade. The futures traded on an average upwards thereafter on increased buying interest and tested an intraday high of Rs. 2057. Profit taking curbed some gains, but the futures finished in positive territory in final action. April contract traded in the range of Rs. 2009-2057 during Tuesday'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 firm opening and some initial uptrend. Stochastic are moving flat in the normal region, hinting indecision. MACD is moving flat in the negative territory. Prices closed just above the 9-day EMA, hinting firm prices in short-term. Volume as well as open interest has increased as compared to previous settlement. Turmeric futures are likely to trade upwards following a steady to firm opening initially and downward thereafter.

Turmeric 0704(NCTMCJ7)2007/01/02 - Daily

O 2018.00 H 2057.00 L 2009.00 C 2034.00 V 26,070 I 29,130 +16

EMA(9) 2033.0 (18) 2044.1



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1967	1989	2034	2054	2079

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2040-2050 with a target of Rs. 2020 and then Rs. 2010 with a strict stop loss at Rs. 2070. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1900	-
	Gattah 1900	
Erode	Finger 2050-2150	4500
	Gattah 1975-2025	

BLACK PEPPER

SPOT MARKETS

Black pepper extended previous advances further in Kochi markets on Tuesday. It was quoted higher by Rs. 100 per quintal amidst arrivals as well as offtake of 15 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 higher as compared to previous settlement and most-active January contract traded on an average upwards thereafter. January contract tested an intraday high of Rs. 11418. The futures immediately ran into profit taking and slide from the day's high to test an intraday low of Rs. 11031. The futures finished in negative territory in final action. Most active January contract traded in the range of Rs. 11031-11418 during Tuesday'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 has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade moderately downwards initially following a steady to weak opening and upward thereafter.

Pepper 0701(NCPEPF7)2007/01/02 - Daily

O 11142.00 H 11410.00 L 11050.00 C 11110.00 V 21,202 I 7,034 -8

EMA(9) 10541 (18) 10363



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	10630	10870	11110	11314	11520

TRADE RECOMMENDATION:

Sell NCDEX January Pepper near Rs. 11100-11125 with a target at Rs. 11025 and then Rs. 11000 with a strict stop loss at Rs.11180. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10200	15
	Ungarbled	10800	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains firm during Tuesday's trade. It was offered at a higher price range as compared to previous trading 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 at the higher side. Red chillies prices are likely to witness some consolidation 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. 4183 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures tested an intraday low of Rs. 4065. The futures finished with some losses in late action. March contract traded in the range of Rs. 4065-4183 during Tuesday'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 has declined, while 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 upward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3902	4000	4101	4228	4322

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4150 with a target of Rs. 4050 and then Rs. 4010 with a strict stop loss of Rs. 4215. 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
	LCA 334 (Bilty)	6000-7000
		7000-8000

JEERA (Cumin)

SPOT MARKETS

Jeera market in Unjha remained steady during Tuesday's trade. It was quoted in previous price range amidst lower 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 slightly lower as compared to previous settlement and the most-active January contract tested an intraday high of Rs. 9227 at the early hours of trade. Profit taking capped further advances and the futures traded downwards thereafter to test an intraday low of Rs. 9032.5. The futures finished in negative territory in final action. January contract traded in the range of Rs. 9032.5-9227 during Tuesday'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.

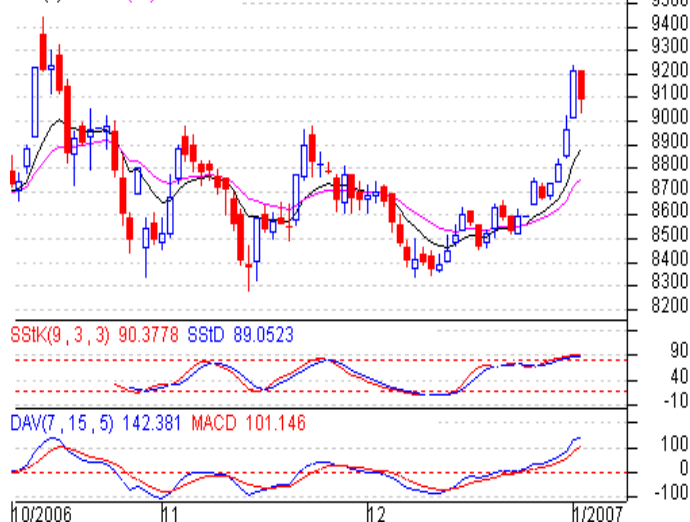
TECHNICALS

Candlestick pattern is indicating steady to weak opening and initial downtrend. 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 moderately downwards initially following a steady to weak opening and upward thereafter.

JEERA 0701(NCJEEF7)2007/01/02 - Daily

O 9210.00 H 9210.00 L 9032.50 C 9091.00 V 8,565 I 10,482 -120.5

EMA(9) 8878.7 (18) 8756.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8880	8963	9091	9177	9266

TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 9025 with a target of Rs. 9100 and then Rs. 9125 with a strict stop loss of Rs. 8975. 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 remained steady to slightly weak in Tuesday's auction at the Nedukandum auction center of Idukki. The prices declined despite reduced arrivals as the demand for cardamom is declining these days, as most of the festive buying is complete. The auction saw arrivals of around 28 MT of cardamom with the sale of similar quantum. The buyers were 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.

FUTURES MARKETS:

MCX Cardamom prices witnessed some more losses in Tuesdays trade. The prices dipped in most of the cardamom contracts presently trading on the exchange. Cardamom January futures contract by the end of the session lost Rs 2 as against Monday's close of Rs 395 a Kg. January contract started Re1 up at Rs 396 when compared with prior days settlement price of Rs 395 a Kg. The trading for the day finally ended bearish at Rs 393. Open continued to increase and the total volumes traded during the day declined to 1053.

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 displaying a downtrend. Candlesticks pattern are reflecting bearish sentiments. The prices closed below short term EMA's indicating weakness and MACD is declining in positive zone. Stochastic Oscillator and RSI are falling in neutral region. The contract is most likely to witness weakness in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX January	389.5	385.0	396.0	400.0

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	Prices/Kg (7mm)	Arrivals (Kg)
HSPL, Nedukandum, Idukki	350	28000

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.