

## SPICES DAILY

February 08, 2007

### TURMERIC

#### SPOT MARKETS:

Turmeric markets remain on an average steady to firm during Wednesday's trade. It was offered at an unchanged price in Nizamabad amidst lower arrivals. Prices were quoted higher in Erode owing to reduced arrivals as well as offtake. Fresh crop arrivals are coming in the markets with mixed quality, wherein the inferior ones with higher moisture contents are fetching lower prices. Fresh crop arrivals are expected to get momentum in the coming couple of weeks that would further pressurise the prices. Turmeric markets are likely to remain moderately bearish on a better crop harvest outlook for the season. However, some short-term firmness is expected on improved demand.

#### FUTURES MARKETS:

Turmeric futures at NCDEX opened slightly lower as compared to previous settlement and most-active April contract tested an intraday high of Rs. 2078 at the early hours of trading. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 2045. The futures finished with some losses in final action. April contract traded in the range of Rs. 2045-2078 during Wednesday'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 weak opening and initial downtrend. Stochastic are moving upwards in the normal region after a bullish crossover. MACD is also moving slightly upwards 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. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of upwards movement later in the session.

Turmeric 0704(NCTMCJ7)2007/02/07 - Daily B:2055.00 A:2058.00  
O 2059.00 H 2078.00 L 2046.00 C 2055.00 V 16,870 I 24,270 -4  
EMA(9) 2042.0 (18) 2035.1



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2005	2026	2055	2072	2094

#### TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2060 with a target of Rs. 2045 and then Rs. 2040 with a strict stop loss at Rs. 2070. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2050	4000
	Gattah	1950	
Erode	Finger	2050-2200	4000-4500
	Gattah	2050-2150	

## BLACK PEPPER

### SPOT MARKETS

Black pepper markets witnessed a firm trend on Wednesday. It was offered at a higher price by Rs. 200 per quintal in Kochi amidst arrivals as well as offtake of 50 Mt. According to a recent notification by the Spices Board of India regarding the WTO Compatible subsidy on export of pepper/pepper products, the Board has already received applications for subsidy on pepper exports for a quantity of 20000 MT which is the upper limit upto which pepper exporters are eligible for the freight subsidy. Therefore, no more applications in this regard from the exporters will be accepted. Notably, India has already exported pepper worth Rs. 203 crore during April-December 2006 achieving the target of set quantity as well.

### 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. 12780 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures surged up to test an intraday high of Rs. 13039 during late hours of trade. Profit taking curbed some advances, but the futures hold significant gain in final action. Most active March contract traded in the range of Rs. 12780-13039 during Wednesday'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 markets
2. No further freight subsidy for pepper export

### 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. Stochastic is moving downwards in the normal region, hinting further downtrend. 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 increased 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.

Pepper 0703(NCPEPH7)2007/02/07 - Daily B:12901.00 A:12910.00  
O 12800.00 H 13039.00 L 12780.00 C 12910.00 V 21,221 I 14,087 +104  
EMA(9) 12760 (18) 12509



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12354	12564	12910	13178	13389

### TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12850-12875 with a target at Rs. 12975 and then Rs. 13050 with a strict stop loss at Rs.12750. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12500	50
	Ungarbled 11900	

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur remains weak during Wednesday's trade. Fresh crop arrivals in the market are gaining momentum and consequently pressuring the market sentiments. Fresh crop arrivals are expected to gain further momentum during the later half of the month. Traders reported dull demand at present in the market. Chilli export from the country has increased by 44 percent to Rs. 440 crore during April-Dec 2006 owing to higher prices prevailing at that time. However, in quantity terms it has declined by 3 percent. With a bumper harvest outlook, prices are likely to remain bearish in near future.

### FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and most-active March contract tested an intraday high of Rs. 4219 at the opening session of trade. Increased selling interest has pressurised the futures throughout the day and the futures slide to test an intraday low of Rs. 4075. The futures finished with significant losses in late action. March contract traded in the range of Rs. 4075-4219 during Wednesday'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 below the 9-day as well as 18-day EMA, hinting short-term weakness in prices. Stochastic is moving downwards in the normal region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. Red chillies futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements early in the session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3905	4000	4129	4271	4365

### TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4150-4175 with a target of Rs. 4075 and then Rs. 4050 with a strict stop loss of Rs. 4225. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5000-5800	30000-35000
	LCA 334 (Bilty) 5600-6300	

## JEERA (Cumin)

### SPOT MARKETS

Jeera markets maintained its previous steadiness during Wednesday's trade. It was quoted unchanged in Unjha amidst slightly lower arrivals as well as offtake. Fresh crop arrivals are gaining momentum in the market and consequently pressurising the market sentiments. Fresh crop arrivals are likely to pick up further during the next couple of weeks 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-December 2006. Domestic jeera prices are likely to consolidate in short-term.

### FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the most active March contract tested an intraday low of Rs. 9435.1 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 9540. Profit taking capped further advances and the futures finished with some gains in late action. Most active March contract traded in the range of Rs. 9435.1-9540 during Wednesday'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 weak opening and initial downtrend. Stochastic is moving upwards after a bullish crossover, hinting further uptrend. MACD is also moving upwards in the negative 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 close. Jeera 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	9301	9373	9475	9563	9634

### TRADE RECOMMENDATION:

Sell NCDEX March Jeera near Rs. 9500-9525 with a target of Rs. 9450 and then Rs. 9425 with a strict stop loss of Rs. 9575. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1700-1750
	Ganesh	1750-1800
	Machine Cleaned	1850-1870
		3500

## CARDAMOM

### SPOT MARKETS:

Cardamom spot prices stood steady at higher levels in the major trading centres like Delhi, Mumbai and Jodhpur on the back of increasing overseas 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 during Wednesday's auction at CPMC, Kumily stood at month's high at 69.5 tonnes. Exporter remained active and bought nearly 8-10 tonnes to cater the demand from Dubai and Saudi. MCX grade cardamom was traded in the range of Rs 380-400 a kg at major spot markets. 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 slightly weak sentiments with bearish undertone at MCX. Cardamom February contract opened slightly firm at Rs 454 against its previous close of Rs 452.60. Initially contract was traded upwards, testing the highs of Rs 459.50, however, increasing selling pressure pushed the futures to trade at lower levels of Rs 451.10. Future recovered slightly on buying interest at lower levels and settled in the negative territory of Rs 453.60.

### PRICE DRIVERS

**Bearish:** 1. Guatemala's optimum carry over stock  
2. Increasing Guatemala exports

**Bullish:**  
1. Declining arrivals  
2. Rising demand from North India  
3. Increasing overseas demand  
4. Near drought situation in Kerala

### WEATHER

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

### TECHNICALS

Candlesticks chart pattern reflects indecisive market. Stochastic favours the bears. MACD is moving upwards in the positive region and prices closed above both the 9 days EMA and 18 days EMA, which indicates that uptrend will continue. The contract is most likely to trade upward following a steady to slightly firm opening.

CARDAMOM 0702(MXCAMG7)2007/02/07 - Daily B:453.60 A:455.00  
O 454.00 H 459.50 L 451.10 C 453.60 V 1,489 T 64,356 I 1,658 +1  
EMA(9) 450.32 (18) 443.01



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	446	441	467	470

### TRADE RECOMMENDATION:

BUY MCX February cardamom above Rs 453 with a target of Rs 462 with a strict stop loss at Rs 446. Trade with intraday outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
CPMC, Kumily	380-390	69,490

#### Disclaimer

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