

## SPICES DAILY

February 28, 2007

### TURMERIC

#### SPOT MARKETS:

Turmeric markets witnessed a stable trend during Tuesday's trade. It was quoted mostly steady in Nizamabad amidst reduced arrivals, while higher offtake kept prices steady in Erode. 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 marginally lower as compared to previous settlement and most-active April contract tested an intraday low Rs. 2045 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. 2090. Profit taking wiped away some advances, but the futures managed to settle higher in final action. April contract traded in the range of Rs. 2045-2090 during Tuesday'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. 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 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. Turmeric 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 April | 2020 | 2046 | 2069 | 2097 | 2123 |

#### TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2060 with a target of Rs. 2080 and then Rs. 2090 with a strict stop loss at Rs. 2045. Trade cautiously with intraday outlook.

| Centers   | Prices/Qtl. |           | Arrivals (Bags) one bag = 90 Kgs. |
|-----------|-------------|-----------|-----------------------------------|
| Nizamabad | Finger      | 1875-2000 | 5000-6000                         |
|           | Gattah      | 1775-1850 |                                   |
| Erode     | Finger      | 2050-2150 | 10000                             |
|           | Gattah      | 2000-2100 |                                   |

## BLACK PEPPER

### SPOT MARKETS

Black pepper traded with a stable trend during Tuesday's trade. It was offered at an unchanged price in Kochi markets amidst arrivals as well as offtake of 70 MT. 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. 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 lower as compared to previous settlement and the most active March contract tested an intraday low of Rs. 12221 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 12460. The futures finished in positive territory after curbing some gains in final action. Most active March contract traded in the range of Rs. 12221-12460 during Tuesday'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. Present weather conditions are favourable for the pepper crop at this time.

### TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic is moving downwards and the %K-line has entered the oversold region, hinting further downtrend. MACD is moving downwards in the negative 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 | 11866 | 12097 | 12381 | 12712 | 12973 |

### TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12350 with a target at Rs. 12450 and then Rs. 12500 with a strict stop loss at Rs.12275. Trade cautiously with intra day outlook.

| Centers | Prices/Qtl. |       | Arrivals (Tonnes) |
|---------|-------------|-------|-------------------|
| Kochi   | Garbled     | 12100 | 70                |
|         | Ungarbled   | 11500 |                   |

## RED CHILLIES

### SPOT MARKETS

Red chillies maintained the firmness in Guntur during Tuesday's trade. Prices remained steady owing to reduced arrivals as against previous day. Traders reported presence of domestic as well as overseas demand as the major supportive factor for the firmness in chilli prices. 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 with possibility of some short-term firmness.

### FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and most-active March contract tested an intraday low of Rs. 3925 at the opening session of trade. The futures traded sharply upwards thereafter on increased speculative buying interest. The futures breached 4 percent upper circuit level to test an intraday high of Rs. 4137 at close. March contract traded in the range of Rs. 3925-4137 during Tuesday'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 is likely over the region. Weather conditions are favourable for the crop at present.

### TECHNICALS

Candlesticks pattern indicates 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 upwards in the normal region, hinting further uptrend. MACD is moving upwards in the negative territory, supporting the firmness. Red chillies futures are likely to trade upwards following a firm opening with possibility of some downward movements later in the session.

CHLL334GTR 0703(NCGTRH7)2007/02/27 - Daily B:4129.00 A:4137.00  
O 3925.00 H 4137.00 L 3925.00 C 4137.00 V 19,680 I 7,560 +229  
EMA(9) 3925.3 (18) 3961.6



### SUPPORT / RESISTANCES:

| Contract    | S2   | S1   | PCP  | R1   | R2   |
|-------------|------|------|------|------|------|
| NCDEX March | 3883 | 4004 | 4137 | 4278 | 4406 |

### TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 4125-4150 with a target of Rs. 4200 and then Rs. 4225 with a strict stop loss of Rs. 4075. Trade cautiously with intra day outlook.

| Centers | Prices/Qtl.                    | Arrivals (Bags) 1 bag = 40 to 45 Kgs. |
|---------|--------------------------------|---------------------------------------|
| Guntur  | Loose (Good quality) 4000-4400 | 50000                                 |

## JEERA (Cumin)

### SPOT MARKETS

Domestic jeera markets witnessed a bearish trend during Tuesday's trade. It was quoted lower in Unjha market owing to higher arrivals and reduced offtake. Activity was higher following news of adverse weather conditions in Rajasthan as well as Gujarat. Crop arrivals from the fresh harvest are expected to pick up further during early half of March. 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 lower as compared to previous settlement and the most active April contract tested an intraday high of Rs. 11958 at the early hours of trade. The futures traded downwards thereafter on profit taking after the recent rally and tested an intraday low of Rs. 11555. The futures finished with significant losses in final action. April contract traded in the range of Rs. 11555-11958 during Tuesday'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:

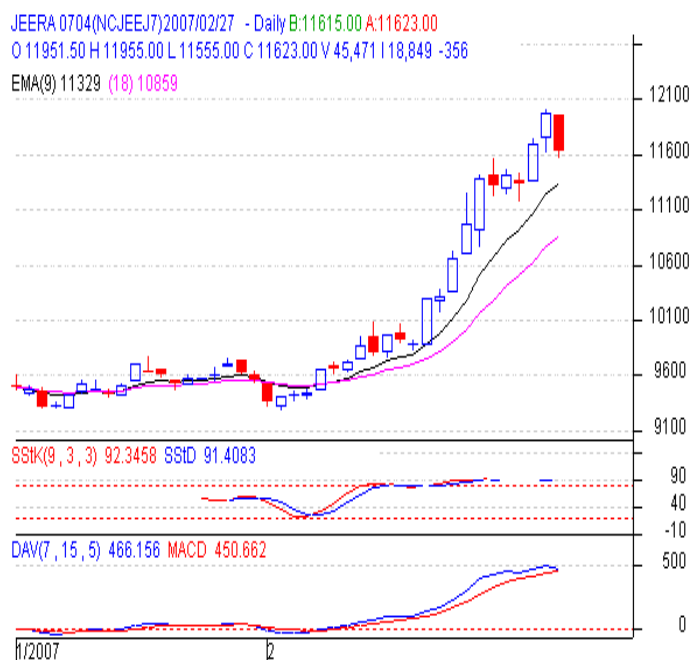
1. Arrivals started increasing in the market
2. Weak buying support at the physical markets

### Weather:

Rain/thundershowers likely at a few places over north Rajasthan with isolated squall/hail during next 24 hours and decrease thereafter. Isolated rain/thundershowers likely over south Rajasthan during the same period. Mainly dry weather likely over the rest region. Heavy rainfall is not desirable at this stage of crop.

### TECHNICALS

Candlestick pattern is indicating steady to weak opening and initial downtrend. Stochastic is moving indecisively in the overbought region. MACD is moving downwards in the positive territory, supporting the weakness. 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. Jeera futures are likely to trade downwards following a steady to weak opening with possibility of upward movement later in the session.



### SUPPORT / RESISTANCES:

| Contract    | S2    | S1    | PCP   | R1    | R2    |
|-------------|-------|-------|-------|-------|-------|
| NCDEX April | 10989 | 11266 | 11623 | 12028 | 12278 |

### TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 11500-11550 with a target of Rs. 11650 and then Rs. 11700 with a strict stop loss of Rs. 11405. Trade cautiously with intra day outlook.

| Centers | Prices/20 Kgs.  |           | Arrivals (Bags) 1 bag = 55 to 60 Kgs. |
|---------|-----------------|-----------|---------------------------------------|
| Unjha   | F.A.Q           | 1880-1930 | 15000                                 |
|         | Ganesh          | 1940-1990 |                                       |
|         | Machine Cleaned | 2040-2070 |                                       |

## CARDAMOM

### SPOT MARKETS

Cardamom prices stood steady at the auctions and major trading centres amidst sluggish demand from stockists. The total arrivals and sales at Tuesday's auction at HSPL, Nedumkandam stood at 20 tonnes. With rumours of huge arrivals, prices eased slightly in the initial hours of auction. Further, scattered rains and cloudy weather also added to the bearishness. The average price hovered in the range of Rs 340-350 a kg, while the 7mm MCX grade fetched Rs 385-395 a kg. Prices remained steady at major trading centres like Delhi and Mumbai on quiet demand. According to market sources, fresh export demand is pouring in from Middle East, which may firm up the fluctuating market. Also, with drought situation prevailing in Kerala and Guatemala hiking its cardamom prices, it is likely continue to trade on higher side in coming days.

### FUTURES MARKETS

Cardamom futures witnessed range bound movement with bullish sentiments at MCX. The most active March contract opened down by Rs 1.20 at Rs 462 against its previous close of Rs 463.20. Initially selling pressure pulled the futures to trade downwards however, buying interest at lower level supported the futures to recover and trade upwards on bullish sentiments. Contract was traded in the narrow range of Rs 465.50-461.50 and finally settled in positive territory at Rs 464.10.

### 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
4. Near end of picking season

### WEATHER

Isolated rainfall and cloudy weather is likely over Kerala and Tamil Nadu Region. Current weather favours the cardamom crop.

### TECHNICALS

Candlesticks chart pattern reflects weak opening and range bound bullish movement. MACD is moving towards negative region. Prices closed below both 9 days and 18 days EMA. Stochastic favour the bears. Market is expected to trade upwards following a steady to firm opening with possibility of late slight downward movement.

CARDAMOM 0703(MXCAMH7)2007/02/27 - Daily B:464.00 A:465.20  
O 462.00 H 465.50 L 461.50 C 464.10 V 729 T 21,029 I 2,502 +0.9



### SUPPORT / RESISTANCES:

| Contract  | S1  | S2  | R1  | R2  |
|-----------|-----|-----|-----|-----|
| MCX March | 455 | 451 | 480 | 483 |

### TRADE RECOMMENDATION:

BUY MCX March cardamom above Rs 463 with a target of Rs 470 with a strict stop loss near Rs 458. Trade cautiously with intra-day outlook.

| Auction Centre    | Prices/Kg (7mm ) | Arrivals (Kg ) |
|-------------------|------------------|----------------|
| HSPL, Nedumkandam | 385-395          | 20,000         |

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2005 Indian Agribusiness Systems Pvt Ltd.