

SPICES DAILY

March 07, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets extended previous weakness further during Tuesday's trade. It was quoted at a lower price owing to higher arrivals and poor offtake. Arrivals are likely to increase further in the coming weeks and consequently would put some more pressure on its prices. Arrivals from the fresh harvest are likely to reach its maximum level in the next few weeks. However, presence of some domestic demand remains the supportive feature for the market. Turmeric prices are expected to remain bearish in the coming days.

FUTURES MARKETS:

Turmeric futures at NCDEX opened lower as compared to previous settlement and most-active April contract tested an intraday high Rs. 2042 at the early hours of trade. Increased selling interest has pressurised the futures and the futures traded downwards thereafter to test an intraday low of Rs. 2018. The futures finished in negative territory in final action. April contract traded in the range of Rs. 2018-2042 during Tuesday'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:

Mainly dry weather is likely over the region except isolated pockets where isolated rain/thundershowers may occur. Prevailing weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and further 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. Turmeric 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 April	1988	2004	2029	2058	2078

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2040 with a target of Rs. 2020 and then Rs. 2010 with a strict stop loss at Rs. 2055. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	NA	-
	Gattah	NA	
Erode	Finger	1975-2075	12000
	Gattah	1950-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper traded stable during Tuesday's trade. It was quoted on an average unchanged in Kochi markets amidst arrivals as well as offtake of 60 MT. Traders reported no significant demand in the markets. However, increased selling interest has pressurised 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 to early April. In Vietnam, pepper export prices are projected to remain high this year as supply would remain tight following the decline in production. The Vietnam Pepper Association (VPA) has forecasted that the country's pepper export price would remain at around US\$ 2,200-2,500 per tonne this year as the world's pepper Domestic production is also expected to decline. Black pepper prices are expected to remain firm in the near future after some short-term consolidation.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the April contract tested an intraday low of Rs. 11985 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. 12464. The futures finished with significant gains in final action. April contract traded in the range of Rs. 11985-12464 during Tuesday's trade.

PRICE DRIVERS:

Bullish:

1. Global supplies 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

Weather:

Mainly dry weather is likely over the region except isolated pockets where isolated rain/thundershowers may occur. 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 slightly downwards in the normal region, hinting further downtrend. MACD is moving downwards in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume has declined, while open interest has increased 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 April	11731	11996	12285	12703	12967

TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 12250-12275 with a target at Rs. 12375 and then Rs. 12450 with a strict stop loss at Rs.12150. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	11800	60
	Ungarbled	11200	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur witnessed a firm trend during Tuesday's trade. Arrivals were reported lower as against previous day. Traders reported presence of domestic as well as overseas demand as the major supportive factor for the firmness in chilli prices. Fresh crop arrivals are expected to gain further pace during coming couple of weeks and consequently would put some 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 with possibility of short-term firmness.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and the April contract tested an intraday low of Rs. 4404 at the opening session of trade. The futures traded sharply upwards thereafter on increased buying interest and tested an intraday high of Rs. 4619. The futures finished with hefty gains after curbing some of the early advances in final action. April contract traded in the range of Rs. 4404-4619 during Tuesday's trade.

PRICE DRIVERS:

Bullish:

1. Talks of prospective export demand
2. Improved demand in the markets
3. 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 gaining momentum

Weather:

Mainly dry weather is likely over the region except isolated pockets where isolated rain/thundershowers may occur. Weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Volume as well as open interest has increased as compared to previous settlement. Prices closed above the 9-day as well as 18-day EMA, hinting short-term firmness in prices. Stochastic is moving upwards in the overbought region, hinting further uptrend. MACD is moving upwards in the positive 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.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	4361	4451	4539	4650	4730

TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4500 with a target of Rs. 4575 and then Rs. 4600 with a strict stop loss of Rs. 4450. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4300-4700	40000-45000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained firm during Tuesday's trade. It was offered at a higher price amidst improved offtake. Crop arrivals from the fresh harvest are expected to pick up further during coming few weeks. 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 witness some downward correction on expected rise in its arrivals.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the most active April contract tested an intraday high of Rs. 11900 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 11550. The futures finished in negative territory in final action. April contract traded in the range of Rs. 11550-11900 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. India exported 23,500 tonnes of jeera during April-January 2006-07

Bearish:

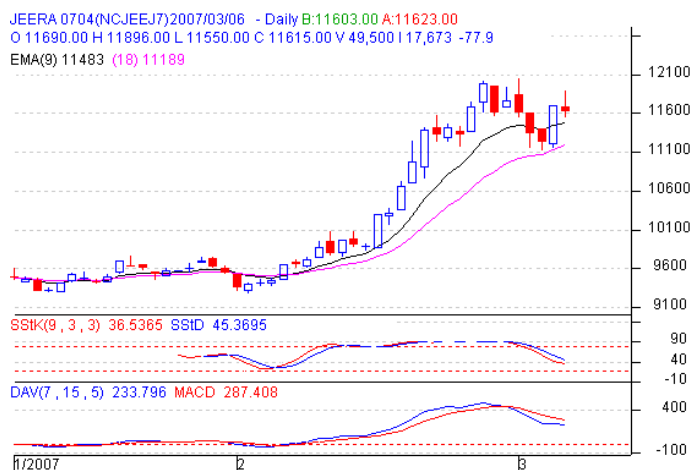
1. Arrivals started increasing in the market
2. Weak buying support at the physical markets

Weather:

Mainly dry weather likely over the region. Dry weather is favourable at this stage of the crop.

TECHNICALS

Candlestick pattern is indicating steady to weak opening and initial downtrend. 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 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 upward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11168	11350	11615	11899	12068

TRADE RECOMMENDATION:

Sell NCDEX April Jeera near Rs. 11650-11675 with a target of Rs. 11575 and then Rs. 11525 with a strict stop loss of Rs. 11750. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1930-1980	7500
	Ganesh	1990-2040	
	Machine Cleaned	2090-2120	

CARDAMOM

SPOT MARKETS

Cardamom prices maintained steady position at major spot markets amidst sluggish demand and low buying interest at current levels. However, prices improved marginally at Tuesday's auction at HSPL, Nedumkandam on the back of reducing arrivals and end of picking season. Arrivals stood at 20 tonnes and average prices moved in the range of Rs 350-355 a kg. While the 7mm MCX grade was traded in the range Rs 395-400 a kg. According to market sources, tight supply position at auctions and projected fall in cardamom production this year has restricted the price fall in spot market. Nearly 150 tonnes has already been shipped and another 100 tonnes is likely to be shipped by March end. Exporters have already brought 15 tonnes during Sunday's auction.

FUTURES MARKETS

Cardamom futures witnessed weak sentiments with bearish undertone at MCX. The most active April contract opened gap up at Rs 486.50 against its previous close of Rs 483.10. Increased buying pressure during initial hour pressurized the futures to trade on the higher side, testing the highs of Rs 502.40. However, futures could not sustain the initial firmness and shed some points thereafter. Futures traded in the range of Rs 502.40-486.50.

PRICE DRIVERS

Bearish:

1. Guatemala's optimum carryover stock
2. Sluggish demand

Bullish:

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

WEATHER

Isolated rains and cloudy weather forecast over Kerala and Tamil Nadu region is favourable for freshly planted vines and standing crop. Harvesting will not be affected due to present weather conditions.

TECHNICALS

Candlesticks chart pattern reflects firm opening and bullish sentiments with downward correction thereafter. MACD is moving in the negative region. Prices closed at 9 days EMA level and below 18 days EMA. Stochastic is in oversold region. Market is expected to trade upwards following a steady to firm opening and late downward movement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	485	481	517	521

TRADE RECOMMENDATION:

BUY MCX April cardamom above Rs 496 with a target of Rs 505 with a strict stop loss near Rs 490. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
HSPL, Nedumkandam	395-400	20,000

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.