

SPICES DAILY

January 13, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remain on an average steady to weak during Friday's trade. It was quoted unchanged in Nizamabad markets amidst steady arrivals as well as offtake. However, prices dipped in Erode markets owing to higher arrivals. Markets witnessed mostly lacklustre trade on 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 lower than previous settlement and most-active April contract tested an intraday high of Rs. 1972 at the early hours of trade. The futures traded mostly downwards thereafter on increased selling interest and tested an intraday low of Rs. 1952 during late hours of trading. The futures finished in the negative territory in late action. April contract traded in the range of Rs. 1952-1972 during Friday'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 indecision in the market. Stochastic are moving slightly upwards in the normal region, hinting further uptrend. 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 as well as open interest has declined as compared to previous settlement. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of some upward movement later.

Turmeric 0704(NCTMCJ7)2007/01/12 - Daily

O 1963.00 H 1972.00 L 1952.00 C 1961.00 V 4,700 I 24,170 -5

EMA(9) 1972.7 (18) 1993.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1910	1936	1961	1981	2005

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 1970-1975 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 1825-1850	500
	Gattah 1825-1850	
Erode	Finger 2100-2200	10000
	Gattah 1900-1975	

BLACK PEPPER

SPOT MARKETS

Black pepper witnessed weak trend in Kochi markets during Friday's trade. It was quoted lower by Rs. 100 per quintal amidst arrivals of 12 Mt, while no offtake was reported. 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 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 NCDEX opened higher as compared to previous settlement and most-active February contract tested an intraday high of Rs. 11580 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 11231 during the late hours of trading. The futures finished near day low in final action. Most-active February contract traded in the range of Rs. 11231-11580 during Friday'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 weak opening and initial downtrend. Stochastic are moving downwards in the normal region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. Prices closed below the 9-day EMA, hinting weak prices in short-term. Volume as well as open interest has declined as compared to previous settlement. Black pepper futures are likely to trade downwards following a weak opening and upward thereafter.

Pepper 0702(NCPEPG7)2007/01/12 - Daily

O 11544.00 H 11579.00 L 11231.00 C 11240.00 V 11,846 I 9,040 -270

EMA(9) 11304 (18) 11087



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	10722	10970	11240	11467	11715

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11150 with a target at Rs. 11300 and then Rs. 11350 with a strict stop loss at Rs. 11050. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11200	12
	Ungarbled 10600	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains steady to slightly weak during Friday's trade. Prices were quoted in a slightly lower price range amidst higher arrivals in the market. Prices have moved up to the higher side recently owing to depleting stocks in the market as well as presence of overseas buyers. 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 owing to higher acreage under chilli this season. Red chillies prices are likely to remain bearish in the near future with possibility of some short-term gains amidst depleting stocks.

FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and most-active March contract tested an intraday low of Rs. 4205 at the early hours of trade. The futures traded upwards on late buying interest and tested an intraday high of Rs. 4320 during the late hours of trading. However, the futures finish with some losses on profit taking. March contract traded in the range of Rs. 4205-4320 during Friday'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 weak opening and initial uptrend. Volume as well as open interest has increased 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 weak opening with possibility of some downwards movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4074	4171	4263	4366	4463

TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 4250 with a target of Rs. 4325 and then Rs. 4350 with a strict stop loss of Rs. 4200. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 6000-6900	10000
	LCA 334 (Bilty) 6600-7500	

JEERA (Cumin)

SPOT MARKETS

Jeera markets witness some weakness during Friday's trade in Unjha markets. Prices quoted in a lower range amidst steady arrivals as well as offtake. Domestic production of jeera is likely to be lower than the year ago figures as a result of lower acreage under the crop. 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. 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 lower as compared to previous settlement and the most-active February contract tested an intraday high of Rs. 9108 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 8955.6. The futures finished with significant losses in late action. Most-active February contract traded in the range of Rs. 8955.6-9108 during Friday'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 weak opening and initial downtrend. Stochastic are moving downwards in the normal region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. Prices closed below 9-day as well as 18-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 downwards following a weak opening with possibility of some late upward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	8831	8893	8976	9068	9125

TRADE RECOMMENDATION:

Sell NCDEX February Jeera near Rs. 9000 with a target of Rs. 8950 and then Rs. 8900 with a strict stop loss of Rs. 9050. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1625-1675
	Ganesh	1680-1730
	Machine Cleaned	1780-1900

CARDAMOM

SPOT MARKETS:

Cardamom prices remained steady to slightly firm at the Mass Enterprises auction in Vandanmedu on the back of reducing arrivals coupled with slightly better demand from North Indian markets. The auction center saw arrivals of 11 MT of cardamom that was completely sold at current levels. The prices might remain range bound to slightly firm as the picking of cardamom is at its fag end however the prices might not glue to higher levels as the crop from Guatemala is likely to be released once the price level sustains at higher level. However, the Guatemala production is expected to be short by 10 - 20% and is reported to be of slightly inferior in terms of quality. This can boost demand for the premier grade Indian cardamom at international market.

FUTURES MARKETS

Cardamom futures at MCX witnessed weak sentiments with bearish undertone. The active February contract opened slightly firm at Rs 407 against the previous close of Rs 406.20. However the futures were traded downwards throughout the session on increased selling pressure. February contract moved in the range of Rs 408- 395 per kg and finally settled sharply down by Rs 11.10 at 395.10.

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 rain and thundershowers are likely over coastal Tamil Nadu and Kerala. Dry and hot weather is not congenial for good quality yield.

TECHNICALS

MCX Candlesticks chart pattern exhibits bearish sentiments. Technical indicators MACD and RSI favour the bears. Closing price is below the 9 days EMA and 18 days EMA that indicates trend will continue. The contract is most likely to trade downwards following steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	388	385	403	407

TRADE RECOMMENDATION:

Sell MCX February cardamom below 399 with a target of Rs. 392 with a strict stop loss at Rs. 403. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
Mass Enterprises, Vandanmedu	370	11000

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