

SPICES DAILY

February 24, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained steady to firm during Friday's trade. It was quoted higher in Nizamabad markets amidst improved demand. However, it was offered at an unchanged price in Erode markets amidst lower 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 higher as compared to previous settlement and most-active April contract tested an intraday high of Rs. 2074 at the opening session of trading. Increased selling interest at the higher price levels has pressurised the futures thereafter and the futures slide to test an intraday low of Rs. 2041. The futures finished near day's low in final action. April contract traded in the range of Rs. 2041-2074 during Friday'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 weak opening and initial downtrend. 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 declined. 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	1992	2014	2045	2072	2096

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2050-2055 with a target of Rs. 2030 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	2000	4000
	Gattah	1900	
Erode	Finger	2050-2150	7000-8000
	Gattah	2000-2100	

BLACK PEPPER

SPOT MARKETS

Black pepper markets witnessed a stable trend during Friday's trade. It was offered at an unchanged price in Kochi markets amidst arrivals as well as offtake of 17 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. 12619 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. 12375. The futures finished with significant losses in late action. Most active March contract traded in the range of Rs. 12375-12619 during Friday'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

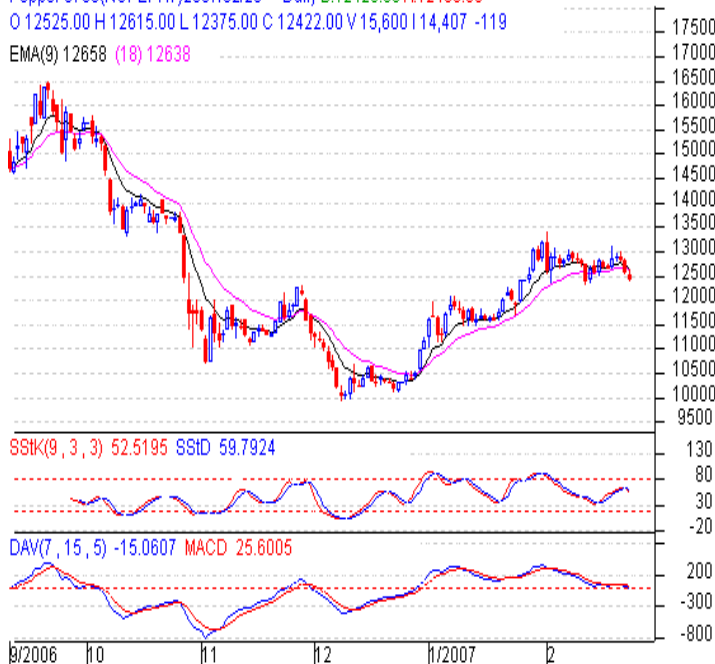
Weather:

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

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic is moving downwards in the normal region, hinting further downtrend. 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. Black pepper futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.

Pepper 0703(NCPEPH7)2007/02/23 - Daily B:12428.00 A:12430.00
O 12525.00 H 12615.00 L 12375.00 C 12422.00 V 15,600 I 14,407 -119
EMA(9) 12658 (18) 12638



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12000	12214	12422	12810	12985

TRADE RECOMMENDATION:

Sell NCDEX March Pepper near Rs. 12450-12475 with a target at Rs. 12375 and then Rs. 12325 with a strict stop loss at Rs.12550. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12200	17
	Ungarbled	11600	

RED CHILLIES

SPOT MARKETS

Domestic red chillies market in Guntur remained on an average steady during Friday's trade. It was quoted unchanged amidst reduced arrivals in the markets as against previous day. 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 high of Rs. 3870 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures tested an intraday low of Rs. 3805. The futures finished near day's low in final action. March contract traded in the range of Rs. 3805-3870 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
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 as well as 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 upwards after entering the normal region, indicating further uptrend. MACD is moving upwards in the negative territory. 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	3680	3754	3820	3919	3996

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 3825-3850 with a target of Rs. 3750 and then Rs. 3700 with a strict stop loss of Rs. 3925. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4000-4300	40000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained bearish during Friday's trade. It was quoted in a lower price range in Unjha markets amidst reduced offtake. 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 after some short-term consolidation.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the March contract tested an intraday high of Rs. 11150 at the early hours of trade. Increased selling interest at the higher price levels has pressurised the futures thereafter and the futures tested an intraday low of Rs. 10850. The futures pared some losses only to finish in negative territory. March contract traded in the range of Rs. 10850-11150 during Friday'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 weak opening and initial downtrend. Stochastic is moving indecisively in the overbought region. MACD is about to make a bearish crossover in the positive territory. 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 moderately downwards following a steady to weak opening initially and upwards thereafter.

JEERA 0703(NCJEEH7)2007/02/23 - Daily B:11003.00 A:11020.00
O 11150.00 H 11150.00 L 10853.00 C 11019.00 V 20,010 I 12,870 -115
EMA(9) 10654 (18) 10264



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	10527	10715	11019	11439	11667

TRADE RECOMMENDATION:

Buy NCDEX March Jeera near Rs. 10950 with a target of Rs. 11050 and then Rs. 11100 with a strict stop loss of Rs. 10875. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1880-1930
	Ganesh	1940-1990
	Machine Cleaned	2040-2070

CARDAMOM

SPOT MARKETS

Cardamom prices improved marginally at Friday's auction at Mass Enterprises, Vandanmedu while they maintained previous levels at major trading centres amidst steady demand from the stockists. Today's arrivals and sales stood at 26 tonnes, while the average prices improved by Rs 20 and hovered near Rs 380 a kg. The 7mm MCX grade fluctuated in the range of Rs 390-400 a kg. The slight fluctuation witnessed in the cardamom trade during last week due to uneven demand pattern and prices is likely to stabilize on higher side as crop prospects in Kerala, the major cardamom growing state, remains grim along with tightening stock position. Moreover, increase in Guatemalan prices is also likely to restrict its entry in Indian markets, thus contributing to additional firmness in cardamom prices.

FUTURES MARKETS

Cardamom futures witnessed bullish sentiments at MCX. Cardamom March contract opened weak by Rs 1.90 at Rs 466 against its previous close of Rs 467.90. Initially, increased selling pressure pulled the futures to trade downwards, testing the lows of Rs 461.30. However, buying interest at lower level pushed the futures to trade on bullish sentiments thereafter. Contract was traded in the range of Rs 469.20-461.30 and finally settled in the positive territory of Rs 467.50.

PRICE DRIVERS

Bearish: 1. Guatemala's optimum carryover stock
2. Increasing Guatemalan exports

Bullish:

1. Near drought situation in Kerala
2. Declining stocks
3. Rise in Guatemalan cardamom prices
4. Increasing overseas demand

WEATHER

Dry and warm weather prevailing over major cardamom growing regions is not favourable for cardamom crop in Tamil Nadu and Kerala.

TECHNICALS

Candlesticks chart pattern reflects weak opening and initial downtrend with recovery in later session. MACD is in positive region and moving downward, indicating that trend will continue. Prices closed below both 9 days and 18 days EMA. Stochastic favour the bulls. Market is expected to trade downwards initially following steady to slightly weak opening with possibility of late upward movement.

CARDAMOM 0703(MXCAMH7)2007/02/23 - Daily B:467.50 A:467.60
O 466.00 H 469.20 L 461.30 C 467.50 V 1,082 T 50,370 I 3,053 -0.4

EMA(9) 469.88 (18) 471.43



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	450	447	479	483

TRADE RECOMMENDATION:

SELL MCX March cardamom below Rs 467 with a target of Rs 459 with a strict stops loss near Rs 472. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Mass Enterprises, Vandanmedu	390-40	26,000

Disclaimer

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