

SPICES DAILY

January 29, 2007

TURMERIC

SPOT MARKETS:

Turmeric witnessed lacklustre trade as most of the markets remained closed at the weekend. Prices were quoted unchanged in Nizamabad markets amidst steady arrivals as well as offtake. 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. Fresh crop arrivals are expected to get momentum in the coming days that would further pressurise the prices. Turmeric markets are likely to remain bearish on a better crop harvest outlook for the season.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher as compared to previous settlement and most-active April contract tested an intraday high of Rs. 2095 at the early hours of trading. Increased selling interest has pressurised the futures thereafter and the futures slide significantly during the late hours to test an intraday low of Rs. 2023. The futures finished near day's low in final action. April contract traded in the range of Rs. 2023-2095 during Saturday'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. Moderate 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 weak opening and initial downtrend. Stochastic are moving downwards in the normal region, indicating further downtrend. MACD is also moving downwards in the positive 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 increased as compared to previous settlement. Turmeric futures are likely to trade downwards following a weak opening with possibility of some upward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1944	1973	2025	2056	2085

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2015-2025 with a target of Rs. 1990 and then Rs. 1975 with a strict stop loss at Rs. 2050. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1925-1950	4000
	Gattah 1925-1950	
Erode	Finger Closed	-
	Gattah Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remained bullish during Saturday's trade. It was quoted higher by Rs. 200 per quintal amidst no arrivals as well as offtake. 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. 203 crore during April-December 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 higher as compared to previous settlement and the near-month February contract tested an intraday low of Rs. 12055 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures surged up to test an intraday high of Rs. 12430. Profit taking pared some advances, but the futures finished with significant gains in final action. Near-month February contract traded in the range of Rs. 12055-12430 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Pepper export has increased by 100 percent to Rs. 203 crore during April-December 2006
2. Low stocks with competitors, lower global production
3. IPC estimates Vietnamese crop lower and expects only by early March

Bearish:

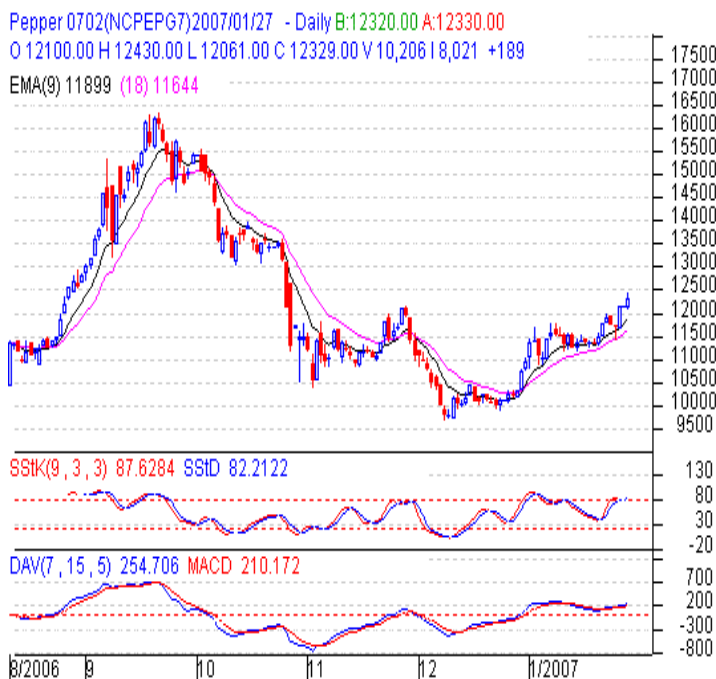
1. Moderate buying support at the physical markets

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 firm opening and initial uptrend. Stochastic are moving upwards in the overbought region, hinting further uptrend. MACD is moving slightly upwards 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 declined, while open interest has increased as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady to firm opening with possibility of some early downward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	11751	12021	12329	12764	13056

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 12250-12275 with a target at Rs. 12400 and then Rs. 12450 with a strict stop loss at Rs.12150. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12100	Nil
	Ungarbled 11500	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained closed on Saturday. Market sentiments have turned in favour of the bears recently 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 by 44 percent to Rs. 440 crore during April-December 2006. However, in quantity terms it has declined by 3 percent during the same period. Acreage under chilli this year is estimated to have doubled. With a bumper harvest outlook, prices are likely to remain bearish in near future.

FUTURES MARKETS:

Chilli futures at the NCDEX opened marginally lower than previous settlement and most-active March contract tested an intraday high of Rs. 4449 at the early hours of trade. The futures traded downwards on increased selling interest thereafter and tested an intraday low of Rs. 4375 at close. The futures finished near day's low in late action. March contract traded in the range of Rs. 4375-4449 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Talks of lower Chinese crop; prospective export demand
2. Chilli export has increased by 44 percent in value during Apr-Dec 2006

Bearish:

1. Forthcoming crop is expected good due to higher acreage
2. Crop arrivals in the market gaining pace
3. Export of chilli has declined by 3 percent in quantity during Apr-Dec 2006

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 downtrend. Volume has declined, while 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 possibility of a downward technical correction. Red chillies futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4232	4289	4375	4445	4502

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4400 with a target of Rs. 4325 and then Rs. 4300 with a strict stop loss of Rs. 4450. 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 markets witnessed some sluggish trend at the weekend. Prices were quoted in a lower range amidst higher arrivals. Fresh crop arrivals are increasing in the market, though the quantity of the same is still negligible. 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. Meanwhile, jeera exports have increased by 199 percent to 22000 tonnes and by 194 percent to Rs. 166 crore during Apr-Dec 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 near-month February contract tested an intraday low of Rs. 9193.5 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 9342. Profit taking curbed some advances, but the futures managed to hold some gains in late action. Near-month February contract traded in the range of Rs. 9193.5-9342 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Estimations of lower acreage under jeera
2. New crop size expected to be lower
3. Export has increased by 199 percent in quantity terms during Apr-Dec 2006

Bearish:

1. Fresh arrivals started increasing, though in small quantity
2. Moderate stock position at the markets

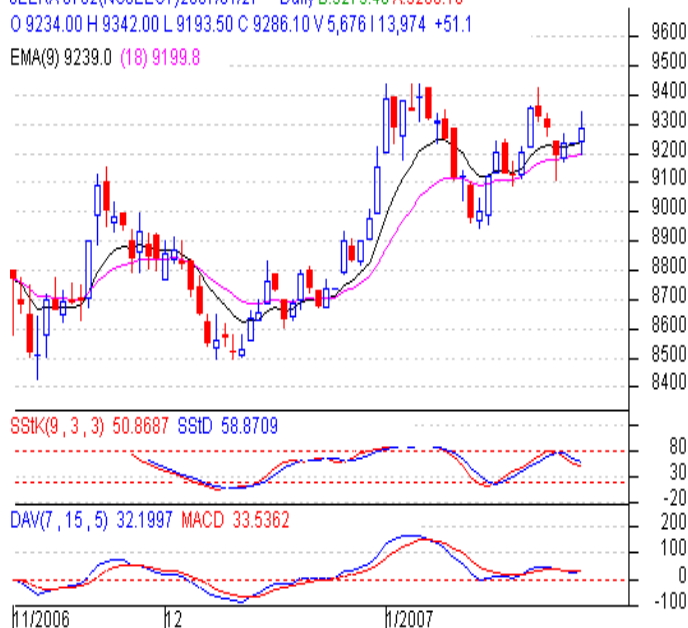
Weather:

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 firm opening and initial uptrend. Stochastic is moving downwards in the normal region, hinting further downtrend. MACD is moving indecisively 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 declined as compared to previous close. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of some early downward movements.

JEERA 0702(NCJEE07)2007/01/27 - Daily B:9279.40 A:9286.10
O 9234.00 H 9342.00 L 9193.50 C 9286.10 V 5,676 I 13,974 +51.1
EMA(9) 9239.0 (18) 9199.8



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	9105	9182	9286.1	9403	9486

TRADE RECOMMENDATION:

Buy NCDEX February Jeera near Rs. 9225-9250 with a target of Rs. 9300 and then Rs. 9325 with a strict stop loss of Rs. 9175. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1725-1775
	Ganesh	1775-1825
	Machine Cleaned	1875-2000

CARDAMOM

SPOT MARKETS:

Cardamom spot market witnessed lackluster trade on Saturday as Kerala received some rains thus reviving bearish sentiments among traders. Effect was also seen during weekly auction at ISMPCS, Pullianmala where 7mm cardamom was quoted at lower levels of Rs 360-365 a kg. The total arrivals stood at 13.4 tonnes however in view of lower price quotation, farmers withdrew nearly 5 tonnes. The timely rains may save further damage to the cardamom crop and corrections in the estimated fall in production for next season are likely if rainfall sustains. However, the traders in Delhi are hopeful that market will recover once the weather situation becomes clear in Southern India.

FUTURES MARKETS

MCX Cardamom futures witnessed weak trade with bearish undertone. Cardamom February contract opened steady at Rs 442 against the previous close of Rs 441.70. Futures were traded downwards on increased selling pressure and tested the intraday lows of Rs 433.40. Futures hovered in the range of Rs 442- 433.40 and finally settled in the negative territory at Rs 434.40.

PRICE DRIVERS

Bearish:

1. Release of Guatemalan cardamom
2. Increasing Guatemala exports
3. Revival of winter rains

Bullish:

1. Declining arrivals
2. Rising demand from North India
3. Increasing overseas demand

WEATHER

Isolated rainfall observed in Kerala region. Cloudy conditions are likely to prevail over Kerala and Tamil Nadu. Weather conditions favours cardamom crop.

TECHNICALS

Candlesticks chart pattern reflects bearish sentiments. MACD is in positive region and moving slightly downwards. Prices closed slightly above both the 9 days EMA and 18 days EMA. Stochastic favours the bears. The contract is most likely to trade downwards following a steady to slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	424	419	447	451

TRADE RECOMMENDATION:

SELL MCX February cardamom below Rs 437 with a target of Rs 429 with a strict stop loss at Rs 442. Trade cautiously with intra day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
ISMPCS, Pullianmala	360-365	13,400

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