

## SPICES DAILY

March 01, 2007

### TURMERIC

#### SPOT MARKETS:

Turmeric markets remain steady to firm during Wednesday's trade. It was offered at an unchanged price in Nizamabad amidst mostly steady arrivals as well as offtake. However, prices edged up in Erode due to reduced arrivals. 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 lower as compared to previous settlement and most-active April contract tested an intraday high Rs. 2078 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. 2052. The futures finished with some losses in final action. April contract traded in the range of Rs. 2052-2078 during Wednesday'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 weak opening and initial downtrend. Stochastic is moving upwards in the overbought 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 as well as open interest has declined. Turmeric 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 April	2010	2032	2060	2084	2108

#### TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2065-2070 with a target of Rs. 2050 and then Rs. 2040 with a strict stop loss at Rs. 2085. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1900-2000	5000
	Gattah	1800-1850	
Erode	Finger	2075-2200	8000
	Gattah	2075-2125	

## BLACK PEPPER

### SPOT MARKETS

Black pepper traded with a bearish trend during Wednesday's trade. It was offered at a lower price in Kochi markets amidst arrivals as well as offtake of 17 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 high of Rs. 12425 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures tested an intraday low of Rs. 12275. However, the futures pared the losses and settled in positive territory. Most active March contract traded in the range of Rs. 12275-12425 during Wednesday'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 still moving downwards in the oversold region, hinting further downtrend. MACD is also 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 downward movements early in the session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	11968	12143	12365	12620	12789

### TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12275-12300 with a target at Rs. 12375 and then Rs. 12450 with a strict stop loss at Rs.12190. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12000	17
	Ungarbled	11400	

## RED CHILLIES

### SPOT MARKETS

Red chillies traded stable in Guntur during Wednesday's trade. Prices remained unchanged owing to steady arrivals as against previous day. Traders reported presence of domestic as well as overseas demand as the major supportive factor for the recent 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 high of Rs. 4238 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 4045. The futures wiped away the losses and settled with gains in late action. March contract traded in the range of Rs. 4045-4238 during Wednesday'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 steady to firm opening and initial uptrend. Volume as well as open interest has increased 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 steady to firm opening with possibility of some downward movements early in the session.

CHLL334GTR 0703(NCGTRH7)2007/02/28 - Daily B:4125.00 A:4137.00  
O 4138.00 H 4238.00 L 4045.00 C 4132.00 V 20,865 I 7,590 +40  
EMA(9) 3959.4 (18) 3975.3



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3883	4004	4132	4302	4414

### TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 4100 with a target of Rs. 4175 and then Rs. 4200 with a strict stop loss of Rs. 4050. 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 remained firm during Wednesday's trade. It was quoted higher in Unjha market owing to higher offtake. Activity was higher following recent 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 higher as compared to previous settlement and the most active April contract tested an intraday low of Rs. 11515 at the opening session of trade. The futures retraced back immediately on increased buying interest and tested an intraday high of Rs. 11940 at the early hours of trade. The futures traded mostly rangebound thereafter and finished with significant gains in late action. April contract traded in the range of Rs. 11515-11940 during Wednesday'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:

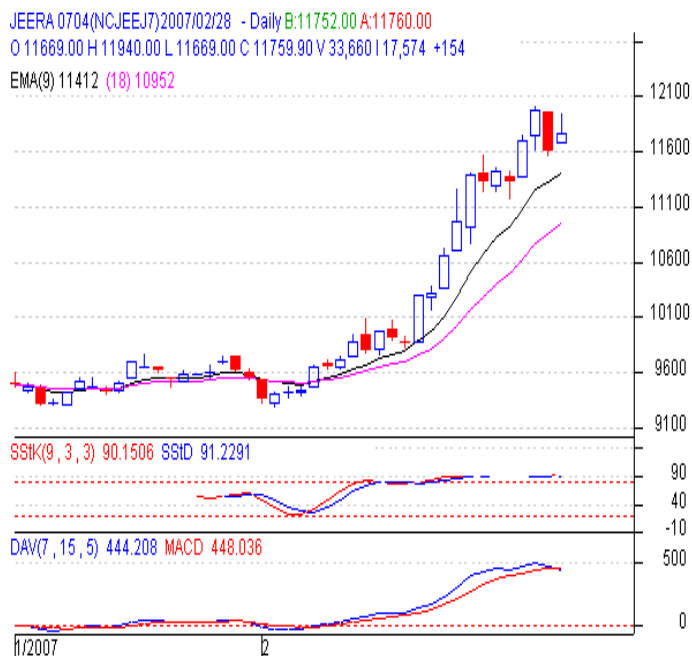
1. Arrivals started increasing in the market
2. Weak buying support at the physical markets

### Weather:

Rain/thundershowers likely at a few places over Rajasthan with isolated squall/hail till Thursday morning. Mainly dry weather thereafter. 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 firm opening and initial uptrend. 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 as well as open interest has declined as compared to previous settlement. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of downward movement early in the session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11238	11488	11759.9	12112	12347

### TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 11700 with a target of Rs. 11800 and then Rs. 11850 with a strict stop loss of Rs. 11625. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1900-1950	16000
	Ganesh	1960-2010	
	Machine Cleaned	2060-2090	

## CARDAMOM

### SPOT MARKETS

Cardamom prices remained steady at auction and major trading centres amid sluggish demand from stockists and exporters. The total arrivals and sales at Wednesday's auction at CPMC, Kumily stood at 65 tonnes. Farmers withdrew nearly 3-4 tonnes on expectation of further price rise. The average price hovered in the range of Rs 350-355 a kg, while the 7mm MCX grade fetched Rs 390-400 a kg. Prices maintained its steady position 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. March contract opened down by Rs 2 at Rs 462.50 against its previous close of Rs 464.50. Increased selling pressure pulled the futures to trade downwards for most of the session, testing the lows of Rs 451.10. However, buying interest at lower level supported the futures to recover slightly in later session. Contract was traded in the range of Rs 463.50-451.50 and finally settled in the negative territory of Rs 461.

### 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 bearish sentiments with downward trend. MACD is moving in the negative region. Prices closed below both 9 days and 18 days EMA. Stochastic has made bearish crossover and favour the bears. Market is expected to trade downwards following a steady to weak opening with possibility of late slight recovery.

CARDAMOM 0703(MXCAMH7)2007/02/28 - Daily B:460.30 A:461.90  
O 462.50 H 463.50 L 451.10 C 461.00 V 997 T 45,856 I 2,239 -3.5

EMA(9) 466.19 (18) 468.72



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	437	433	469	473

### TRADE RECOMMENDATION:

SELL MCX March cardamom below Rs 456 with a target of Rs 448 with a strict stop loss near Rs 461. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
CPMC, Kumily	390-400	65,000

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