

SPICES DAILY

February 12, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed a bearish trend during Saturday's trade. It was offered at a much lower price in Nizamabad amidst higher arrivals in the market. Fresh crop arrivals are gradually gaining momentum and consequently adding to the bearish market sentiments. Arrivals are expected to gain further pace in coming couple of weeks that would further pressurise the prices. Traders are expecting this year's crop size higher than year ago. Turmeric markets are likely to remain bearish on a better crop harvest outlook for the season.

FUTURES MARKETS:

Turmeric futures at NCDEX opened lower as compared to previous settlement and most-active April contract tested an intraday high of Rs. 2053 at the early hours of trading. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 2026. The futures finished with marginal loss in final action. April contract traded in the range of Rs. 2026-2053 during Saturday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock of turmeric in the market
2. Fresh crop arrivals gaining momentum in the markets
3. Weather suitable for growth of crop

Bullish:

1. Moderate demand amidst depleting stocks
2. Moderate demand from North India

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 opening and initial downtrend. The %K-line has made a bearish crossover with the %D-line in the normal region, indicating 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. Turmeric futures are likely to trade downwards following a steady opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1985	2006	2034	2050	2072

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2040 with a target of Rs. 2025 and then Rs. 2015 with a strict stop loss at Rs. 2055. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1950	5000
	Gattah 1850	
Erode	Finger Closed	-
	Gattah Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remained bearish during Saturday's trade. It was quoted lower in Kochi amidst arrivals as well as offtake of 15 MT. Traders reported lacklustre demand in the market. However, eyeing a firm trend ahead, selling pressure was absent from spot markets. Spices Board has already notified that no more applications for availing freight subsidy from the exporters will be accepted as the upper limit has been reached. 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 high of Rs. 12849 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures slide to test an intraday low of Rs. 12670. However, the futures recovered some of the losses only to finish in negative territory in final action. Most active March contract traded in the range of Rs. 12670-12849 during Saturday'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 weak opening and initial downtrend. Stochastic is moving slightly downwards in the normal region, hinting further downtrend. MACD is also moving downwards in the positive territory, supporting the weakness. Prices closed below the 9-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 moderately downwards following a steady to weak opening initially and upward thereafter.

Pepper 0703(NCPEPH7)2007/02/10 - Daily B:12736.00 A:12748.00
O 12820.00 H 12849.00 L 12675.00 C 12748.00 V 7,080 I 14,602 -67
EMA(9) 12777 (18) 12591



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12554	12353	12748	13105	13300

TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12650-12700 with a target at Rs. 12800 and then Rs. 12850 with a strict stop loss at Rs.12550. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12400	15
	Ungarbled 11800	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained closed during Saturday's trade. Chilli prices have declined considerably during this week as fresh crop arrivals in the market are gaining momentum. Fresh crop arrivals are expected to gain further pace during coming couple of weeks and consequently adding to the bearishness. 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. 3899 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. 3771. The futures finished near day's low in final action. March contract traded in the range of Rs. 3771-3899 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Talks of 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 momentum

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 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 moving downwards in the oversold region, hinting further downtrend. MACD is also moving downwards in the negative territory, supporting the weakness. 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	3523	3660	3775	3868	4000

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 3775 with a target of Rs. 3700 and then Rs. 3675 with a strict stop loss of Rs. 3825. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Jeera markets extended previous advances further in Unjha at the weekend. Prices were quoted higher amidst higher offtake. Fresh crop arrivals are gaining momentum in the market, but improved demand is supporting 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 remain firm 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 high of Rs. 9898 at the opening session of trade. Profit taking capped further advances and the futures traded downwards thereafter to test an intraday low of Rs. 9585 during late hours of trading. The futures finished near day's low in late action. Most active March contract traded in the range of Rs. 9585-9898 during Saturday'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 in the market
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 and the %k-line has just entered in the oversold 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 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	9367	9468	9604	9779	9875

TRADE RECOMMENDATION:

Sell NCDEX March Jeera near Rs. 9600 with a target of Rs. 9550 and then Rs. 9525 with a strict stop loss of Rs. 9640. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1780-1830
	Ganesh	1830-1880
	Machine Cleaned	1930-1950

CARDAMOM

SPOT MARKETS

Cardamom prices maintained its steady position at major spot markets; however, it eased slightly at the auctions centres. With cardamom prices reaching the new peaks, farmers started offloading their stocks to realize better prices. However, increasing selling pressure at higher prices brought the slight fall in prices at auction centres. The total arrivals at Saturday's auction at ISMPCS, Pullianmala stood at 18 tonnes. Farmers withdrew nearly 3 tonnes as prices were quoted below their expectation. The average price hovered in the range of Rs 365-370 a kg, while the MCX grade fetched Rs 390-395 a kg. However, the prices at major trading centres stood firm on the back of low stock position and increasing export demand. According to the auctioneers, the cardamom is likely to trade on higher side as near drought situation prevails in Kerala, which accounts for 80% of cardamom production.

FUTURES MARKETS

Cardamom futures witnessed weak sentiments at MCX. March contract opened slightly weak at Rs 487 against its previous close of Rs 488. Increased selling pressure pulled the futures downwards throughout the session, testing the lows of Rs 474.20. Contract was traded in the range of Rs 487-474.20 and finally settled in the negative territory of Rs 477.

PRICE DRIVERS

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

Bullish:

1. Near drought situation in Kerala
2. Declining stocks
3. Rising demand from North India
4. Increasing overseas demand

WEATHER

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

TECHNICALS

Candlesticks chart pattern reflects bearish sentiments. MACD is in positive region and moving slightly downwards. Prices closed below both 9 days and 18 days EMA. Stochastic favour the bears. The contract is most likely to trade upward following a steady to slightly firm opening.

CARDAMOM 0703(MXCAMH7)2007/02/10 - Daily B:476.90 A:477.00
O 487.00 H 487.00 L 474.20 C 477.00 V 1,354 T 64,423 I 2,287 -11

EMA(9) 487.53 (18) 477.86



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	470	466	496	500

TRADE RECOMMENDATION:

BUY MCX March cardamom above Rs 479 with a target of Rs 589 with a strict stop loss at Rs 474. Trade with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
ISMPCS, Pullianmala	390-395	18,000

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.