

SPICES DAILY

January 12, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remain mostly steady during Thursday's trade. Prices remained in the previous range amidst mostly steady arrivals as well as offtake in Nizamabad and Erode markets. Turmeric prices edged up during past couple of days on improved demand that has offset the arrivals. 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 started the day with a bearish note and most-active April contract tested an intraday low of Rs. 1940 at the early hours of trade. The futures traded mostly upwards thereafter on increased buying interest and tested an intraday high of Rs. 1980 during late hours of trading. The futures finished with some gains in late action. April contract traded in the range of Rs. 1940-1980 during Thursday'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 firm opening and initial uptrend. 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 upwards following a steady to firm opening with possibility of some downward movement later.

Turmeric 0704(NCTMCJ7)2007/01/11 - Daily

O 1952.00 H 1980.00 L 1940.00 C 1966.00 V 17,450 I 24,680 +16

EMA(9) 1975.2 (18) 1997.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1910	1936	1966	2005	2031

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 1975-1980 with a target of Rs. 1950 and then Rs. 1940 with a strict stop loss at Rs. 2000. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1825-1850	500-600
	Gattah 1825-1850	
Erode	Finger 2150-2250	5000
	Gattah 1950-2000	

BLACK PEPPER

SPOT MARKETS

Black pepper continues to remain steady in Kochi markets during Thursday's trade. It was quoted unchanged 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 once the consolidation phase is over.

FUTURES MARKETS:

Black pepper futures at NCDEX opened higher as compared to previous settlement. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 11175 at the early hours of trade. The futures recovered the losses on increased buying support at the lower price levels and surged up during the late hours to test an intraday high of Rs. 11545. Most-active February contract traded in the range of Rs. 11175-11545 during Thursday'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 steady to firm opening and initial uptrend. Stochastic are moving slightly downwards in the normal region, hinting further downtrend. MACD is moving flat in the positive territory. 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 upwards following a steady to firm opening.

Pepper 0702(NCPEPG7)2007/01/11 - Daily

O 11306.00 H 11545.00 L 11175.00 C 11510.00 V 14,314 I 9,424 +180

EMA(9) 11320 (18) 11070



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	11000	11156	11510	11839	12000

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11475-11500 with a target at Rs. 11600 and then Rs. 11675 with a strict stop loss at Rs.11375. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11300	10
	Ungarbled 10700	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains steady during Thursday's trade. Prices were quoted in an unchanged price range amidst slightly higher arrivals. Prices have moved up to the higher side recently owing to depleting stocks in the market. 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. 4166 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 4300. The futures finish with significant gains in final action. March contract traded in the range of Rs. 4166-4300 during Thursday'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 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 further uptrend. Red chillies futures are likely to trade upwards following a steady to firm opening with possibility of some downwards movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4052	4156	4275	4381	4478

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) 6000-7000	7000
	LCA 334 (Bilty) 6600-7600	

JEERA (Cumin)

SPOT MARKETS

Jeera markets witness some weakness during Thursday'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 low of Rs. 9031.6 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 9144. The futures finished with marginal losses in late action. Most-active February contract traded in the range of Rs. 9031.6-9144 during Thursday'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 downwards in the normal region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. Prices closed below 9-day EMA, hinting weak 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 0702(NCJEEG7)2007/01/11 - Daily

O 9071.00 H 9142.00 L 9035.00 C 9122.00 V 8,493 116,788 +6

EMA(9) 9200.4 (18) 9117.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	8940	9017	9122	9233	9311

TRADE RECOMMENDATION:

Buy NCDEX February Jeera near Rs. 9100-9125 with a target of Rs. 9200 and then Rs. 9225 with a strict stop loss of Rs. 9040. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1630-1680
	Ganesh	1690-1740
	Machine Cleaned	1800-1920

CARDAMOM

SPOT MARKETS:

Cardamom prices remained slightly firm at the weekly auction at STCL, Bodinayakannur on Thursday. However, the arrivals at auction dipped to the season's low at 28 tonnes, mainly due to lesser harvest and higher price expectation by farmers. Market is likely to remain firm as farmers are withholding the harvest. Farmers withdrew around 2 tonnes during Thursday auction. The average prices saw improvement of Rs.10 against last auction. The 7mm MCX grade was also traded at marginally higher prices between Rs.370-380 levels. With harvesting season at fag end and slightly improved demand from north Indian markets, the prices are likely to improve further. However the prices are likely to fall once the Guatemalan cardamom is released in Indian markets. Nearly 2 tonnes of Guatemalan cardamom is arriving daily in India.

FUTURES MARKETS:

Cardamom futures on the MCX observed lackluster trade with bearish under tone. Cardamom February delivery futures contract opened at Rs 409.90 up Rs 1.80 as against Wednesdays close of Rs 408.10 a Kg. The prices rose to the high of Rs 414 during Thursday's session. The futures were traded downwards with increased selling pressure and closed the session Rs 1.80 down at Rs 406.30.

PRICE DRIVERS:

Bearish: 1. Guatemala crop in pipeline
2. Increasing Guatemala exports

Bullish:
1. Picking in final stage
2. Stockists and exporters buying small quantities at current levels

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

Candlesticks are reflecting indecision prevailing at the current levels. Rising MACD in negative zone indicate decreasing bearish momentum. Stochastic is also positive in neutral region. However, the prices closed below 9 days EMA shows short-term weakness in the market sentiments. The contract is most likely to witness volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	403	396.5	417	421

TRADE RECOMMENDATION:

Buy MCX February cardamom above 403 with a target of Rs. 412 and then Rs 416 with a strict stop loss at Rs. 398. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
STCL, Bodinayakannur	370-380	28000

Disclaimer

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