

SPICES DAILY

February 05, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained steady during Saturday's trade. It was quoted unchanged in Nizamabad amidst slightly lower arrivals. Erode markets remained closed on Saturday. 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.

FUTURES MARKETS:

Turmeric futures at NCDEX opened slightly lower as compared to previous settlement and most-active April contract tested an intraday low of Rs. 2029 at the opening session of trading. Moderate buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2039. The futures finished with some gains amidst a rangebound trade. April contract traded in the range of Rs. 2029-2039 during Saturday'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 firm opening and initial uptrend. Stochastic are moving downwards in the normal region, indicating further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. Prices closed above the 18-day EMA, hinting firm prices in short-term. Volume has declined, while open interest has increased as compared to previous settlement. Turmeric futures are likely to trade moderately upwards following a steady to firm opening with possibility of downwards movement later in the session.

Turmeric 0704(NCTMCJ7)2007/02/03 - Daily B:2033.00 A:2035.00
O 2030.00 H 2038.00 L 2029.00 C 2034.00 V 3,060 I 25,510 +2

EMA(9) 2034.2 (18) 2029.4



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1998	2015	2034	2055	2072

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2030 with a target of Rs. 2045 and then Rs. 2050 with a strict stop loss at Rs. 2020. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000	2500
	Gattah 1900	
Erode	Finger Closed	-
	Gattah Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remained steady at the weekend. It was offered at an unchanged price in Kochi amidst no arrivals as well as offtake. Traders reported improvement in the demand scenario, while selling pressure was absent from the markets. 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 slightly lower as compared to previous settlement and the most active March contract tested an intraday high of Rs. 13064 at the early hours of trade. Profit taking capped further advances and the futures traded downwards to test an intraday low of Rs. 12661. The futures recovered some of the losses, but finished in negative territory in final action. Most active March contract traded in the range of Rs. 12661-13064 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:

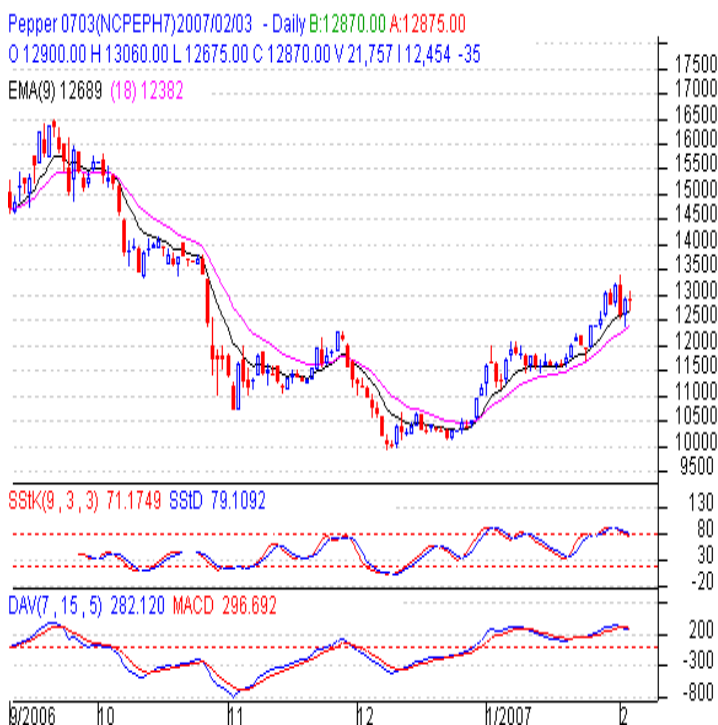
1. Reduced buying support at the markets
2. No further freight subsidy for pepper export

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 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 has declined, while open interest has increased as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady opening with possibility of some late downward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12319	12564	12870	13389	13600

TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12800 with a target at Rs. 12950 and then Rs. 13000 with a strict stop loss at Rs.12700. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained closed on Saturday. Fresh crop arrivals are expected to gain momentum during the later half of the month and consequently adding to the bearishness. Talks of lower Chinese crop and prospective export demand have supported the market sentiments. 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 moderately bearish in near future.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and most-active March contract tested an intraday high of Rs. 4530 at the early hours of trade. The futures traded downwards thereafter on some selling interest and tested an intraday low of Rs. 4466. The futures finished with some gains in final action. March contract traded in the range of Rs. 4466-4530 during Saturday'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 opening and initial downtrend. Volume as well as 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 downwards in the normal region, hinting further downtrend. MACD is moving flat in the positive territory. 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	4321	4410	4499	4605	4685

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4525-4550 with a target of Rs. 4475 and then Rs. 4450 with a strict stop loss of Rs. 4600. 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 maintained its previous position during Saturday's trade. It was quoted unchanged in Unjha amidst slightly lower arrivals. Fresh crop arrivals are increasing 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 recover back from its recent decline.

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. 9294.7 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. 9195. The futures finished with some gains in late action. Most active March contract traded in the range of Rs. 9195-9294.7 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, 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 firm opening and initial uptrend. Stochastic is moving downwards in normal region, hinting further downtrend. MACD is moving downwards in the negative territory, supporting the weakness. Prices closed below 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 close. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	9063	9135	9246.1	9379	9446

TRADE RECOMMENDATION:

Buy NCDEX March Jeera near Rs. 9200-9225 with a target of Rs. 9275 and then Rs. 9300 with a strict stop loss of Rs. 9150. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1700-1750	2500
	Ganesh 1750-1800	
	Machine Cleaned 1850-1870	

CARDAMOM

SPOT MARKETS:

Cardamom spot prices firmed up during Saturday's auction at ISMPCS, Pullianmala mainly owing to increasing export 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 and sales during auction stood at 12 tonnes. The prices jumped by nearly Rs 40-50 against last week's auction. The average prices for cardamom stood at 340-350 a kg level, while the MCX grade 7mm fetched Rs 400-420 a kg. With renewed export demand and increasing stockist's 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 weak sentiments with bearish undertone at MCX. Cardamom February contract opened slightly up at Rs 466.50 against its previous levels of Rs 465.30. Initially the contract was traded upwards, testing the highs of Rs 469.90; however, thereafter futures were dragged downwards on increased selling pressure, losing around 2.43%. Cardamom futures hovered in the range of Rs 469.90-452.60 and finally settled in the negative territory of Rs 454.

PRICE DRIVERS

Bearish:

1. Release of Guatemalan cardamom
2. Increasing Guatemala exports

Bullish:

1. Declining arrivals
2. Rising demand from North India
3. Increasing overseas demand

WEATHER

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

TECHNICALS

Candlesticks chart pattern reflects bearish sentiments. MACD is in positive region and moving slightly downwards. Prices closed above both the 9 days EMA and 18 days EMA. Stochastic favours the bulls. The contract is most likely to trade downward following a steady to slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX February	429	426	467	470

TRADE RECOMMENDATION:

SELL MCX February cardamom below Rs 458 with a target of Rs 448 with a strict stop loss at Rs 462. Trade with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
ISMPCS, Pullianmala	400-420	12,000

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