

SPICES DAILY

January 17, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remain mostly closed on Tuesday on celebration of "Pongal" festival. Turmeric markets in Delhi also remained closed. Turmeric markets witnessed lacklustre trade for the past few days amidst limited buying interest. 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. Domestic turmeric markets are likely to remain rangebound in short-term with weak bias.

FUTURES MARKETS:

Turmeric futures at NCDEX opened slightly lower as compared to previous settlement and most-active April contract tested an intraday low of Rs. 1964 at the opening session of trade. The futures retraced back immediately on increased buying interest and tested an intraday high of Rs. 2008 during early hours of trading. The futures traded mostly rangebound for the rest of the session and finished with sizeable gains in late action. April contract traded in the range of Rs. 1964-2008 during Tuesday'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 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 firm 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 as well as 18-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 with possibility of some downward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1956	1973	1990	2013	2030

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 1990 with a target of Rs. 2005 and then Rs. 2015 with a strict stop loss at Rs. 1976. 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 market in Kochi maintains its previous steadiness during Tuesday's trade. It was quoted unchanged amidst no arrivals as well as offtake. 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 owing to its strong fundamentals once the consolidation phase is over.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the most-active February contract tested an intraday high of Rs. 11441 at the opening session of trade. Increased selling interest has pressurised the futures thereafter and the February contract slide to test an intraday low of Rs. 11301. Most-active February contract traded in the range of Rs. 11301-11441 during Tuesday'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 to weak opening and initial downtrend. 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 declined, while open interest has increased as compared to previous settlement. Black pepper futures are likely to trade moderately downwards following a steady to weak opening initially and upward thereafter.

Pepper 0702(NCPEPG7)2007/01/16 - Daily

O 11441.00 H 11441.00 L 11310.00 C 11350.00 V 6,558 I 10,377 -59

EMA(9) 11335 (18) 11167



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	11045	11181	11350	11566	11715

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11300 with a target at Rs. 11425 and then Rs. 11500 with a strict stop loss at Rs.11200. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains closed on Tuesday on celebration of "Pongal" festival. Domestic red chillies prices have moved up to the higher side recently owing to depleting stocks in the market as well as presence of overseas buyers. Talks of lower Chinese crop have also supported 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. 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 higher than previous settlement and most-active March contract tested an intraday low of Rs. 4264 at the early hours of trade. The futures traded upwards on increased buying interest and tested an intraday high of Rs. 4325. Profit taking curbed most of the gains, but the futures managed to finish in positive territory. March contract traded in the range of Rs. 4264-4325 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:

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 above the 9-day as well as 18-day EMA, hinting short-term firmness in prices. Stochastic and MACD are indicating further uptrend. Red chillies futures are likely to trade upwards following a steady to firm opening initially and downwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4159	4208	4285	4360	4412

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4325 with a target of Rs. 4250 and then Rs. 4225 with a strict stop loss of Rs. 4375. 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

Domestic jeera markets remain firm during Tuesday's trade. It was offered at a higher price range in Unjha markets amidst steady arrivals as well as 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 low of Rs. 9125 at the opening session of trade. The futures traded upwards thereafter on increased buying support and tested an intraday high of Rs. 9240 to finish with significant gains in final action. Most-active February contract traded in the range of Rs. 9125-9240 during Tuesday'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 firm opening and initial uptrend. Stochastic have made a bullish crossover, hinting further uptrend. MACD is moving flat in the positive territory. Prices closed above 9-day as well as 18-day EMA, hinting firm prices in short-term. Volume as well as open interest has increased as compared to previous close, supporting the bull rally. Jeera futures are likely to trade upwards following a firm opening with possibility of some downward movements later.

JEERA 0702(NCJEEG7)2007/01/16 - Daily

O 9129.00 H 9240.00 L 9125.00 C 9202.00 V 8,742 116,974 +78

EMA(9) 9140.0 (18) 9106.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	9038	9125	9202	9316	9398

TRADE RECOMMENDATION:

Buy NCDEX February Jeera near Rs. 9175-9200 with a target of Rs. 9275 and then Rs. 9300 with a strict stop loss of Rs. 9115. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1650-1700	1500
	Ganesh	1700-1750	
	Machine Cleaned	1800-1925	

CARDAMOM

SPOT MARKETS:

Cardamom continued to trade at moderately higher prices in the major spot markets. The renewal in export demand from Saudi, coupled with declining arrivals at auction centres have contributed to current bullishness in cardamom. Market sources opine that cardamom prices are likely to increase or sustain at this level, as Guatemala is unlikely to release its cardamom in Indian market at current prices and also, as there is steady consumption and market demand, particularly from Western and Central India. Meanwhile, the weekly auction at HSPL, Nedumkandam on Tuesday saw steady arrivals at 30 tonnes and the average prices stood Rs 15 higher against last week's auction at Rs 305. However, on other hand, the farmers have expressed fear as the present dry spell might lead to late crop this year and fall in output next year.

FUTURES MARKETS

Cardamom futures witnessed lacklustre trade with bearish undertone at MCX. Cardamom February contract opened slightly firm at Rs 418.50, up by Rs 2.40, however, it failed to sustain its initial firmness and witnessed bearish movement all through the trading session. The prices moved in the range of Rs 418.50-412 before it closed the session Rs 3.60 down at Rs 414.90.

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 reflects 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	407	403	425	430

TRADE RECOMMENDATION:

Buy MCX February cardamom above Rs 410 with a target of Rs 420 and then Rs 424 with a strict stop loss at Rs 404. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
HSPL, Nedumkandam	350-360	30,000

Disclaimer

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