

SPICES DAILY

February 22, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remains on an average steady during Wednesday's trade. Prices were quoted mostly unchanged in Nizamabad despite higher arrivals. Steady arrivals in Erode kept the prices at their previous levels. 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 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 at the lower price levels has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2033. The futures finished with significant gain. April contract traded in the range of Rs. 1992-2033 during Wednesday'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 upwards after entering the normal region, hinting further uptrend. MACD is moving indecisively in the negative territory. 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. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of some downward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1970	1990	2021	2060	2080

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2010-2015 with a target of Rs. 2030 and then Rs. 2040 with a strict stop loss at Rs. 1995. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1925	6000
	Gattah	1825	
Erode	Finger	2000-2125	11000-12000
	Gattah	2000-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper markets witnessed a weak trend during Wednesday's trade. It was offered at a lower price in Kochi markets amidst arrivals as well as offtake of 30 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 steady as compared to previous settlement and the most active March contract tested an intraday low of Rs. 12780 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. 12983. Profit taking wiped away gains and the futures finished with losses in late action. Most active March contract traded in the range of Rs. 12780-12983 during Wednesday'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 upwards in the normal region, hinting further uptrend. MACD is moving indecisively in the positive territory. 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. Black pepper futures are likely to trade moderately downwards following a steady to weak opening initially and upward thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12459	12617	12815	13073	13231

TRADE RECOMMENDATION:

Sell NCDEX March Pepper near Rs. 12850 with a target at Rs. 12775 and then Rs. 12750 with a strict stop loss at Rs.12900. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12400	30
	Ungarbled	11800	

RED CHILLIES

SPOT MARKETS

Domestic red chillies market in Guntur remained mostly steady during Wednesday's trade. Arrivals were lower than previous day and consequently prices hold their earlier levels. 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. 3795 at the opening session 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. 3967. The futures finished near day's high in final action. March contract traded in the range of Rs. 3795-3967 during Wednesday'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 increased, while open interest remained steady as compared to previous settlement. Prices closed above the 9-day EMA, hinting short-term firmness in prices. Stochastic is moving upwards after entering the normal region, indicating further uptrend. MACD is moving upwards in the negative territory, supporting the firmness. 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)2007/02/21 - Daily B:3923.00 A:3930.00
O 3815.00 H 3967.00 L 3795.00 C 3930.00 V 16,235 I 9,305 +105
EMA(9) 3889.5 (18) 3987.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3658	3771	3930	4109	4221

TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 3875-3900 with a target of Rs. 3950 and then Rs. 3975 with a strict stop loss of Rs. 3825. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4000-4400	40000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed a stable trend during Wednesday's trade. It was offered at an unchanged price level amidst lower arrivals as well as 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.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the March contract tested an intraday low of Rs. 10912 at the early hours of trade. Increased buying interest at the lower price levels supported the futures thereafter and the futures tested an intraday high of Rs. 11270. The futures immediately ran into profit taking and finished with losses in late action. March contract traded in the range of Rs. 10912-11270 during Wednesday'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 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 downwards following a steady to weak opening with possibility of some upward movements later in the session.

JEERA 0703(NCJEEH7)2007/02/21 - Daily B:11017.00 A:11020.00
O 11100.00 H 11265.00 L 10915.00 C 11019.00 V 35,688 I 13,788 -71
EMA(9) 10420 (18) 10062



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	10474	10688	11019	11200	11400

TRADE RECOMMENDATION:

Sell NCDEX March Jeera near Rs. 11050 with a target of Rs. 10950 and then Rs. 10900 with a strict stop loss of Rs. 11125. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1920-1970	8000-9000
	Ganesh 1980-2030	
	Machine Cleaned 2080-2110	

CARDAMOM

SPOT MARKETS

Cardamom prices continued to rule firm at auction and trading centres. Prices recovered by Rs 15 a kg at the Wednesday's auction at CPMC, Kumily. The total arrivals and sales stood at 53 tonnes, and the average prices improved from Rs 350 a kg level to Rs 360 a kg, while the 7mm MCX grade was traded in the range of Rs 395-405 a kg. Heavy export demand coupled with low stock and production in cardamom has contributed to the recent bullishness. Further, market sources reported that Guatemala has increased its cardamom prices by \$1.5-2 a kg in the international market, thus boosting the export potential and adding to the firmness in cardamom. Unconfirmed sources report that nearly 100 tonnes of cardamom is likely to be shipped by end of Feb. to Saudi. Cardamom is unlikely to retreat in coming days.

FUTURES MARKETS

Cardamom futures witnessed bullish sentiments at MCX. Cardamom March contract opened firm by Rs 1.60 at Rs 467 against its previous close of Rs 465.40. Initially, selling pressure pulled the futures to trade downwards, testing the lows of Rs 464.20. However, buying interest at lower level pushed the futures to trade bullish thereafter. Contract was traded in the range of Rs 471.80-464.20 and settled in the positive territory of Rs 468.

PRICE DRIVERS

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

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

WEATHER

Isolated showers expected over cardamom growing regions of Kerala may provide some solace to the moisture stressed crop.

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 is in oversold region and favour the bears. Market is expected to trade upwards initially following steady to slightly firm opening with possibility of late downward movement.

CARDAMOM 0703(MXCAMH7)2007/02/21 - Daily B:468.40 A:468.70
O 467.00 H 471.80 L 464.20 C 468.00 V 1,409 T 64,388 I 3,349 +2.6



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	455	450	486	492

TRADE RECOMMENDATION:

BUY MCX March cardamom above Rs 468 with a target of Rs 475 and then Rs. 479 with a strict stops loss near Rs 463. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPMC, Kumily	395-405	53,000

Disclaimer

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