

## SPICES DAILY

February 14, 2007

### TURMERIC

#### SPOT MARKETS:

Turmeric markets maintained previous position during Tuesday's trade. It was quoted on an average unchanged in Nizamabad as well as Erode owing to reduced arrivals. 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 higher as compared to previous settlement and most-active April contract tested an intraday high of Rs. 2024 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. 1998. However, the futures finished in positive territory in final action. April contract traded in the range of Rs. 1998-2024 during Tuesday'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 to firm opening and initial uptrend. Stochastic is moving downwards in the normal 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 upwards following a steady to firm opening with possibility of downward movements later in the session.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1965	1988	2013	2044	2065

#### TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2025 with a target of Rs. 2010 and then Rs. 2005 with a strict stop loss at Rs. 2035. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1950	4000-5000
	Gattah 1850	
Erode	Finger 2050-2175	5000-6000
	Gattah 2050-2150	

## BLACK PEPPER

### SPOT MARKETS

Black pepper markets witnessed firm trend during Tuesday's trade. It was quoted higher by Rs. 100 per quintal in Kochi amidst arrivals as well as offtake of 15 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. Notably, India has already exported pepper worth Rs. 203 crore during April-December 2006 achieving the target of set quantity as well. Black pepper prices are likely to consolidate in short-term.

### FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the most active March contract tested an intraday low of Rs. 12338 at the early hours of trade. 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. 12709. The futures finished near day's high in final action. Most active March contract traded in the range of Rs. 12338-12709 during Tuesday'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 firm opening and initial uptrend. 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 as well as open interest has declined as compared to previous settlement. Black pepper 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	12266	12494	12702	13003	13266

### TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12700 with a target at Rs. 12800 and then Rs. 12850 with a strict stop loss at Rs.12625. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12300	15
	Ungarbled 11700	

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur remained on an average bearish during Tuesday's trade. Chilli prices have declined considerably recently 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 higher than previous settlement and most-active March contract tested an intraday high of Rs. 4020 at the early hours of trade. Profit taking capped further advances and the traded downwards to test an intraday low of Rs. 3893 during late hours of trade. However, the futures managed to finish with some gain in final action. March contract traded in the range of Rs. 3893-4020 during Tuesday'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 as well as 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 about to make an upward move in the oversold region, hinting likely upward technical correction soon. MACD is 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 some upward movements early in the session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3663	3778	3910	4017	4150

### TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 3925-3950 with a target of Rs. 3875 and then Rs. 3850 with a strict stop loss of Rs. 4000. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4200-4900	40000

## JEERA (Cumin)

### SPOT MARKETS

Jeera markets witnessed firm trend in Unjha during Tuesday's trade. Prices were quoted higher amidst steady arrivals as well as 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. 9875 at the early hours of trade. Profit taking curbed early advances and the futures traded downwards to test an intraday low of Rs. 9685 during late hours of trading. The futures finished in negative territory in final action. Most active March contract traded in the range of Rs. 9685-9875 during Tuesday'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 flat in the oversold region, hinting indecision. MACD is 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 has increased, while open interest has declined 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	9494	9602	9717	9875	9982

### TRADE RECOMMENDATION:

Buy NCDEX March Jeera near Rs. 9650-9675 with a target of Rs. 9750 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	1800-1850
	Ganesh	1850-1900
	Machine Cleaned	1950-1980
		3500

## CARDAMOM

### SPOT MARKETS

Cardamom spot prices ruled steady at major trading centres as western disturbances in northern and northwestern regions kept the market activity subdued. However, with renewed export demand particularly from the Saudi Arabia and Japan and reports of lower production in both Guatemala and India, the prices are likely to rise further in long term. Arrivals during Tuesday's auction at HSPL, Nedumkandam declined to 25 tonnes against last week's 30 tonnes. Farmers withdrew nearly 2 tonnes as prices were quoted below their expectations. The MCX grade was traded in the range of Rs 385-395 a kg. Market sources reported that though enough quantity of Guatemala cardamom is available in spot market, its inferior quality is unlikely to affect the domestic cardamom prices. Further, exporters increasing interest will also be prime mover in coming days.

### FUTURES MARKETS

Cardamom futures witnessed firm sentiments at MCX. Cardamom March contract opened slightly weak at Rs 461.40 against previous close of Rs 462.90. However, increased buying interest supported by near expiry of February contract pushed the futures to trade on the higher side and gained sharply Rs 18.50 throughout the day. The futures hovered in the range of Rs 481.40-461 and finally settled in the positive territory of Rs 481.40.

### PRICE DRIVERS

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

**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 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. Prices closed slightly below the 9 days EMA and above 18 days EMA. Stochastic favour the bears. The contract is most likely to trade upward on correction following a steady to slightly firm opening.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	499	506	470	467

### TRADE RECOMMENDATION:

BUY MCX March cardamom above Rs 480 with a target of Rs 492 with a strict stop loss at Rs 474. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
HSPL, Nedumkandam	385-395	25,000

#### 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.