

SPICES DAILY

January 10, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remain steady to firm during Tuesday's trade. It was quoted unchanged in Nizamabad markets amidst steady arrivals as well as offtake. However, prices edged up in Erode markets on higher demand. Turmeric prices have started firming up in this week 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.

FUTURES MARKETS:

Turmeric futures at NCDEX opened slightly lower as compared to previous settlement 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. 1986. The futures finished near day high in final action. April contract traded in the range of Rs. 1940-1986 during Tuesday'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 oversold region, hinting likely upward correction. 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 has increased, while 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.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1920	1945	1982	2022	2046

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 1975 with a target of Rs. 1995 and then Rs. 2005 with a strict stop loss at Rs. 1960. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1850	400-500
	Gattah 1850	
Erode	Finger 2175-2275	6000
	Gattah 1950-2000	

BLACK PEPPER

SPOT MARKETS

Black pepper continues to remain steady in Kochi markets during Tuesday's trade. It was quoted unchanged amidst no arrivals as well as offtake. 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 lower as compared to previous settlement and most-active February contract tested an intraday low of Rs. 11455 at the early hours of trade. The futures traded mostly upwards thereafter on increased buying interest and tested an intraday high of Rs. 11699. Profit taking capped further advances and the futures finished in red on late selling pressure. Most-active February contract traded in the range of Rs. 11455-11699 during Tuesday'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 weak opening and initial downtrend. Stochastic are moving slightly upwards and the %K-line has just entered in the overbought region, hinting further uptrend. 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 downwards following a steady to weak opening and upwards thereafter.

Pepper 0702(NCPEPG7)2007/01/09 - Daily

O 11525.00 H 11699.00 L 11465.00 C 11540.00 V 10,033 I 9,203 -10

EMA(9) 11258 (18) 10981



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	11119	11281	11540	11727	11901

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11450 with a target at Rs. 11600 and then Rs. 11700 with a strict stop loss at Rs.11325. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur maintained the firmness during Tuesday's trade. Prices were quoted in the previous range amidst higher arrivals as well as offtake. Prices have moved up to the higher side 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 much higher than previous settlement and most-active March contract tested an intraday low of Rs. 4243 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 4360. Profit taking curbed some advances, but the futures managed to finish with significant gains. March contract traded in the range of Rs. 4243-4360 during Tuesday'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 downtrend. Volume has increased, while 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 downwards following a steady to weak opening with possibility of some upward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4044	4152	4275	4381	4478

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4275 with a target of Rs. 4200 and then Rs. 4175 with a strict stop loss of Rs. 4325. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	5800-6800
	LCA 334 (Bilty)	6400-7400
		6000

JEERA (Cumin)

SPOT MARKETS

Jeera markets remain steady during Tuesday's trade in Unjha markets. Prices maintained the previous levels amidst lower arrivals. 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 higher as compared to previous settlement and the most-active February contract tested an intraday high of Rs. 9350 at the early hours of trade. The futures traded downwards thereafter on increased selling interest at the higher price levels and tested an intraday low of Rs. 9240. The futures finished near day low in late action. Most-active February contract traded in the range of Rs. 9240-9350 during Tuesday'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 weak opening and initial downtrend. Stochastic are moving downwards in the overbought region, hinting further downtrend. MACD has made a bearish crossover with its EMA in the positive territory. Prices closed just below 9-day EMA, hinting weak prices in short-term. Jeera futures are likely to trade downwards following a steady to weak opening with possibility of some late upward movements.

JEERA 0702(NCJEEG7)2007/01/09 - Daily

O 9318.00 H 9350.00 L 9241.00 C 9245.00 V 6,423 117,532 -63.4

EMA(9) 9245.5 (18) 9116.8



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	9079	9156	9245	9311	9388

TRADE RECOMMENDATION:

Sell NCDEX February Jeera near Rs. 9250-9260 with a target of Rs. 9200 and then Rs. 9160 with a strict stop loss of Rs. 9310. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1650-1700	2500
	Ganesh	1710-1760	
	Machine Cleaned	1820-1940	

CARDAMOM

SPOT MARKETS:

Cardamom prices remained steady to slightly firm at the HSPL auction in Nedukandum region of Idukki. The prices improved on slightly improved demand from export front. The auction center saw arrivals of 29.18 MT of cardamom and was completely sold owing to export of 5MT of cardamom. Traders from the markets of north India stated the demand for the commodity is moderate. The prices might remain range bound to slightly firm as the picking of cardamom is near completion however the prices might not stick to higher levels as the crop from Guatemala is in pipeline. There are unconfirmed reports of import of around 2 MT of cardamom daily from Guatemala. Exporters from Guatemala reported exports during June to December 2006 increased.

FUTURES MARKETS:

Cardamom prices on the MCX rebound following increased buying interest in the market. Cardamom February futures contract opened gap up at Rs 396.9 a Kg as against previous days close of Rs 394.8. The prices surged thereafter and were highest at Rs 415 during Tuesday's session. The trading for the day culminated Rs 11.70 up at Rs 406.50 a Kg when compared with previous days close of Rs 394.80. The volume numbers and open interest both increased when compared to that of Monday.

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

TECHNICALS

Candlesticks are reflecting bullish sentiments at the current levels. MACD is declining in negative zone and the prices closed below short term EMA's. Stochastic is bullish in oversold zone and RSI is rising in neutral zone. The contract is most likely to witness volatile movement of prices with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	398.8	391.4	413	419

TRADE RECOMMENDATION:

Buy MCX February cardamom above 404.5 with a target of Rs. 410 and then Rs 415 with a strict stop loss at Rs. 400.30. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
(HSPL), Nedukandum, Idukki	350-405	29180

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