

SPICES DAILY

March 05, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets in Nizamabad and Erode remained closed on Saturday. Turmeric prices remained on an average steady to slightly bearish during the past few days. Traders are eyeing higher arrivals in the coming weeks that may put some more pressure on 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 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 low Rs. 2064 at the early hours of trade. Increased buying interest has supported the futures and the futures traded upwards to test an intraday high of Rs. 2080. The futures finished near day's high in final action. April contract traded in the range of Rs. 2064-2080 during Saturday'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:

Light isolated rain/thundershowers likely over Kerala during next 3 days and over Tamil Nadu during next 24 hours. Isolated light rain/thundershowers over Coastal Karnataka & Lakshadweep after 48 hours. Mainly dry weather over the rest region. Prevailing weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and further uptrend. Stochastic is moving slightly upwards, hinting further downtrend. 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 has declined, while open interest has increased. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements later in the session.

Turmeric 0704(NCTMCJ7)2007/03/03 - Daily B:2073.00 A:2076.00
O 2065.00 H 2080.00 L 2064.00 C 2076.00 V 5,300 I 24,760 +5
EMA(9) 2058.6 (18) 2046.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2041	2057	2076	2090	2104

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2065-2070 with a target of Rs. 2080 and then Rs. 2085 with a strict stop loss at Rs. 2055. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper remained on an average steady at the weekend. It was quoted unchanged in Kochi markets amidst arrivals as well as offtake of 90 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 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. 12676 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 12831. However, the futures retreated again and finished with some losses in final action. April contract traded in the range of Rs. 12676-12831 on Saturday.

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:

Light isolated rain/thundershowers likely over Kerala during next 3 days and over Tamil Nadu during next 24 hours. Isolated light rain/thundershowers over Coastal Karnataka & Lakshadweep after 48 hours. Mainly dry weather 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 slightly upwards in the normal region, hinting further uptrend. MACD is moving flat 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 downwards following a steady to weak opening with possibility of upward movements later in the session.

Pepper 0704(NCPEPJ7)2007/03/03 - Daily B:12716.00 A:12720.00
O 12725.00 H 12830.00 L 12676.00 C 12720.00 V 4,145 I 10,707 -29
EMA(9) 12795 (18) 12829



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	12355	12536	12720	12939	13119

TRADE RECOMMENDATION:

Sell NCDEX April Pepper near Rs. 12750-12775 with a target at Rs. 12675 and then Rs. 12625 with a strict stop loss at Rs.12850. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12000	90
	Ungarbled	11400	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained closed on Saturday. Chilli prices have firmed up recently in the physical markets. Traders reported presence of domestic as well as overseas demand as the major supportive factor for the recent 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 some short-term firmness.

FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and the April contract tested an intraday low of Rs. 4122 at the opening session of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 4259. The futures finished near day's high in final action. April contract traded in the range of Rs. 4122-4259 during Saturday'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 gaining momentum
3. Lacklustre demand in the markets

Weather:

Light isolated rain/thundershowers likely over Kerala during next 3 days and over Tamil Nadu during next 24 hours. Isolated light rain/thundershowers over Coastal Karnataka & Lakshadweep after 48 hours. Mainly dry weather over the rest region. 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 declined 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 negative territory, supporting the firmness. Red chillies 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	4092	4172	4250	4336	4411

TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4200-4225 with a target of Rs. 4275 and then Rs. 4300 with a strict stop loss of Rs. 4150. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained closed on Saturday. On Friday, it was quoted lower in Unjha market owing to weak buying support at the higher price tag. Forecast of dry weather over the producing regions also cast a bearish shadow in this bull market. 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 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. 11400 at the opening session of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 11125. The futures finished with significant losses after curbing some losses in final action. April contract traded in the range of Rs. 11125-11400 during Saturday'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:

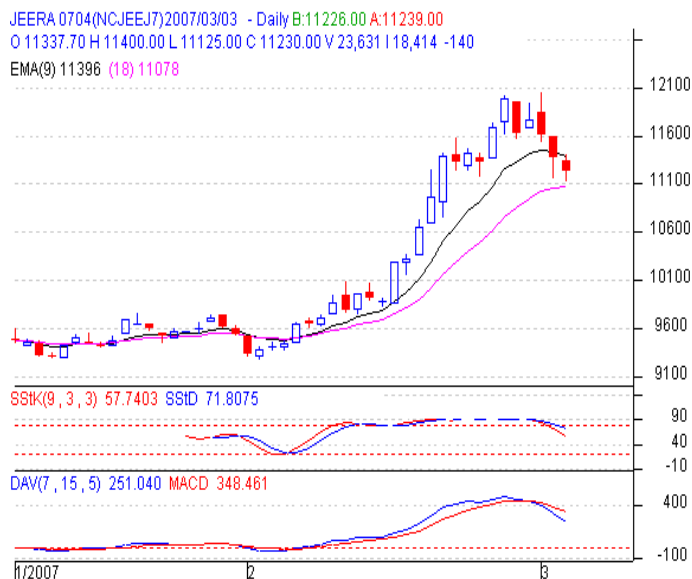
1. Arrivals started increasing in the market
2. Weak buying support at the physical markets

Weather:

Mainly dry weather likely over the region during next 2 days. 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 after a bearish crossover in the overbought region, hinting further downtrend. MACD is also moving downwards in the positive territory, supporting the weakness. Prices closed below the 9-day EMA, hinting weak prices in short-term. Volume as well as 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	10732	11000	11230	11561	11800

TRADE RECOMMENDATION:

Sell NCDEX April Jeera near Rs. 11275-11300 with a target of Rs. 11225 and then Rs. 11200 with a strict stop loss of Rs. 11350. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	Closed	-
	Ganesh	Closed	
	Machine Cleaned	Closed	

CARDAMOM

SPOT MARKETS

Cardamom prices improved marginally at the Saturday's auction at ISMPCS, Pullianmala. However, they are maintaining steady to weak position at major trading centres like Delhi, Mumbai and Kanpur on sluggish demand. Stockists are unwilling to buy cardamom at current higher levels and continued dry spell in Kerala region and lower production this year is keeping the cardamom from fall. Exporters remained inactive as they already bought enough to fulfill export commitment. Meanwhile, the arrivals at Saturday's auction at ISMPCS, Pullianmala stood at 14 tonnes. The average price hovered in the range of Rs 350-355 a kg, while the 7mm MCX grade fetched Rs 390-395 a kg.

FUTURES MARKETS

Cardamom futures witnessed weak sentiments with bearish tone at MCX. The most active April contract opened weak at Rs 486.90 against its previous close of Rs 487.20. Increased selling pressure pulled the futures to trade downwards, testing the lows of Rs 480.20. However, buying support at lower level supported the futures to recover slightly. Contract finally settled in the negative territory by losing Rs 4.10 at Rs 483.10. Volumes as well as open interest decreased marginally.

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

Hot and clear weather prevailing in Kerala region is favourable for harvesting of capsules in irrigated regions.

TECHNICALS

Candlesticks chart pattern reflects weak opening and bearish sentiments thereafter with downward trend. MACD is moving towards negative region, hinting that the trend will continue. Prices closed below both 9 days and 18 days EMA. Stochastics is in oversold region. Market is expected to trade downwards following a steady to weak opening.

CARDAMOM 0704(MXCAMJ7)2007/03/03 - Daily B:483.10 A:483.50
O 486.90 H 486.90 L 480.20 C 483.10 V 1,311 T 650 I 2,757 -4.1

EMA(9) 497.56 (18) 501.49



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	463	459	495	498

TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 484 with a target of Rs 475 and then Rs 471 with a strict stop loss near Rs 490. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
ISMPCS, Pullianmala	390-395	14,000

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