

SPICES DAILY

February 27, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average steady at the start of the week. It was offered at a steady to slightly higher price in Nizamabad amidst higher arrivals as well as offtake. Prices remained unchanged in Erode owing to steady arrivals as well as offtake. Traders are expecting arrivals to increase in the coming week and consequently may put some pressure on turmeric prices. Arrivals from the fresh harvest are likely to reach its maximum level in the coming month. With a bumper harvest outlook for this season, turmeric prices are expected to remain bearish after 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 high Rs. 2070 at the early hours of trade. The futures retreated on increased selling interest and tested an intraday low of Rs. 2046. The futures settled near day's low in final action. April contract traded in the range of Rs. 2046-2070 during Monday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock; higher production estimates
2. Fresh crop arrivals increasing in markets

Bullish:

1. Moderate demand in the markets
2. India exported 42,750 tonnes turmeric during April-January 2006-07

Weather:

Isolated rain/thundershowers are likely over Tamil Nadu, Kerala and Lakshadweep during next 24 hours and mainly dry weather thereafter. Mainly dry weather is likely over the rest 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 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. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1995	2016	2049	2072	2094

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2050-2055 with a target of Rs. 2035 and then Rs. 2025 with a strict stop loss at Rs. 2070. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1875-1975	8000-10000
	Gattah	1750-1850	
Erode	Finger	2050-2150	7000
	Gattah	2000-2100	

BLACK PEPPER

SPOT MARKETS

Black pepper witnessed a bearish trade in Kochi on Monday. Traders reported no significant demand in the markets. However, arrivals were also negligible at this time that supported the prices to some extent. 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. Vietnam markets remain quiet due to the lunar New Year holidays. 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 also, production is expected to decline. Black pepper prices are expected to remain firm in the near futures after some short-term consolidation.

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. 12530 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. 12260. The futures finished near day's low in final action. Most active March contract traded in the range of Rs. 12260-12530 during Monday's trade.

PRICE DRIVERS:

Bullish:

1. Global supplies are expected to remain tight during 2007
2. India exported 22,270 tonnes pepper during April-January 2006-07
3. IPC estimates Vietnamese crop lower and expects only by March

Bearish:

1. Lacklustre demand in the market, no selling pressure

Weather:

Isolated rain/thundershowers are likely over Tamil Nadu, Kerala and Lakshadweep during next 24 hours and mainly dry weather thereafter. Mainly dry weather is likely over the rest region. 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 and the %K-line has just entered the oversold region, hinting further downtrend. 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 has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade downwards following a weak opening with possibility of upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	11668	11986	12286	12480	12783

TRADE RECOMMENDATION:

Sell NCDEX March Pepper near Rs. 12300 with a target at Rs. 12225 and then Rs. 12200 with a strict stop loss at Rs.12350. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12100	80
	Ungarbled	11500	

RED CHILLIES

SPOT MARKETS

Red chillies traded with a stable trend in Guntur during Monday's trade. Chilli prices remained in a narrow range during the last couple of days. Arrivals were reported to have increased as against last weekend. Traders reported no significant demand in the markets to offset the supply pressure. Fresh crop arrivals are expected to gain further pace during coming couple of weeks and consequently would put 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 higher than previous settlement and most-active March contract tested an intraday low of Rs. 3850 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 3950. The futures finished with significant gain in final action. March contract traded in the range of Rs. 3850-3950 during Monday's trade.

PRICE DRIVERS:

Bullish:

1. Talks of prospective export demand
2. India exported 98,000 tonnes chilli during April-January 2006-07

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:

Isolated rain/thundershowers are likely over Tamil Nadu, Kerala and Lakshadweep during next 24 hours and mainly dry weather thereafter. Mainly dry weather is likely over the rest region. Weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial downtrend. Volume has increased, while open interest has declined as compared to previous settlement. Prices closed above the 9-day EMA, hinting short-term firmness in prices. Stochastic ahs made a bearish crossover in the normal region, hinting further downtrend. MACD is moving 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.

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O 3860.00 H 3950.00 L 3850.00 C 3908.00 V 8,610 I 8,410 +78
EMA(9) 3872.3 (18) 3941.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3697	3800	3908	4000	4095

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. 3995. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4000-4400	60000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained steady at the start of the week. It was offered at an unchanged price on increased arrivals as well as offtake. Activity was higher following news of adverse weather conditions in Rajasthan as well as Gujarat. Crop arrivals from the fresh harvest are expected to pick up further during early half of March. 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 the near future after some short-term consolidation.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the most active April contract tested an intraday low of Rs. 11602 at the early hours of trade. The futures surged up on increased speculative buying thereafter and tested an intraday high of Rs. 12028. The futures finished with significant gains in final action. April contract traded in the range of Rs. 11602-12028 during Monday'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. India exported 23,500 tonnes of jeera during April-January 2006-07

Bearish:

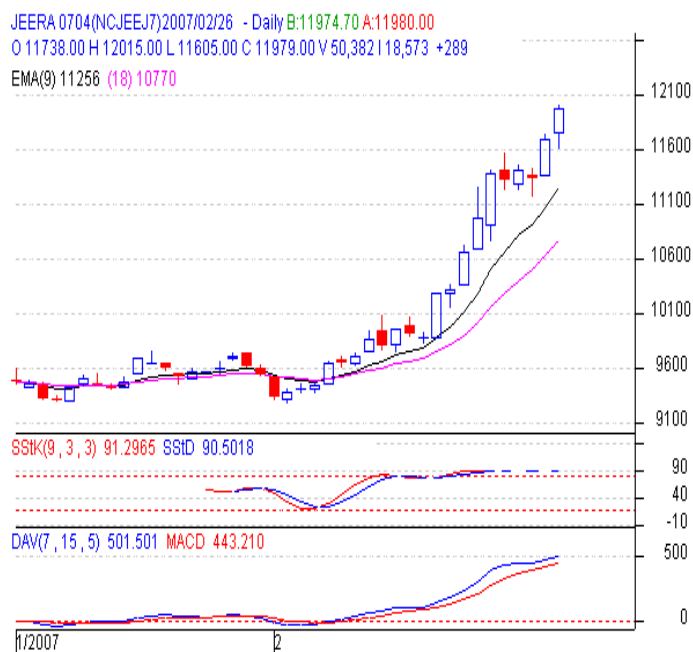
1. Fresh arrivals started increasing in the market
2. Weak buying support at the physical markets

Weather:

Mainly dry weather is likely over Rajasthan during next 24 hours. Thereafter scattered rain/thundershowers accompanied with isolated hail are likely. Mainly dry weather is likely over the rest region. Heavy rainfall is not desirable at this stage of crop.

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. 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 settlement, strengthening the firm trend. Jeera futures are likely to trade upwards following a firm opening with possibility of some downward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11427	11750	11979	12305	12614

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 11900-11950 with a target of Rs. 12050 and then Rs. 12100 with a strict stop loss of Rs. 11800. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1900-1950	14000
	Ganesh	1960-2010	
	Machine Cleaned	2060-2090	

CARDAMOM

SPOT MARKETS

Cardamom prices improved by Rs 5-10 during Monday's auction at CPA, Bodinayakannur. However, it maintained its steady position at major trading centres like Delhi and Mumbai on quiet demand. Though domestic buyers are not active in purchasing cardamom at current high levels, the continued dry spell in Kerala region and fall in production has kept prices firm in spot. According to market sources, fresh export demand is pouring in from Middle East, which may firm up the fluctuating market. Meanwhile, the total arrivals and sales at auction stood at 15 tonnes. The average price hovered in the range of Rs 320-325 a kg, while the 7mm MCX grade fetched Rs 385-390 a kg. With drought situation prevailing in Kerala and Guatemala hiking its cardamom prices, cardamom will continue to trade on higher side in coming days.

FUTURES MARKETS

Cardamom futures witnessed bearish sentiments at MCX. Most active March contract opened gap down by Rs 2.60 at Rs 466 against its previous close of Rs 468.60. Increased selling pressure pulled the futures to trade downwards, testing the lows of Rs 460.50. Contract was traded in the range of Rs 466-460.50 and finally settled in the negative territory of Rs 464.

PRICE DRIVERS

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

Bullish:
1. Near drought situation in Kerala
2. Declining stocks
3. Increased Guatemalan prices
4. Near end of picking season

WEATHER

Dry and warm weather conditions prevail over Kerala and Tamil Nadu regions. Weather is not so favourable for crop at this stage.

TECHNICALS

Candlesticks chart pattern reflects weak opening and range bound bearish movement. MACD is moving towards negative region. Prices closed below both 9 days and 18 days EMA. Stochastic favour the bears. Market is expected to trade upwards following a steady to firm opening with possibility of late slight downward movement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	455	451	480	483

TRADE RECOMMENDATION:

BUY MCX March cardamom above Rs 463 with a target of Rs 470 with a strict stop loss near Rs 458. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPA, Bodinayakannur	385-390	15,000

Disclaimer

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