

SPICES DAILY

February 23, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed mostly firm trend during Thursday's trade. It was offered at a higher price in Nizamabad and Erode markets amidst reduced arrivals as well as offtake. Traders in these markets are eyeing increased arrivals in the days ahead that may put some more pressure on market prices. Arrivals from fresh harvest are expected to pick up in coming couple of weeks. Traders are expecting this year's crop size higher than year ago. Amid such circumstances, turmeric markets are likely to remain bearish in the coming days with some short-term consolidation.

FUTURES MARKETS:

Turmeric futures at NCDEX opened steady as compared to previous settlement and most-active April contract tested an intraday low of Rs. 2016 at the early hours of trading. Increased buying interest at the lower price levels has supported the futures thereafter and the futures surged up to test an intraday high of Rs. 2070. Profit taking curbed some advances, but the futures managed to finish with significant gain. April contract traded in the range of Rs. 2016-2070 during Thursday's trade.

PRICE DRIVERS:

Bearish:

1. Fresh crop arrivals gaining momentum
- Weather suitable for growth of crop
2. Increased selling interest in the markets

Bullish:

1. Moderate demand at lower price levels
2. Moderate demand from Northern 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 to firm opening and initial uptrend. Stochastic is moving upwards in the normal region, hinting further uptrend. MACD is moving slightly upwards in the negative 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.

Turmeric 0704(NCTMCJ7)2007/02/22 - Daily B:2051.00 A:2054.00
O 2022.00 H 2070.00 L 2016.00 C 2054.00 V 34,370 I 26,440 +33
EMA(9) 2018.0 (18) 2019.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2006	2026	2054	2090	2108

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2040-2045 with a target of Rs. 2060 and then Rs. 2070 with a strict stop loss at Rs. 2025. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1950	4000
	Gattah	1850	
Erode	Finger	2050-2150	9000-10000
	Gattah	2000-2100	

BLACK PEPPER

SPOT MARKETS

Black pepper markets extended previous weakness further during Thursday's trade. It was quoted lower in Kochi markets amidst arrivals as well as offtake of 40 MT. Traders reported no significant demand in the markets. However, arrivals were also negligible at this time that supported the prices. 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. 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, black pepper production is also expected to decline. Black pepper prices are expected to remain firm in the coming days after some 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. 12850 at the early hours of trading. Increased selling interest has pressurised the futures thereafter and the futures slide to test an intraday low of Rs. 12510 during late hours of trading. The futures finished near day's low in final action. Most active March contract traded in the range of Rs. 12510-12850 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Global supplies are expected to remain tight during 2007
2. Most of the competitor countries are believed to have sold out major chunk of their stock in the recent bull-run
3. IPC estimates Vietnamese crop lower and expects only by March

Bearish:

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

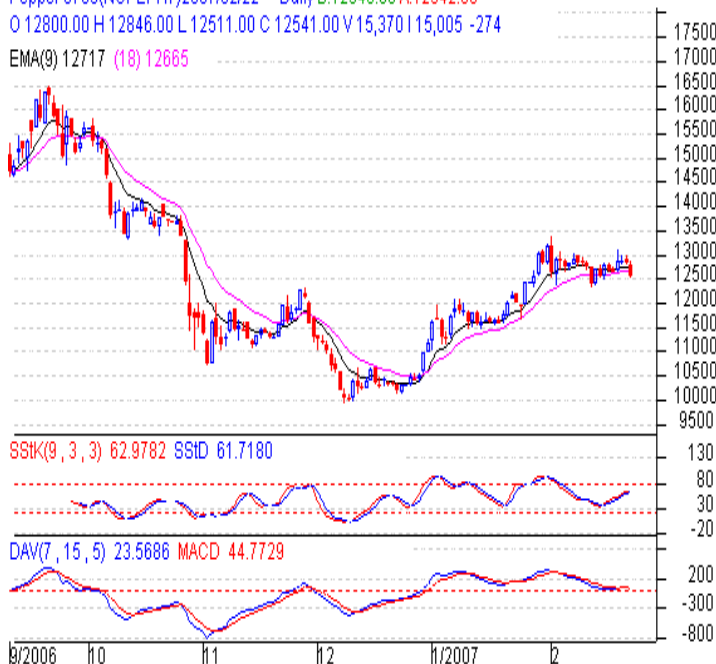
Weather:

Mainly dry weather over the pepper-growing regions. Present weather conditions are favourable for the pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Stochastic is moving flat in the normal region, hinting indecision. MACD is moving slightly 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 has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade downwards following a weak opening with possibility of upward movements later in the session.

Pepper 0703(NCPEPH7)2007/02/22 - Daily B:12540.00 A:12542.00
O 12800.00 H 12846.00 L 12511.00 C 12541.00 V 15,370 I 15,005 -274
EMA(9) 12717 (18) 12665



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12091	12319	12541	12915	13126

TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12450-12475 with a target at Rs. 12600 and then Rs. 12650 with a strict stop loss at Rs.12350. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12200	40
	Ungarbled	11600	

RED CHILLIES

SPOT MARKETS

Domestic red chillies market in Guntur remained mostly bearish during Thursday's trade. Arrivals were higher than previous day and consequently prices declined from their earlier levels. Traders reported no significant demand to offset the supply pressure. Fresh crop arrivals are expected to gain further pace during coming couple of weeks and consequently would put some 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.

FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and most-active March contract tested an intraday low of Rs. 3833 at the early hours of trade. Increased buying interest at the lower price levels has supported the futures thereafter and the futures tested an intraday high of Rs. 3920 only to slide again. The futures finished with significant losses in final action. March contract traded in the range of Rs. 3833-3920 during Thursday'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
3. Lacklustre demand in the markets

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 upwards after entering the normal region, indicating further uptrend. MACD is moving upwards in the negative territory, supporting the firmness. 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	3698	3779	3863	3972	4052

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 3900 with a target of Rs. 3825 and then Rs. 3800 with a strict stop loss of Rs. 3950. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4000-4300	50000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed slightly weak trend during Thursday's trade. It was offered at a lower price level amidst higher arrivals in the markets. Crop arrivals from the fresh harvest are expected to pick up further during early March. Domestic 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 short-term.

FUTURES MARKETS:

Jeera futures at the NCDEX opened lower as compared to previous settlement and the March contract tested an intraday low of Rs. 10928 at the early hours of trade. Increased buying interest at the lower price levels supported the futures thereafter and the futures tested an intraday high of Rs. 11169. The futures finished near day's high in late action. March contract traded in the range of Rs. 10928-11169 during Thursday'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. Export has increased by 199 percent in quantity terms during Apr-Dec 2006

Bearish:

1. Fresh arrivals started increasing in the market
2. Weak buying support at the physical 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 indecisively in the overbought region. MACD is moving upwards in the positive territory, supporting the firmness in the market. 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 some downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	10568	10809	11134	11506	11747

TRADE RECOMMENDATION:

Buy NCDEX March Jeera near Rs. 11125 with a target of Rs. 11175 and then Rs. 11225 with a strict stop loss of Rs. 11075. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1900-1950	12000
	Ganesh 1960-2010	
	Machine Cleaned 2060-2090	

CARDAMOM

SPOT MARKETS

Cardamom prices stood steady at the major trading and auction centres. Though the domestic buyers are skeptical in buying cardamom at current price levels, the exporters continue to be aggressive, thus pressurizing the prices further. Exporters have already shipped nearly 50 tonnes to Saudi and another 100 tonnes is expected till February end. As per market sources, with festive season ahead and reported fall in production, both in India and Guatemala the prices are bound to improve further. Total arrivals during Thursday's auction at STCL, Bodinayakannur stood near 26 tonnes. The 7mm MCX grade was traded in the range on Rs 390-400 a kg. The reported increase in the prices of Guatemalan cardamom is likely to restrict its release in Indian market and assist in keeping prices of Indian cardamom firm.

FUTURES MARKETS

MCX Cardamom futures witnessed range bound sentiments with bearish undertone. Cardamom March contract opened slightly firm at Rs 469.60 against its previous close of Rs 468.70. Initially, buying interest pushed the futures to trade upwards, testing the highs of Rs 474.50. However, increased selling pressure at lower level pulled the futures to trade downwards on bearish tone thereafter. Contract was traded in the range of Rs 474.50-465.40 and finally settled in the positive territory of Rs 467.30.

PRICE DRIVERS

Bearish: 1. Guatemala's optimum carryover stock
2. Increased offloading at auctions

Bullish:
1. Near drought situation in Kerala
2. Declining stocks
4. Increasing overseas demand

WEATHER

Dry and warm weather conditions prevailing over Kerala and Tamil Nadu is not favourable for crop.

TECHNICALS

Candlesticks chart pattern reflects bearish sentiments. MACD is in positive region and moving downwards. Prices closed below both 9 days and 18 days EMA. Stochastic favour the bulls. Market is expected to trade upwards following steady to slightly firm opening with possibility of late sideways movement.

CARDAMOM 0703(MXCAMH7)2007/02/15 - Daily B:479.70 A:481.00
O 477.00 H 483.00 L 472.70 C 479.80 V 3,501 T 150,299 I 3,064 +4.7



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	460	457	486	489

TRADE RECOMMENDATION:

BUY MCX March cardamom above Rs 470 with a target of Rs 480 with a strict stops loss near Rs 465. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
STCL, Bodinayakannur	390-400	26,000

Disclaimer

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