

## SPICES DAILY

January 25, 2007

### TURMERIC

#### SPOT MARKETS:

Turmeric markets remained stable during Wednesday's trade. It was quoted in the previous price range in Erode markets amidst slightly higher arrivals as well as offtake. Nizamabad markets remained closed. Arrivals have started from the fresh harvest, though the quality of the same is reported to be inferior one with higher moisture contents and quantity is also not enough to make any significant impact on prices. Traders reported improved demand scenario against the price rise. Fresh crop arrivals are expected to get momentum during the later half of the month that would further pressurise the prices.

#### FUTURES MARKETS:

Turmeric futures at NCDEX opened lower as compared to previous settlement and most-active April contract tested an intraday high of Rs. 2080. The futures slide to test an intraday low of Rs. 2030 only to retrace back again. The futures curbed most of the early losses, but finished in negative territory in final action. April contract traded in the range of Rs. 2030-2080 during Wednesday's trade.

#### PRICE DRIVERS:

##### Bearish:

1. Comfortable stock of turmeric in the market
2. Fresh crop arrivals reported in Nizamabad
3. Weather suitable for growth of crop

##### Bullish:

1. Improved demand amidst depleting stocks
2. Moderate demand from North India owing to winter season

#### Weather:

Mainly dry weather over the producing region. Prevailing weather conditions are favourable for the crop at this time.

#### TECHNICALS

Candlesticks pattern indicates steady opening and initial uptrend. Stochastic are moving upwards in the overbought region, hinting further uptrend. MACD is also moving upwards in the positive territory, supporting the firmness. 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. Turmeric futures are likely to trade upwards following a steady opening with possibility of some downward movement later in the session.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2016	2050	2070	2103	2137

#### TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2070 with a target of Rs. 2090 and then Rs. 2100 with a strict stop loss at Rs. 2055. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2150-2250	6000
	Gattah	2000-2100	

## BLACK PEPPER

### SPOT MARKETS

Black pepper markets maintained previous position during Wednesday's trade. It was quoted steady amidst arrival as well as offtake of 15 Mt. Traders reported improvement in domestic demand. Overseas enquiries are also reported after a while and traders are optimistic of prospective export demand given the lower price of Indian pepper at the global markets. The export story so far remains quite bright as India exported pepper worth Rs. 166 crore during April-November 2006. With global pepper production estimated to decline by 15-20 per cent (IPC estimates) and 3.46 per cent growth in global consumption, prices are likely to head skywards in the global market in near future. Domestic scenario could well match the global trend given the estimated decline in the production this year.

### FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the most-active February contract tested intraday high of Rs. 11725. Increased selling interest has pressurised the futures thereafter and the futures slide to test an intraday low of Rs. 11300. The futures curbed most of the losses on late buying support only to finish in negative territory. Most-active February contract traded in the range of Rs. 11300-11725 during Wednesday'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. Moderate buying support at the physical markets

### 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 upwards and the %K-line has just entered the overbought region, hinting further uptrend. MACD is moving indecisively in the positive territory. 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 steady opening with possibility of late downward movements.

Pepper 0702(NCPEPG7)2007/01/24 - Daily

O 11715.00 H 11715.00 L 11404.00 C 11680.00 V 12,465 I 8,143 -70

EMA(9) 11598 (18) 11424



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	11405	11566	11680	11901	12062

### TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11675-11700 with a target at Rs. 11800 and then Rs. 11875 with a strict stop loss at Rs. 11575. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11700	15
	Ungarbled 11100	

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur remains steady during Wednesday's trade. It was offered at an unchanged price amidst steady arrivals as well as offtake. Market sentiments have turned in favour of the bears as fresh crop arrivals started getting momentum at present. Arrivals are likely to pick up further in the coming month and consequently adding to the bearishness. Talks of lower Chinese crop and prospective export demand have to some extent helped to check the downtrend. Chilli export from the country has increased to Rs. 380 crore during April-November 2006. Acreage under chilli this year is estimated to have doubled and consequently the production is likely to be a bumper one. With a bumper harvest outlook, prices are likely to remain bearish in 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. 4445. The futures traded downwards on increased selling interest and tested an intraday low of Rs. 4255. The futures retraced back immediately and pared most of the early losses only to finish lower. March contract traded in the range of Rs. 4255-4445 during Wednesday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Talks of lower Chinese crop; prospective export demand
2. Chilli export has increased by 41 percent in value during Apr-Nov 2006

#### Bearish:

1. Forthcoming crop is expected good due to higher acreage
2. Crop arrivals in the market gaining pace

### Weather:

Mainly dry weather over the chilli growing regions. Weather conditions are favourable for the crop at present.

### TECHNICALS

Candlesticks pattern indicates steady 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 opening with possibility of some downwards movements later in the session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4171	4261	4372	4478	4560

### TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 4375 with a target of Rs. 4425 and then Rs. 4450 with a strict stop loss of Rs. 4335. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5800-6400	15000
	LCA 334 (Bilty) 6400-7000	

## JEERA (Cumin)

### SPOT MARKETS

Jeera markets remained steady during Wednesday's trade. It was quoted in the previous price range amidst slightly higher arrivals. Some fresh crop arrivals are reported in small quantity and are of inferior quality. Domestic production of jeera is expected at the lower side owing to reduced acreage under the crop this year. Fresh crop arrivals are likely to pick up during the mid of next month onwards that would eventually help to determine the actual size of the crop, estimations of which varies widely at present. Moreover, the present cold weather conditions are also seen beneficial for the crop growth. Meanwhile, jeera exports have increased by 236 percent in quantity during Apr-November 2006. Jeera prices are expected to remain bullish in the near future supported by its strong fundamentals.

### FUTURES MARKETS:

Jeera futures at the NCDEX opened lower as compared to previous settlement and the most-active February contract tested an intraday high of Rs. 9240 at the opening session of trade. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 8960. The futures curbed some losses only to finish in negative territory. Most-active February contract traded in the range of Rs. 8960-9240 during Wednesday'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

#### Bearish:

1. Fresh arrivals started in small quantity
2. Moderate stock position

### Weather:

Mainly dry weather is likely over the jeera producing region. Climate is suitable for the crop at this stage.

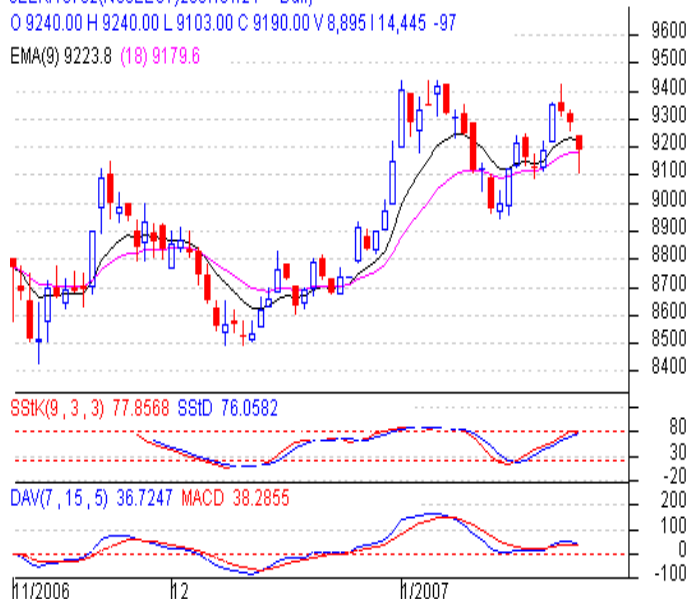
### TECHNICALS

Candlestick pattern is indicating steady to weak opening and initial downtrend. Stochastic is moving upwards in the normal region, hinting further uptrend. MACD is moving slightly downwards in the positive territory, hinting weakness. Prices closed below 9-day EMA, hinting weak prices in short-term. Volume has increased, while open interest has declined as compared to previous close. Jeera futures are likely to trade moderately downwards following a steady to weak opening initially and upwards thereafter.

JEERA 0702(NCJEE07)2007/01/24 - Daily

O 9240.00 H 9240.00 L 9103.00 C 9190.00 V 8,895 I 14,445 -97

EMA(9) 9223.8 (18) 9179.6



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	9053	9130	9190	9300	9383

### TRADE RECOMMENDATION:

Buy NCDEX February Jeera near Rs. 9175 with a target of Rs. 9250 and then Rs. 9275 with a strict stop loss of Rs. 9125. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1720-1770
	Ganesh	1770-1820
	Machine Cleaned	1875-2000
		2500

## CARDAMOM

### SPOT MARKETS:

Cardamom continued its bullish trend at the major auction centres in Kerala and Tamil Nadu mainly on the back of prevailing drought like conditions, export demand and increasing buyer's investment. At the Wednesday's auction at CPMC, Kumily, cardamom prices witnessed the surge of Rs 30-35. The average prices stood at Rs 347 while the MCX grade 7mm fetched around Rs 385 a kg. The total arrivals stood at 51.1 tonnes, consisting mainly of old stock. Exporter bought around 4 tonnes mainly to cater Saudi's demand. Market sources report that with improved overseas demand for the premium grade Indian cardamom and reported decline in Guatemalan production and its quality, the stockists are active in procuring cardamom, thus keeping the prices firm at spot.

### FUTURES MARKETS

MCX Cardamom futures witnessed volatile trade with slightly bullish sentiments. Cardamom February contract opened weak by Rs 4 at Rs 435.10. Initially futures were traded downwards, testing the lows of Rs 424.60; thereafter it recovered on buying support at lower level and was traded range bound through out the session. Futures settled on slightly bullish tone at Rs 436.

### PRICE DRIVERS

**Bearish:**

1. Release of Guatemalan cardamom
2. Increasing Guatemala exports

**Bullish:**

1. Near drought situation in Kerala
2. Declining arrivals
3. Rising demand from North India
4. Increasing overseas demand

### WEATHER

Partly cloudy conditions over 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 reflect indecisive market however buying interest supported the market at lower level. Stochastic is in overbought region and moving downwards following a bearish crossover. MACD is in positive territory and moving slightly downwards. 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 firm opening.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	429	424	444	450

### TRADE RECOMMENDATION:

BUY MCX February cardamom above Rs 432 with a target of Rs 440 and then Rs 444 with a strict stop loss at Rs 428. Trade cautiously with intra day outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
CPMC, Kumily	385	51,100

#### Disclaimer

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