

SPICES DAILY

January 06, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remain mixed during Friday's trade. It was quoted lower in Nizamabad markets amidst lacklustre trade, while prices edged up in Erode markets on higher offtake. Turmeric prices remained rangebound for the past few days amidst lack of any significant changes in its fundamental aspects. 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. With a good harvest outlook, domestic turmeric markets are likely to remain weak in the near future.

FUTURES MARKETS:

Turmeric futures at NCDEX opened lower as compared to previous settlement and most-active April contract tested an intraday high of Rs. 1975 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and slide to test an intraday low of Rs. 1940. The futures pared some losses, but finished in negative territory in late action. April contract traded in the range of Rs. 1940-1975 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 likely trend reversal. Stochastic are moving downwards in the normal region, hinting further downtrend. MACD is moving downwards 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 moderately upwards following a steady to weak opening and downward thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1900	1932	1959	2007	2035

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 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	-
	Gattah 1825	
Erode	Finger 2100-2200	8000
	Gattah 2000-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper surged up again in Kochi markets during Friday's trade. It was quoted up by Rs. 300 per quintal amidst arrivals as well as offtake of 10 Mt. 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.

FUTURES MARKETS:

Black pepper futures at NCDEX opened slightly higher as compared to previous settlement and near-month January contract tested an intraday low of Rs. 10700 at the early hours of trade. Increased buying interest at the lower price levels supported the futures thereafter and the futures surged up to breach the 4 percent upper circuit levels to finish near day's high in final action. Near-month January contract traded in the range of Rs. 10700-11180 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 firm opening and initial uptrend. Stochastic are moving downwards in the normal region, hinting further downtrend. MACD is moving 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 as well as open interest has declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of some late downward movements.

Pepper 0701(NCPEPF7)2007/01/05 - Daily

O 10720.00 H 11180.00 L 10700.00 C 11167.00 V 8,797 I 5,321 +440

EMA(9) 10721 (18) 10514



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	10587	10863	11167	11508	11800

TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 11150-11200 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 11000	10
	Ungarbled 10400	

RED CHILLIES

SPOT MARKETS

Red chillies traded firm in Guntur markets during Friday's trade. It was quoted higher on lower arrivals amidst depleting stocks in the markets. Chilli prices have in general 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. 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.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and most-active March contract tested an intraday low of Rs. 4075 at the early hours of trade. The futures traded mostly upwards thereafter on increased buying interest and tested an intraday high of Rs. 4191 to finish with significant gains. March contract traded in the range of Rs. 4075-4191 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 firm opening and initial uptrend. Volume has increased, while open interest has declined 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 are indicating further uptrend. Red chillies futures are likely to trade upwards following a steady to firm opening with possibility of some downward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3932	4000	4143	4231	4298

TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 4100 with a target of Rs. 4150 and then Rs. 4200 with a strict stop loss of Rs. 4050. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	2000
	LCA 334 (Bilty)	
	5800-6800	
	6300-7300	

JEERA (Cumin)

SPOT MARKETS

Jeera remains steady in Unjha markets during Friday's trade. It was offered in previous price range owing to 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 near-month January contract tested an intraday low of Rs. 9115 at the early hours of trade. Increased buying interest supported the futures thereafter and the futures retraced back to test an intraday high of Rs. 9248. The futures finished in positive territory in final action. Near-month January contract traded in the range of Rs. 9115-9248 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 steady to firm opening and initial uptrend. Stochastic are moving flat in the overbought region, hinting indecision. 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 upwards following a steady to firm opening with possibility of some late downward movements.

JEERA 0701(NCJEEF7)2007/01/05 - Daily

O 9160.00 H 9248.00 L 9115.00 C 9215.00 V 4,947 | 8,736 +55.1

EMA(9) 9024.6 (18) 8875.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	9035	9118	9215	9332	9415

TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 9175-9200 with a target of Rs. 9275 and then Rs. 9325 with a strict stop loss of Rs. 9100. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1660-1710
	Ganesh	1730-1780
	Machine Cleaned	1840-1960

CARDAMOM

SPOT MARKETS:

Cardamom prices remained steady to firm at the major auction centres in Kerala and T.N. As against the last week, the Friday's auction at Mass Enterprises Ltd, Vandanmedu witnessed improved arrivals and price level as well. The arrivals jumped back to its steady position of 17MT, almost all of which was bought by stockists. The average price of the cardamom stood Rs.5-10 higher at Rs.290-300 level. The 7mm grade cardamom was quoted at Rs.330-340. With harvesting season coming to an end, cardamom has witnessed active buyers, particularly from northern and western region traders. However the auctioneers doubt that with massive stocks available with traders and Guatemalan cardamom hitting Indian market probably by Mid-January the firmness witnessed by the Cardamom these days is unlikely to continue in near future.

FUTURES MARKETS:

Cardamom futures witnessed volatile trading in most of the contracts traded on the MCX. Cardamom Jan futures contract opened Rs.3 down at Rs 392 a Kg as against previous close of Rs 395.90. The prices dipped to the lows of Rs.385 in early session, however with active buying support the prices were pushed to the highs of Rs.404.80 before it closed the session Rs.3.60 up at Rs.399.50.

PRICE DRIVERS:

Bearish:

1. Meager export demand
2. Guatemala crop in pipeline
3. Increasing Guatemala exports

Bullish:

4. Picking of crop near completion
5. Slight domestic demand

Weather:

Mainly dry weather prevails over cardamom-growing states. Weather favourable for picking however moisture stress might hamper crop growth.

TECHNICALS

Cardamom futures are showing tentativeness at lower levels, as depicted by long shadows of candlestick body. Stochastic have just given bullish signal in overbought zone. However, MACD is showing continued increase in bearish momentum. EMA pattern also supports the same thought. The prices are likely to see volatile movements in search of direction.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	388	379	410	415

TRADE RECOMMENDATION:

Buy MCX February cardamom above 400 with a target of Rs. 407 and then Rs 412 with a strict stop loss at Rs. 396. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
Mass Enterprise Ltd, Vandanmedu	330-340	17000

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.