

SPICES DAILY

February 10, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average bearish during Friday's trade. It was quoted lower in Nizamabad amidst weak demand, while higher arrivals in Erode resulted in lower offerings. Fresh crop arrivals are gradually gaining momentum and consequently adding to the bearish market sentiments. Fresh crop arrivals are expected to gain further pace in 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 marginally higher as compared to previous settlement and most-active April contract tested an intraday high of Rs. 2051 at the opening session of trading. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 2025. The futures finished in negative territory in final action. April contract traded in the range of Rs. 2025-2051 during Friday'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

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 weak opening and initial downtrend. Stochastic are moving upwards in the normal region, indicating further uptrend. 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 has increased, while open interest has declined as compared to previous settlement. Turmeric 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 April	1990	2005	2034	2053	2069

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2035-2040 with a target of Rs. 2020 and then Rs. 2010 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	2000	4000
	Gattah	1900	
Erode	Finger	2025-2175	6000
	Gattah	2050-2100	

BLACK PEPPER

SPOT MARKETS

Black pepper markets maintained its previous steadiness during Friday's trade. It was quoted unchanged in Kochi amidst arrivals as well as offtake of 35 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. 12950 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. 12731. 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. 12731-12950 during Friday'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 downwards in the normal region, hinting further downtrend. MACD is also 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 moderately downwards following a steady to weak opening initially with possibility of upward movement thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12372	12600	12815	13196	13441

TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12700-12725 with a target at Rs. 12875 and then Rs. 12900 with a strict stop loss at Rs.12610. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12500	35
	Ungarbled 11900	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur extended previous weakness further during Friday's trade. Fresh crop arrivals in the market are gaining momentum and consequently pressuring the market sentiments. Fresh crop arrivals are expected to gain further pace during coming couple of weeks. Traders reported dull demand at present in the market that added 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 lower than previous settlement and most-active March contract tested an intraday high of Rs. 4003 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. 3835. The futures pared some losses only to finish lower in final action. March contract traded in the range of Rs. 3835-4003 during Friday'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 increased, while open interest has declined 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	3705	3800	3918	4095	4190

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 4000-4025 with a target of Rs. 3900 and then Rs. 3875 with a strict stop loss of Rs. 4100. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 4500-5000	40000-45000
	LCA 334 (Bilty) 5100-5500	

JEERA (Cumin)

SPOT MARKETS

Jeera markets remains firm in Unjha markets during Friday's trade. 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 consolidate 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 low of Rs. 9545 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures surged up to test an intraday high of Rs. 9774 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. 9545-9774 during Friday'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 firm opening and initial uptrend. Stochastic is moving upwards in the normal region, hinting further uptrend. MACD is also moving 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 increased as compared to previous close. Jeera 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	9525	9623	9705	9866	9963

TRADE RECOMMENDATION:

Buy NCDEX March Jeera near Rs. 9650-9700 with a target of Rs. 9775 and then Rs. 9800 with a strict stop loss of Rs. 9575. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1740-1790
	Ganesh	1790-1840
	Machine Cleaned	1890-1910

CARDAMOM

SPOT MARKETS:

Heavy export enquiries from Saudi Arabia and head to mouth stock position in domestic market rules the cardamom prices on higher side. Cardamom prices have continued its bullishness at major auction centres and trading centres as exporters have shown keen buying interest. Further, fall in global production and near end of harvesting season have also pressurized the prices. With prices reaching at its peak, farmers are releasing their stocks to realize good prices. The total arrivals during Friday's auction at Mass Enterprises, Vandanmedu stood at 20 tonnes. The average prices hovered around Rs 365 a kg, while the 7mm MCX grade fetched Rs 390-400 a kg. Heavy overseas demand, reduction in global output and tightening stock position are likely to keep the cardamom prices on higher side.

FUTURES MARKETS

Cardamom futures witnessed a sharp fall at MCX. March contract opened slightly firm at Rs 506.90 against its previous close of 505.80. Increased selling pressure pulled the futures downwards throughout the session, testing the lows of Rs 487. Contract was traded in the range of Rs 510-487 and finally settled losing 3.44% in the negative territory of Rs 488.30.

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 9 days EMA and above 18 days EMA, which indicates that trend will continue. Stochastics favours the bulls. The contract is most likely to trade downward following a steady to slightly weak opening.

CARDAMOM 0703(MXCAMH7)2007/02/09 - Daily B:488.10 A:488.50
O 506.90 H 510.00 L 487.00 C 488.30 V 2,776 T 137,485 I 2,284 -17.5
EMA(9) 490.23 (18) 478.00



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	474	470	506	510

TRADE RECOMMENDATION:

SELL MCX March cardamom below Rs 493 with a target of Rs 584 with a strict stop loss at Rs 498. Trade with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Mass Enterprises, Vandanmedu	390-400	20,000

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