

SPICES DAILY

February 26, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed a weak trend during Saturday's trade. It was offered at a lower price in Nizamabad markets as the unsold stock of previous day's arrivals fetched lower prices due to poor quality. Erode markets remained closed. Traders are expecting arrivals to increase in the coming week and consequently may put some pressure on turmeric prices. Arrivals from the fresh harvest are likely to reach its maximum level in the coming month. With a bumper harvest outlook for this season, turmeric prices are expected to remain bearish after some short-term consolidation.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher as compared to previous settlement and most-active April contract tested an intraday low Rs. 2045 at the early hours of trade. The futures recovered back on moderate buying support and tested an intraday high of Rs. 2068. The futures traded within Friday's range and finished with some gain in final action. April contract traded in the range of Rs. 2045-2068 during Saturday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock; higher production estimates
2. Fresh crop arrivals increasing in markets

Bullish:

1. Moderate demand in the markets
2. India exported 42,750 tonnes turmeric during April-January 2006-07

Weather:

Mainly dry weather is likely over the region outside Tamil Nadu and Kerala where isolated to scattered rain/thundershowers are likely. Prevailing weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic is moving upwards in the normal region, hinting further uptrend. MACD is moving slightly upwards in the positive territory, supporting the firmness. 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. Turmeric futures are likely to trade moderately upwards following a steady to firm opening initially and downward thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2001	2020	2056	2075	2095

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2060 with a target of Rs. 2045 and then Rs. 2035 with a strict stop loss at Rs. 2074. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1950	2500-3000
	Gattah	1850	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper traded stable at the weekend in Kochi. Traders reported no significant demand in the markets. However, arrivals were also negligible at this time that supported the prices to some extent. International buying was also not visible in the market as most of the importers are eyeing the Vietnam crop that would hit the market most likely during late March. Vietnam markets remain quiet due to the lunar New Year holidays. In Lampung, ASTA variety was quoted at around US\$ 2,570 per tonne FOB for March shipments, while at Kuching it was US\$ 3,300 FOB during this week. Global pepper prices are expected to remain firm in the months ahead as decline in global pepper production amid increasing consumption would result into tight supply scenario. At the domestic front also, production is expected to decline. Black pepper prices are expected to remain firm in the near futures after some short-term consolidation

FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the most active March contract tested an intraday low of Rs. 12410 at the early hours of trade. The futures immediately retraced back to test an intraday high of Rs. 12560 on increased buying support. The futures traded mostly rangebound thereafter and finished with gains. Most active March contract traded in the range of Rs. 12410-12560 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Global supplies are expected to remain tight during 2007
2. India exported 22,270 tonnes pepper during April-January 2006-07
3. IPC estimates Vietnamese crop lower and expects only by March

Bearish:

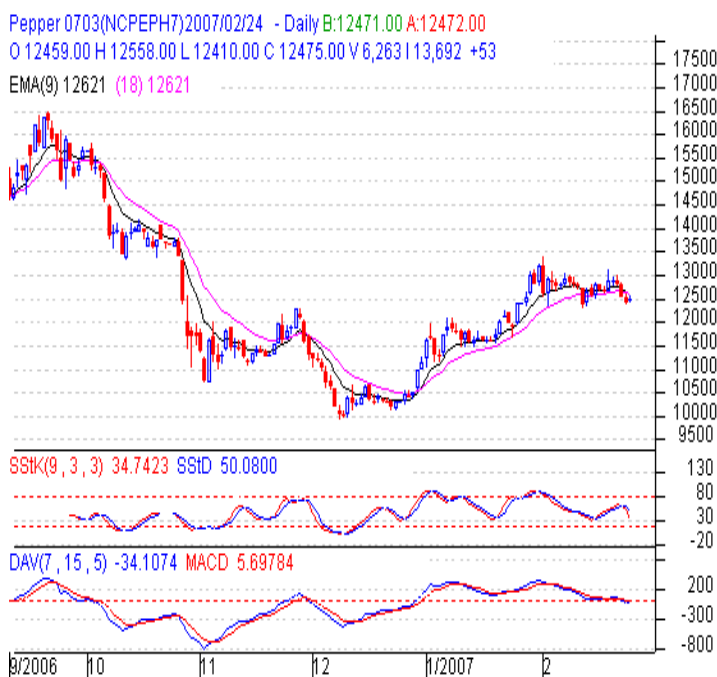
1. Lacklustre demand in the market, no selling pressure

Weather:

Mainly dry weather is likely over the region outside Tamil Nadu and Kerala where isolated to scattered rain/thundershowers are likely. Present weather conditions are favourable for the pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and indecision in the market. Stochastic is moving downwards in the normal region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. 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. Black pepper futures are likely to trade upwards following a steady to firm opening with possibility of some early downward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12098	12305	12475	12783	13006

TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12400-12450 with a target at Rs. 12550 and then Rs. 12600 with a strict stop loss at Rs.12310. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12200	20
	Ungarbled	11600	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained closed on Saturday. Chilli prices have moved in a narrow range during the last couple of days as arrivals got stuck within a range of 40,000-50,000 bags. Traders reported no significant demand in the markets to offset the supply pressure. Fresh crop arrivals are expected to gain further pace during coming couple of weeks and consequently would put more pressure on the prices. Chilli production this year is likely to be higher owing to more acreage under the crop. With a bumper harvest outlook, prices are likely to remain bearish in near future.

FUTURES MARKETS:

Chilli futures at the NCDEX opened slightly lower than previous settlement and most-active March contract tested an intraday low of Rs. 3820 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 3873. However, the futures finished with moderate gain in final action. March contract traded in the range of Rs. 3820-3873 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Talks of prospective export demand
2. India exported 98,000 tonnes chilli during April-January 2006-07

Bearish:

1. Forthcoming crop is expected good due to higher acreage
2. Crop arrivals in the market gaining momentum
3. Lacklustre demand in the markets

Weather:

Mainly dry weather over the chilli growing regions. Weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates steady opening and initial downtrend. Volume has declined, while open interest has increased as compared to previous settlement. Prices closed below the 9-day as well as 18-day EMA, hinting short-term weakness in prices. Stochastic is about to make a bearish crossover in the normal region. MACD is moving slightly upwards in the negative territory. Red chillies futures are likely to trade downwards following a steady opening with possibility of some upward movements early in the session.

CHLL334GTR 0703(NCGTRH7)2007/02/24 - Daily B:3828.00 A:3836.00
O 3820.00 H 3873.00 L 3820.00 C 3830.00 V 3,565 I 8,440 +10
EMA(9) 3863.4 (18) 3944.8



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3684	3754	3830	3900	3971

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 3850 with a target of Rs. 3800 and then Rs. 3750 with a strict stop loss of Rs. 3895. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) Closed	-

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained firm during the weekend. It was offered at a higher price on increased offtake. Activity was higher following news of adverse weather conditions in Rajasthan. Crop arrivals from the fresh harvest are expected to pick up further during early half of March. Domestic production is estimated to have fallen this year owing to reduced acreage under the crop and unfavourable weather during the sowing season. Traders are expecting significant decline in production this year in Rajasthan as well as Gujarat. Amid such circumstances, domestic jeera prices are likely to remain firm in the near future after some short-term consolidation.

FUTURES MARKETS:

Jeera futures at the NCDEX opened much higher as compared to previous settlement and the most active April contract tested an intraday low of Rs. 11351 at the opening session of trade. The futures surged up on increased speculative buying and tested an intraday high of Rs. 11740. The futures finished with hefty gains in final action. April contract traded in the range of Rs. 11351-11740 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Estimations of lower acreage under jeera crop
2. New crop size expected to be lower than year ago
3. India exported 23,500 tonnes of jeera during April-January 2006-07

Bearish:

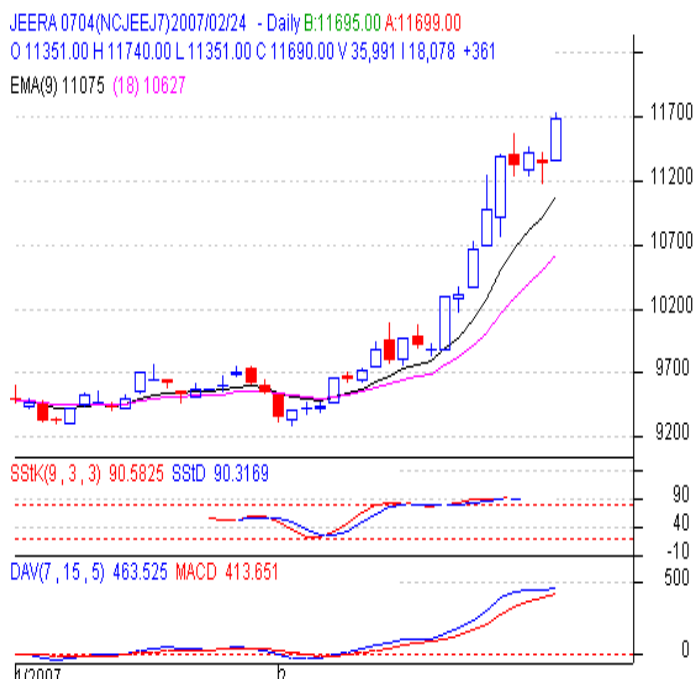
1. Fresh arrivals started increasing in the market
2. Weak buying support at the physical markets

Weather:

Isolated rain/thundershowers are likely over Rajasthan during next 24 hours and it may likely to commence again on 27th. Mainly dry weather is likely over the rest region. Heavy rainfall is not desirable at this stage of crop.

TECHNICALS

Candlestick pattern is indicating firm opening and initial uptrend. Stochastic is moving indecisively in the overbought region. MACD is moving upwards in the positive territory, supporting the firmness. 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. Jeera futures are likely to trade upwards following a firm opening with possibility of some downward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11166	11428	11690	12000	12251

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 11675-11700 with a target of Rs. 11775 and then Rs. 11825 with a strict stop loss of Rs. 11600. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1900-1950	13000
	Ganesh 1960-2010	
	Machine Cleaned 2060-2090	

CARDAMOM

SPOT MARKETS

Cardamom prices improved marginally at the Saturday's auction at ISMPCS, Pullianmala. However, it maintained its steady position at major trading centres like Delhi, Mumbai and Kanpur on quite demand. Though domestic buyers are not aggressive in purchasing cardamom at current price levels, continued dry spell in Kerala region and lower production has kept the cardamom tight in spot market. Exporters remained inactive as they already bought enough to fulfill export commitment. Meanwhile, the total arrivals at Saturday's auction at ISMPCS, Pullianmala stood at 20 tonnes. Farmers withdrew nearly 1000 kg in anticipation of further firmness in prices. The average price hovered in the range of Rs 370-380 a kg, while the 7mm MCX grade fetched Rs 395-400 a kg. According to the trade sources, cardamom will continue to trade on higher side as near drought situation prevails in Kerala, which accounts for 80% of cardamom production.

FUTURES MARKETS

Cardamom futures witnessed bullish sentiments with range bound trading at MCX. Most active March contract opened steady at its near previous levels of Rs 467. However, increased buying interest pushed the futures to trade upwards, testing the highs of Rs 472. Contract was traded in the narrow range of Rs 472-467 and finally settled in the positive territory of Rs 468.60.

PRICE DRIVERS

Bearish: 1. Guatemala's optimum carryover stock
2. Increasing Guatemala exports

Bullish:
1. Near drought situation in Kerala
2. Declining stocks
3. Increased Guatemalan prices

WEATHER

Dry and warm weather conditions prevail over Kerala and Tamil Nadu regions. Weather is not so favourable for crop at this stage.

TECHNICALS

Candlesticks chart pattern reflects steady opening and range bound bullish movement. MACD is in positive region and moving downwards. Prices closed below both 9 days and 18 days EMA. Stochastic favour the bulls. Market is expected to trade upwards following steady to firm opening with possibility of late sideways movement.

CARDAMOM 0703(MXCAMH7)2007/02/24 - Daily B:468.50 A:468.80
O 467.00 H 472.00 L 467.00 C 468.60 V 503 T 379 I 3,116 +1.9
EMA(9) 469.50 (18) 471.06



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	461	459	483	486

TRADE RECOMMENDATION:

BUY MCX March cardamom above Rs 468 with a target of Rs 476 with a strict stop loss near Rs 462. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
ISMPCS, Pullianmala	395-400	20,000

Disclaimer

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