

SPICES DAILY

January 11, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remain on an average bearish during Wednesday's trade. Prices quoted in a slightly lower range in Erode markets amidst steady arrivals as well as offtake. Nizamabad markets remain closed. 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 opened higher as compared to previous settlement and most-active April contract tested an intraday high of Rs. 1984 at the opening session of trade. The futures traded mostly downwards thereafter on increased selling interest and tested an intraday low of Rs. 1948. The futures finished near day low in final action. April contract traded in the range of Rs. 1948-1984 during Wednesday'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 initial downtrend. 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 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.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1890	1910	1950	1974	1998

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 1960 with a target of Rs. 1940 and then Rs. 1930 with a strict stop loss at Rs. 1975. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2150-2250	6000
	Gattah	1950-2000	

BLACK PEPPER

SPOT MARKETS

Black pepper maintains previous steadiness in Kochi markets during Wednesday's trade. It was quoted unchanged amidst arrivals as well as offtake of 15 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 lower as compared to previous settlement and most-active February contract tested an intraday high of Rs. 11564 at the early hours of trade. The futures traded sharply downwards thereafter on increased selling interest and tested an intraday low of Rs. 11155. The futures recovered some losses on moderate buying support at the lower price levels, but finished with significant losses. Most-active February contract traded in the range of Rs. 11155-11564 during Wednesday'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 as well as open interest has increased as compared to previous settlement. Black pepper futures are likely to trade moderately downwards following a steady to weak opening initially and upwards thereafter.

Pepper 0702(NCPEPG7)2007/01/10 - Daily

O 11510.00 H 11557.00 L 11160.00 C 11330.00 V 15,693 I 9,241 -210

EMA(9) 11272 (18) 11017



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	10933	11119	11330	11566	11765

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11250-11275 with a target at Rs. 11375 and then Rs. 11450 with a strict stop loss at Rs. 11150. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	11300	15
	Ungarbled	10700	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains firm during Wednesday's trade. Prices were quoted in a higher price range amidst lower arrivals. 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 higher than previous settlement and most-active March contract tested an intraday high of Rs. 4338 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 4180. The futures finish with significant losses in final action. March contract traded in the range of Rs. 4180-4338 during Wednesday'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 as well as open interest has declined as compared to previous settlement. Prices closed just the 9-day 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	4000	4089	4205	4321	4418

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4200-4230 with a target of Rs. 4125 and then Rs. 4100 with a strict stop loss of Rs. 4295. 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	4000-5000
	LCA 334 (Bilty) 6600-7600	

JEERA (Cumin)

SPOT MARKETS

Jeera markets maintains previous steadiness during Wednesday's trade in Unjha markets. Prices maintained the previous levels 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 higher as compared to previous settlement and the most-active February contract tested an intraday high of Rs. 9285 at the opening session of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 9102. The futures finished near day low in late action. Most-active February contract traded in the range of Rs. 9102-9285 during Wednesday'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 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. Jeera futures are likely to trade downwards following a steady to weak opening with possibility of some late upward movements.

JEERA 0702(NCJEEG7)2007/01/10 - Daily

O 9285.00 H 9285.00 L 9102.10 C 9116.00 V 14,283 I 17,346 -129

EMA(9) 9219.6 (18) 9116.7



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	8935	9017	9116	9202	9275

TRADE RECOMMENDATION:

Sell NCDEX February Jeera near Rs. 9125 with a target of Rs. 9050 and then Rs. 9025 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	1650-1700
	Ganesh	1710-1760
	Machine Cleaned	1820-1940

CARDAMOM

SPOT MARKETS:

Cardamom prices remained steady to slightly firm at the CPMC auction in Kumily. The prices improved due to reducing arrivals coupled with slightly better demand from North Indian markets. The auction center saw arrivals of 52 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 near completion however the prices might not stick to higher levels as the crop from Guatemala is in pipeline. According to market sources labor scarcity during festive season might help the prices to recover slightly. Guatemala production is likely to fall by 10 - 20% and is reported to be of slightly inferior in terms of quality.

FUTURES MARKETS:

Cardamom prices on the MCX continued to trade firm mostly during the day however prices dipped slightly in the later trading hours. Cardamom February delivery futures contract opened at Rs 408 firm by Rs 2 as against Tuesdays close of Rs 406 a Kg. The prices rose to the high of Rs 416.90 during Wednesday's session. The trading for the day culminated Rs 1.50 up at Rs 407.50 a Kg as against previous days close of Rs 406. The volume numbers and open interest both increased as against that of Tuesday.

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. MACD has made a bullish crossover in negative zone and the prices closed above 9 days EMA. Stochastic is rising in oversold region. The contract is most likely to witness volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	403	396.5	413.7	419

TRADE RECOMMENDATION:

Sell MCX February cardamom below 411.20 with a target of Rs. 406.5 and then Rs 404.00 with a strict stop loss at Rs. 414.60. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
CPMC, Kumily	350-360	52000

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