

SPICES DAILY

January 31, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average closed on Tuesday. Prices had maintained a stable trend during the recent time. Arrivals have started from the fresh harvest, though the quality of the same is reported to be inferior one with higher moisture contents and quantity is also not enough to make any significant impact on prices. Fresh crop arrivals are expected to get momentum in the coming days that would further pressurise the prices. Turmeric markets are likely to remain bearish on a better crop harvest outlook for the season.

FUTURES MARKETS:

Turmeric futures at NCDEX opened marginally lower as compared to previous settlement and most-active April contract tested an intraday low of Rs. 2006 at the opening session of trading. Increased buying interest at the lower price levels has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2050. The futures finished near day's high in final action. April contract traded in the range of Rs. 2006-2050 during Tuesday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock of turmeric in the market
2. Fresh crop arrivals increasing gradually
3. Weather suitable for growth of crop

Bullish:

1. Moderate demand amidst depleting stocks
2. Moderate demand from North India owing to winter season

Weather:

Isolated rain/thundershower is likely over the producing 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 downwards in the normal region, indicating 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. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of downward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1976	2005	2044	2079	2105

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2040 with a target of Rs. 2055 and then Rs. 2060 with a strict stop loss at Rs. 2030. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper markets witnessed a soft trend during Tuesday's trade. It was quoted lower by Rs. 100 per quintal amidst no arrivals as well as offtake. Spot markets have witnessed a sharp rally in the recent past owing to improved demand scenario. Overseas enquiries are also reported after a while and traders are optimistic of prospective export demand given the lower price of Indian pepper at the global markets. The export story so far remains quite bright as India exported pepper worth Rs. 203 crore during April-December 2006. With global pepper production estimated to decline by 15-20 per cent (IPC estimates) and 3.46 per cent growth in global consumption, prices are likely to head skywards in the global market in near future. Domestic scenario could well match the global trend given the estimated decline in the production this year.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the near-month February contract tested an intraday high of Rs. 12900 at the early hours of trade. Profit taking capped further advances and the futures slide to test an intraday low of Rs. 12566 on increased selling interest. The futures finished with significant losses in final action. Near-month February contract traded in the range of Rs. 12566-12900 during Tuesday's trade.

PRICE DRIVERS:

Bullish:

1. Pepper export has increased by 100 percent to Rs. 203 crore during April-December 2006
2. Low stocks with competitors, lower global production
3. IPC estimates Vietnamese crop lower and expects only by early March

Bearish:

1. Moderate buying support at the physical markets

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 upwards in the overbought region, hinting further uptrend. MACD is also moving upwards in the positive territory. Prices closed above the 9-day as well as 18-day EMA, hinting firm prices in short-term. Volume has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade downwards following a steady to weak opening initially with possibility of upward movements later in the session.

Pepper 0702(NCPEPG7)2007/01/30 - Daily B:12599.00 A:12600.00
O 12850.00 H 12890.00 L 12569.00 C 12601.00 V 15,328 I 6,801 -216
EMA(9) 12187 (18) 11857



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	11818	12133	12601	13000	13327

TRADE RECOMMENDATION:

Buy NCDEX February Pepper near Rs. 12475-12500 with a target at Rs. 12675 and then Rs. 12725 with a strict stop loss at Rs.12350. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12300	Nil
	Ungarbled 11700	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained closed on Tuesday. Traders attributed improved demand as the major reason behind the firmness in chilli prices recently. Fresh crop arrivals started getting momentum at present. Arrivals are likely to pick up further in the coming month. Talks of lower Chinese crop and prospective export demand have to some extent helped to check the downtrend. Chilli export from the country has increased by 44 percent to Rs. 440 crore during April-Dec 2006. However, in quantity terms it has declined by 3 percent. Acreage under chilli this year is estimated to have doubled. With a bumper harvest outlook, prices are likely to remain moderately bearish to steady in near future.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and most-active March contract tested an intraday low of Rs. 4454 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 4572. Profit taking pared some advances, but the futures managed to hold some gains in final action. March contract traded in the range of Rs. 4454-4572 during Tuesday's trade.

PRICE DRIVERS:

Bullish:

1. Talks of lower Chinese crop; prospective export demand
2. Chilli export has increased by 44 percent in value during Apr-Dec 2006

Bearish:

1. Forthcoming crop is expected good due to higher acreage
2. Crop arrivals in the market gaining pace

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 above the 9-day as well as 18-day EMA, hinting short-term firmness in prices. Stochastic is moving indecisively in the normal region. MACD is moving upwards in the positive territory, supporting the firmness. Red chillies futures are likely to trade upwards following a steady to firm opening with possibility of downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4298	4388	4510	4605	4694

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4550-4575 with a target of Rs. 4500 and then Rs. 4475 with a strict stop loss of Rs. 4625. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Jeera markets maintain its previous position during Tuesday's trade. It was quoted unchanged amidst slightly lower arrivals. Fresh crop arrivals are increasing in the market, though the quantity of the same is still negligible. Production of jeera is expected at the lower side owing to reduced acreage under the crop this year. Fresh crop arrivals are likely to pick up during the mid of next month onwards that would eventually help to determine the actual size of the crop, estimations of which varies widely at present. Meanwhile, jeera exports have increased by 199 percent to 22000 tonnes and by 194 percent to Rs. 166 crore during Apr-Dec 2006. Jeera prices are expected to remain bullish in the near future supported by its strong fundamentals.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the near-month February contract tested an intraday high of Rs. 9390 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 9260. The futures finished near day's low in late action. Near-month February contract traded in the range of Rs. 9260-9390 during Tuesday's trade.

PRICE DRIVERS:

Bullish:

1. Estimations of lower acreage under jeera
2. New crop size expected to be lower
3. Export has increased by 199 percent in quantity terms during Apr-Dec 2006

Bearish:

1. Fresh arrivals started increasing, though in small quantity
2. Moderate stock position at the markets

Weather:

Isolated rain/thundershower is likely over the jeera producing region. Climate is suitable for the crop at this stage.

TECHNICALS

Candlestick pattern is indicating weak opening and initial downtrend. Stochastic after making a bullish crossover moving indecisively in normal region. MACD is also moving flat in the positive territory. Prices closed above 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 close. Jeera futures are likely to trade downwards following a weak opening with possibility of upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX February	9094	9166	9268	9342	9408

TRADE RECOMMENDATION:

Buy NCDEX February Jeera near Rs. 9200-9225 with a target of Rs. 9300 and then Rs. 9325 with a strict stop loss of Rs. 9140. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1750-1800
	Ganesh	1800-1850
	Machine Cleaned	1900-2025
		2000

CARDAMOM

SPOT MARKETS:

Cardamom spot prices firmed up during Tuesday's auction at HSPL, Nedumkandam mainly owing to increasing export demand and tightening stock position. Further, improved demand from northern India and near close of peak harvesting season has also contributed to the recent firmness in cardamom. Meanwhile, the total arrivals and sales during auction stood at 27 tonnes. The average price for cardamom stood at higher level of 333 a kg, while the MCX grade 7mm fetched Rs 385-390 a kg. The exporter bought nearly 10 tonnes to cater the demand from Dubai and Saudi. With renewed export demand and buyers interest, the prices are likely to remain on higher side in coming days. Further, as the Guatemalan cardamom is of inferior grade it is unlikely to affect the current price trend.

FUTURES MARKETS

Cardamom futures witnessed bullish sentiments at MCX. The February contract opened steady at its near previous levels of Rs 436. The futures were traded upwards in the early session, testing the highs of Rs 443.90, thereafter futures were shed some points on increased selling pressure. However, finally futures settled in the positive territory with bullish sentiments at Rs 439.20. Cardamom futures hovered in the range of Rs 443.90-436.

PRICE DRIVERS

Bearish:

1. Release of Guatemalan cardamom
2. Increasing Guatemala exports

Bullish:

1. Declining arrivals
2. Rising demand from North India
3. Increasing overseas demand

WEATHER

Isolated rainfall is likely in Kerala and Tamil Nadu region. Weather conditions favour the cardamom crop.

TECHNICALS

Candlesticks chart pattern reflects bullish sentiments. MACD is in positive region and moving slightly downwards. Prices closed slightly above both the 9 days EMA and 18 days EMA. Stochastic favours the bears. The contract is most likely to trade upward following a steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	429	426	454	458

TRADE RECOMMENDATION:

BUY MCX February cardamom above Rs 437 with a target of Rs 446 and then Rs 449 with a strict stop loss at Rs 432. Trade cautiously with intra day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
HSPL, Nedumkandam	385-390	27,000

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