

SPICES DAILY

February 21, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed on an average a stable trend during Tuesday's trade. Prices were quoted mostly steady to slightly higher amidst lower arrivals in the markets. 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.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher as compared to previous settlement and most-active April contract tested an intraday low of Rs. 1984 at the early hours of trading. Increased buying interest at the lower price levels has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2006. The futures finished with some gain in final action after remaining within Monday's range. April contract traded in the range of Rs. 1984-2006 during Tuesday'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 indecisively in the oversold region. MACD is 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. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of some downward movement later in the session.

Turmeric 0704(NCTMCJ7)2007/02/20 - Daily B:1996.00 A:1997.00
O 1990.00 H 2006.00 L 1984.00 C 1998.00 V 8,330 I 25,250 +10
EMA(9) 2006.2 (18) 2015.1



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1956	1973	1998	2025	2041

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 1995 with a target of Rs. 2005 and then Rs. 2015 with a strict stop loss at Rs. 1985. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1950	3000
	Gattah	1825	
Erode	Finger	2000-2125	12000
	Gattah	2000-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remain steady during Tuesday's trade. Prices were quoted mostly unchanged in Kochi markets amidst arrivals as well as offtake of 20 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.

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. 12770 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. 12965. The futures pared some gains only to finish in positive territory. Most active March contract traded in the range of Rs. 12770-12965 during Tuesday'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 firm opening and initial uptrend. Stochastic is moving upwards in the normal region, hinting further uptrend. MACD is moving slightly 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 declined as compared to previous settlement. Black pepper 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	12504	12671	12880	13222	13389

TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12800-12850 with a target at Rs. 12950 and then Rs. 13000 with a strict stop loss at Rs.12700. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12500	20
	Ungarbled 11900	

RED CHILLIES

SPOT MARKETS

Domestic red chillies market in Guntur maintained its previous bearishness during Tuesday's trade. Arrivals were lower than previous day and consequently prices remained at the earlier level. Traders reported no significant demand to overshadow 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. 3765 at the early hours of trade. Increased buying interest at the lower price levels has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 3860. The futures remained within Monday's range and finished with some losses in late action. March contract traded in the range of Rs. 3765-3860 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
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 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 indecisively in the oversold region. MACD is moving slightly upwards in the negative territory. Red chillies futures are likely to trade upwards following a steady to firm opening with possibility of downward movements later in the session.

CHLL334GTR 0703(NCGTRH7)2007/02/20 - Daily B:3823.00 A:3829.00
O 3815.00 H 3860.00 L 3765.00 C 3825.00 V 5,935 I 9,305 O
EMA(9) 3880.0 (18) 3994.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3634	3715	3825	3948	4028

TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 3775-3800 with a target of Rs. 3850 and then Rs. 3875 with a strict stop loss of Rs. 3725. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4000-4400	50000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets wiped away morning slide and quoted steady as against previous day. Arrivals were slightly higher than day ago. 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 much lower as compared to previous settlement and the March contract tested an intraday low of Rs. 10505 at the opening session of trade. Increased buying interest at the lower price levels supported the futures thereafter and the futures surged up to test an intraday high of Rs. 11125. The futures settled near day's high in late action. March contract traded in the range of Rs. 10505-11125 during Tuesday'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 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 has declined, while open interest has increased 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	10494	10811	11090	11500	11791

TRADE RECOMMENDATION:

Buy NCDEX March Jeera near Rs. 11000 with a target of Rs. 11150 and then Rs. 11200 with a strict stop loss of Rs. 10900. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1920-1970	10000
	Ganesh 1980-2030	
	Machine Cleaned 2080-2110	

CARDAMOM

SPOT MARKETS

Export enquiries from Gulf countries and head to mouth stock position in domestic market keep the cardamom prices firm at both auctions and major trading centres. Further, fall in global production, unfavourable weather conditions in Kerala and near end of harvesting season have also pressurized the prices. The total arrivals during Tuesday's auction at HSPL, Nedumkandam stood at 19 tonnes, of which 500 kg was withdrawn due to lower price quotation. The average price hovered in the range of Rs 345-355 a kg, while the 7mm MCX grade fetched Rs 385-395 a kg. According to market sources, heavy overseas demand, particularly from Saudi Arabia, reduction in India's as well as Guatemala's cardamom production, tightening stock position in domestic market along with approaching festive season are likely to keep the cardamom prices on higher side.

FUTURES MARKETS

Cardamom Futures witnessed bearish sentiments at MCX. Cardamom March contract opened slightly firm at Rs 467 against its previous close of Rs 466.10. Initially increased selling pressure pulled the futures to trade downwards on bearish sentiments, testing the lows of Rs 461.30. Futures recovered marginally thereafter on buying support at lower level, however, finally settled in negative. Futures hovered in the range of Rs 469-461.30.

PRICE DRIVERS

Bearish: 1. Guatemala's optimum carryover stock
2. Subdued domestic demand

Bullish:

1. Near drought situation in Kerala
2. Declining stocks
3. Fall in global production
4. Increasing overseas demand

WEATHER

Dry and warm weather conditions prevailing over Kerala and Tamil Nadu region is not so favourable for crop at this stage.

TECHNICALS

Candlesticks chart pattern reflects indecisive market. MACD is in positive region and moving downwards. Prices closed below both 9 days and 18 days EMA. Stochastic favour the bears. The contract is most likely to trade upward following a steady to slightly firm opening.

CARDAMOM 0703(MXCAMH7)2007/02/20 - Daily B:465.60 A:466.00
O 467.00 H 469.00 L 461.30 C 466.00 V 1,764 T 64,302 I 3,450 -0.1

EMA(9) 471.85 (18) 472.85



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	456	451	480	484

TRADE RECOMMENDATION:

BUY MCX March cardamom above Rs 463 with a target of Rs 470 and then Rs 473, with a strict stop loss at Rs 458. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
HSPL, Nedumkandam	385-395	19,000

Disclaimer

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