

SPICES DAILY

January 19, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remain stable during Thursday's trade. It was quoted unchanged in Nizamabad markets amidst reduced arrivals from the fresh harvest. However, the quality is reported to be inferior one with higher moisture contents. Stocks in the cold storage are reported to have exhausted at present. Prices maintained its previous levels in Erode markets, where fresh arrivals are yet to come. Crop arrivals are likely to get momentum during the later half of the month. With a better harvest outlook in this season, turmeric markets are likely to remain bearish in the near future.

FUTURES MARKETS:

Turmeric futures at NCDEX opened steady as compared to previous settlement and most-active April contract tested an intraday high of Rs. 1998 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 1972 during late hours to finish with some losses. April contract traded in the range of Rs. 1972-1998 during Thursday'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 at the lower price tags
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 steady to weak opening and initial downtrend. Stochastic are moving upwards in the normal region, hinting further uptrend. MACD is also moving upwards in the negative territory. Prices closed above the 9-day EMA, hinting firm 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 steady to weak opening with possibility of some upward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1940	1956	1980	2005	2021

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 1990-1995 with a target of Rs. 1970 and then Rs. 1965 with a strict stop loss at Rs. 2007. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1825	700-800
	Gattah 1825	
Erode	Finger 2100-2200	3000
	Gattah 1950-2000	

BLACK PEPPER

SPOT MARKETS

Black pepper market in Kochi remains quiet during Thursday's trade. It was offered at an unchanged price amidst arrivals as well as offtake of 30 Mt. Lower global productions as well as expectation of a lower domestic crop size has supported the 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 once the consolidation phase is over.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the most-active February contract traded upwards to test an intraday high of Rs. 11450 at the early hours of trade. The futures retreated on increased selling interest at the higher price levels and tested an intraday low of Rs. 11302 during the late hours of trading to finish with losses in final action. Most-active February contract traded in the range of Rs. 11302-11450 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 and expects only by early March

Bearish:

1. Lack of buying support at the physical markets
2. Overseas demand yet to pick up after the yearend holidays as expected earlier

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 downwards in the normal region, hinting further downtrend. MACD is also moving downwards in the positive territory, supporting the weakness. Prices closed below the 9-day EMA, hinting weak prices in short-term. Volume as well as open interest has declined as compared to previous settlement. Black pepper futures are likely to trade moderately downwards following a steady to weak opening with possibility of upward movements later in the session.

Pepper 0702(NCPEPG7)2007/01/18 - Daily

O 11340.00 H 11447.00 L 11302.00 C 11322.00 V 6,510 I 9,909 -40

EMA(9) 11340 (18) 11205



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	10933	11169	11322	11551	11777

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 11250-11275 with a target at Rs. 11375 and then Rs. 11425 with a strict stop loss at Rs. 11175. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11200	30
	Ungarbled 10600	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains steady during Thursday's trade. Prices have moved to a lower range recently amidst increase in market arrivals. Talks of lower Chinese crop continue to support the market sentiments. 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 the crop 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 lower than previous settlement and most-active March contract tested an intraday high of Rs. 4268 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 4180 during late hours of trading. The futures finished with some losses in final action. March contract traded in the range of Rs. 4180-4268 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. Fresh crop arrivals in the market gaining momentum

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 below the 9-day as well as 18-day EMA, hinting short-term weakness in prices. Stochastic and MACD are indicating further downtrend in the markets. Red chillies futures are likely to trade downwards following a steady to weak opening with possibility of some early upward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4044	4109	4210	4283	4350

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4240-4250 with a target of Rs. 4200 and then Rs. 4175 with a strict stop loss of Rs. 4280. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 6000-6600	15000
	LCA 334 (Bilty) 6600-7200	

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets maintains previous steadiness during Thursday's trade. It was quoted unchanged in Unjha markets amidst slightly higher arrivals. Domestic production of jeera is likely to be lower than the year ago figures. However, trade expectations of the crop varies widely and market is under uncertainty about the size of the crop. Present weather conditions are good enough for crop developments and consequently have dampened the market sentiments. Fresh crop arrivals are expected to pick up during the later half of this month. 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. 9085.9 at the early hours of trade. The futures traded upwards thereafter on increased selling interest and tested an intraday high of Rs. 9174.5 only to finish in negative territory in final action. Most-active February contract traded in the range of Rs. 9085.9-9174.5 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Estimations of lower acreage under jeera
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 is moving upwards in the normal region, hinting further uptrend. MACD is moving flat in the positive territory. Prices closed below 9-day EMA, hinting weak prices in short-term. Volume as well as open interest has declined as compared to previous close. Jeera futures are likely to trade downwards following a steady to weak opening initially with possibility of upward movements later.

JEERA 0702(NCJEEG7)2007/01/18 - Daily

O 9130.00 H 9174.50 L 9085.90 C 9126.00 V 4,899 I 17,007 -37.2

EMA(9) 9142.5 (18) 9114.9



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	8971	9053	9126	9264	9342

TRADE RECOMMENDATION:

Buy NCDEX February Jeera near Rs. 9100 with a target of Rs. 9175 and then Rs. 9225 with a strict stop loss of Rs. 9055. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1670-1720	2000
	Ganesh	1725-1780	
	Machine Cleaned	1825-1950	

CARDAMOM

SPOT MARKETS:

Cardamom was traded about Rs 30 higher during Thursday's auction at STCL, Bodinayakannur mostly owing to improved demand from the traders. As no auction was conducted at CPMC, Kumily on Wednesday due to Pongal holiday, the Thursday's auction witnessed strong buyers support. In effect, it is likely to push the spot prices of cardamom even further. Already the cardamom prices have witnessed the month's highs, mainly due to decreasing arrivals, reduced production and interest shown by overseas buyers. The auction saw the arrivals of 27 tonnes, all of which was sold at an average price of Rs 300-310. The 7mm MCX grade was traded at Rs 370-380 level. Market sources estimate that the prices of cardamom are likely to remain firm in spot market and might touch the target of Rs 400-450 in a coming month.

FUTURES MARKETS

Majority of the Cardamom futures witnessed bullish sentiments at MCX. Cardamom February contract opened steady at Rs 412.50. Sparing the initial trading hour, the contract was traded in the higher territory on buyer's pressure throughout the session. The prices hovered in the range of Rs 423.70-409.50 before it settled at the sessions high of Rs 423.70.

PRICE DRIVERS

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

- Bullish:**
1. Picking in final stage, arrivals declining
 2. Slightly better demand from North India

WEATHER

Isolated rainfall is likely over coastal Tamil Nadu. However, dry and hot weather likely to continue in Kerala and Karnataka, which is not conducive for cardamom crop.

TECHNICALS

Candlesticks chart pattern reflect bullish sentiments. Technical indicators Stochastics and MACD favour the bulls. Prices closed above both the 9 days EMA and 18 days EMA. The contract is most likely to trade upwards following a steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	410	404	436	440

TRADE RECOMMENDATION:

BUY MCX February cardamom above Rs 419 with a target of Rs 429 with a strict stop loss at Rs 412. Trade cautiously with intra day outlook.

Centers	Prices/Kg (7mm)	Arrivals (Kg)
STCL, Bodinayakannur	370-380	27,000

Disclaimer

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