

SPICES DAILY

February 16, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed steady to bearish trend ahead of long weekend holidays. It was offered at an unchanged price in Nizamabad amidst lower arrivals as well as offtake. However, prices decline in Erode amidst higher arrivals. Arrivals from the fresh harvest is gaining momentum in the markets 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 outlook for the season.

FUTURES MARKETS:

Turmeric futures at NCDEX opened marginally lower as compared to previous settlement and most-active April contract tested an intraday low of Rs. 1992 at the early hours of trading. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2017. The futures finished with some gain in final action. April contract traded in the range of Rs. 1992-2017 during Thursday's trade.

PRICE DRIVERS:

Bearish:

1. Fresh crop arrivals gaining momentum in the markets
2. Weather suitable for growth of crop
3. 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 downwards and the %K-line has entered in the oversold region, indicating 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. Turmeric futures are likely to trade moderately upwards following a steady to firm opening initially and downwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1967	1985	2008	2030	2048

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2020 with a target of Rs. 2005 and then Rs. 2000 with a strict stop loss at Rs. 2029. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1950	2000
	Gattah	1850	
Erode	Finger	2000-2100	12000
	Gattah	1975-2075	

BLACK PEPPER

SPOT MARKETS

Black pepper markets witness mostly firm trend during Thursday's trade. It was quoted in a higher price range in Kochi amidst arrivals as well as offtake of 20 MT. Traders reported lacklustre demand in the market behind the recent decline in pepper prices. 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. 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. Black pepper prices are likely to consolidate in short-term in domestic front.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the most active March contract tested an intraday low of Rs. 12472 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 12840. The futures finished with significant gain in final action. Most active March contract traded in the range of Rs. 12472-12840 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 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 has made a bullish crossover in the normal region, hinting further uptrend. 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 has declined, while open interest has increased as compared to previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of some late downward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12354	12564	12797	13055	13266

TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12750 with a target at Rs. 12850 and then Rs. 12900 with a strict stop loss at Rs.12675. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12400	20
	Ungarbled 11800	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained firm during Thursday's trade. Prices were quoted higher amidst reduced arrivals. Traders reported some demand as the major reason behind the increase in prices. However, fresh crop arrivals are expected to gain further pace during coming couple of weeks and consequently adding to the bearishness. 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 higher than previous settlement and most-active March contract tested an intraday low of Rs. 3815 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 3915. The futures finished near day's high in final action. March contract traded in the range of Rs. 3815-3915 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

Weather:

Mainly dry weather over the chilli growing regions. Weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. 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 slightly upwards in the oversold region, hinting likely upward technical correction soon. MACD is moving indecisively in the negative territory. Red chillies futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements later in the session.

CHLL334GTR 0703(NCGTRH7)2007/02/15 - Daily B:3888.00 A:3890.00
O 3868.00 H 3915.00 L 3815.00 C 3890.00 V 7,810 I 8,240 +55
EMA(9) 3974.6 (18) 4095.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3706	3784	3890	4000	4081

TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 3890-3900 with a target of Rs. 3940 and then Rs. 3970 with a strict stop loss of Rs. 3850. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4100-4600	20000

JEERA (Cumin)

SPOT MARKETS

Jeera markets witnessed a firm trend during Thursday's trade. It was quoted on an average higher amidst higher offtake. Traders attributed improvement in demand situation as the major supportive factor for the price rise. Crop arrivals from the fresh harvest are expected to pick up further during early March. Present weather conditions are also favourable for the crop. 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 marginally higher as compared to previous settlement and the most active March contract tested an intraday low of Rs. 9662 at the opening session of trade. The futures surged up on increased buying interest and tested an intraday high of Rs. 10069.9 during late hours of trading. The futures finished near day's high in final action. Most active March contract traded in the range of Rs. 9662-10069.9 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Estimations of lower acreage under jeera
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 firm opening and initial uptrend. Stochastic is moving indecisively in the normal 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 has increased, while open interest has declined as compared to previous settlement. Jeera futures are likely to trade upwards following a firm opening with possibility of some downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	9732	9879	10060	10252	10400

TRADE RECOMMENDATION:

Buy NCDEX March Jeera near Rs. 10000 with a target of Rs. 10075 and then Rs. 10100 with a strict stop loss of Rs. 9950. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1800-1850
	Ganesh	1860-1910
	Machine Cleaned	1960-1990

CARDAMOM

SPOT MARKETS

Cardamom prices stood steady at higher levels at major trading and auction centres. With prices reaching its peak, buyers are showing less interest to purchase cardamom at current level, thus resulting into subdued trade. However, as per market sources, with festive season ahead and reported fall in production, the prices will not only recover but also reach new peaks in coming month. The total arrivals during Thursday's auction at STCL, Bodinayakannur stood at 34 tonnes, of which nearly 3 tonnes was withdrawn owing to higher price expectation. The 7mm MCX grade was traded in the range on Rs 390-395 a kg. Further, with heavy export demand pouring in, particularly from gulf countries and low carry-over stock with traders, the sluggishness would be short-term and cardamom prices are likely to regain momentum in coming days.

FUTURES MARKETS

MCX Cardamom futures witnessed firm sentiments except for February contract, which missed the lower circuit. Increased selling pressure pulled the futures to expire Rs 24 down at Rs 415. Most active March contract opened slightly firm by Rs 1.60 at Rs 477. Increased buying interest pushed the futures to trade on the higher side and gained Rs 4.40 throughout the day. The futures hovered in the range of Rs 483-472.70 and finally settled in the positive territory of Rs 479.80.

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 bullish sentiments. MACD is in positive region and moving downwards this indicates that trend will continue. Prices closed slightly below the 9 days EMA and above 18 days EMA. Stochastic favours the bears. The contract is most likely to trade downward following a steady to slightly firm opening.

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
EMA(9) 480.28 (18) 476.68



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	463	457	490	494

TRADE RECOMMENDATION:

SELL MCX March cardamom below Rs 480 with a target of Rs 470 with a strict stop loss at Rs 485. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
STCL, Bodinayakannur	390-395	34,000

Disclaimer

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