

SPICES DAILY

February 03, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed a mixed trend during Friday's trade. It was offered in the previous price range in Nizamabad amidst slightly lower arrivals. However, in Erode finger variety was quoted at a lower price amidst higher arrivals. Fresh crop arrivals are coming in the markets with mixed quality, wherein the inferior ones are fetching lower 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 higher as compared to previous settlement and most-active April contract tested an intraday low of Rs. 2015 at the early hours of trading. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2035. The futures finished near day's high in final action. April contract traded in the range of Rs. 2015-2035 during Friday'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:

Mainly dry weather 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 downwards in the positive territory, supporting the weakness. Prices closed above the 18-day EMA, hinting firm 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 downwards movement later in the session.

Turmeric 0704(NCTMCJ7)2007/02/02 - Daily B:2030.00 A:2031.00
O 2026.00 H 2035.00 L 2015.00 C 2031.00 V 8,140 I 25,510 +10
EMA(9) 2034.0 (18) 2028.8



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1998	2015	2031	2055	2070

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2030 with a target of Rs. 2045 and then Rs. 2050 with a strict stop loss at Rs. 2020. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000	3500
	Gattah 1900	
Erode	Finger 2050-2150	7500
	Gattah 2000-2100	

BLACK PEPPER

SPOT MARKETS

Black pepper markets recovered back from previous day's slump. It was offered at a higher price by Rs. 200 per quintal in Kochi amidst no arrivals as well as offtake. Spot markets have witnessed a sharp rally in the recent past owing to improved demand scenario. 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 lower as compared to previous settlement and the most active March contract tested an intraday low of Rs. 12340 at the early hours of trade. Increased buying interest at the lower price levels has supported the futures thereafter and the futures tested an intraday high of Rs. 12958 during the late hours of trading. Most active March contract traded in the range of Rs. 12340-12958 during Friday'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. Reduced 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 firm opening and initial uptrend. The %K-line has made a bearish crossover with the %D-line and moving downward in the overbought region. MACD is also moving downwards 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 declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady to firm opening with possibility of some late downward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12319	12529	12899	13389	13600

TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12875-12900 with a target at Rs. 13000 and then Rs. 13075 with a strict stop loss at Rs. 12775. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12400	Nil
	Ungarbled 11800	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur maintained its previous steadiness amidst steady arrivals as well as offtake. Fresh crop 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 high of Rs. 4550 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 4444. The futures finished with some losses in final action. March contract traded in the range of Rs. 4444-4550 during Friday'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 weak opening and initial downtrend. Volume as well as 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 also moving flat in the positive territory. Red chillies futures are likely to trade downwards following a steady to weak opening with possibility of upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4298	4366	4490	4605	4679

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4500-4525 with a target of Rs. 4450 and then Rs. 4425 with a strict stop loss of Rs. 4575. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	5500-6500
	LCA 334 (Bilty)	6100-7000
		20000

JEERA (Cumin)

SPOT MARKETS

Jeera markets remained on an average bearish during Friday's trade. It was offered at a lower price amidst steady offtake. Fresh crop arrivals are increasing in the market and consequently pressurising the market sentiments. 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 lower as compared to previous settlement and the most active March contract tested an intraday low of Rs. 9110 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 9249. The futures finished near day's high in late action. Most active March contract traded in the range of Rs. 9110-9249 during Friday'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 steady to firm opening and initial uptrend. Stochastic is moving downwards in 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. Volume has increased, while open interest has decline as compared to previous close. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	9065	9137	9238	9347	9419

TRADE RECOMMENDATION:

Buy NCDEX March Jeera near Rs. 9225-9240 with a target of Rs. 9300 and then Rs. 9325 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 1700-1750	3500
	Ganesh 1750-1800	
	Machine Cleaned 1850-1870	

CARDAMOM

SPOT MARKETS:

Spot prices of cardamom remain firm at major trading centres on the back of improved demand from Middle East and near close of harvesting season. At the weekly auction at Mass Enterprises, Vandanmedu on Friday, the total arrivals and sales stood at 14 tonnes. The average price for cardamom shot to the seasons best of Rs 365 a kg against the previous weeks Rs 320 a kg. The MCX grade 7mm also fetched around Rs 390-400 a kg. The spot market also remained bullish on account of continued stockists demand and has gained around Rs 40-50 at major trading centre. The demand for Guatemalan cardamom stood subdued in major spot markets due to its inferior quality. With tightening stock position of Indian cardamom and revival in export demand, the prices are likely to remain firm in coming days.

FUTURES MARKETS

MCX Cardamom futures witnessed firm sentiments with bullish tone. Cardamom February contract opened gap up at Rs 459, up by Rs 4 against its previous close. Contract was traded in the higher territory throughout on strong buying support and tested the seasons high of Rs 467.40. Futures hovered in the range of Rs 467.40-456.10 and finally settled in the higher territory at Rs 466.

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

Dry and warm weather conditions prevail over Kerala and Tamil Nadu regions. Weather not much of concerning at this stage.

TECHNICALS

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

CARDAMOM 0702(MXCAMG7)2007/02/02 - Daily B:465.70 A:466.90
O 459.00 H 467.40 L 456.10 C 466.00 V 3,448 T 150,228 I 2,413 +11



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	455	449	480	485

TRADE RECOMMENDATION:

BUY MCX February cardamom above Rs 462 with a target of Rs 470 and then Rs 472 with a strict stop loss at Rs 457. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Mass Enterprises, Vandanmedu	390-400	14,000

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