

SPICES DAILY

March 21, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average steady during Tuesday's trade. It was offered in an unchanged price range, except for finger variety in Erode amidst lower arrivals as well as offtake. Nizamabad markets remained closed. News of Andhra Pradesh Markfed likely to procure turmeric from markets in order to support the farmers, who were demanding for minimum support price of turmeric, has supported the market sentiments. However, the quantum as well as price of turmeric to be procured by AP Markfed is yet to be known, which would have greater influence on determining the future trend in the markets.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher as compared to previous settlement and the most active April contract tested an intraday high of Rs. 2156 at the early hours of trade. Increased selling interest at the higher price levels has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 2136. However, the futures manage to finish with marginal gains in final action. April contract traded in the range of Rs. 2136-2156 during Tuesday's trade.

PRICE DRIVERS:

Bearish:

1. Higher production estimates
2. Fresh crop arrivals increasing in markets

Bullish:

1. News of AP Markfed to procure turmeric from markets
2. India exported 42,750 tonnes turmeric during April-January 2006-07

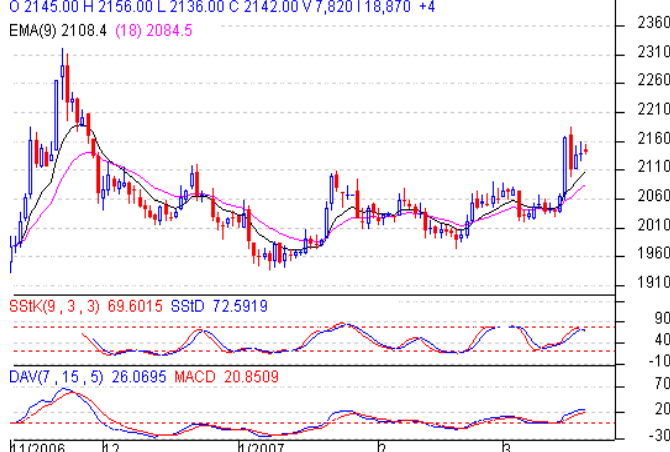
Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu and Kerala. Mainly dry weather is likely over the rest region. Dry weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic has made a bearish crossover in the normal region. 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. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.

Turmeric 0704(NCTMCJ7)2007/03/20 - Daily B:2143.00 A:2144.00
O 2145.00 H 2156.00 L 2136.00 C 2142.00 V 7,820 I 18,870 +4
EMA(9) 2108.4 (18) 2084.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2095	2111	2142	2164	2182

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2150 with a target of Rs. 2130 and then Rs. 2125 with a strict stop loss at Rs. 2162. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2050-2125	13000-14000
	Gattah	2050-2100	

BLACK PEPPER

SPOT MARKETS

Black pepper markets witnessed a stable trend during Tuesday's trade. It was offered at an unchanged price in Kochi amidst arrivals as well as offtake of 10 MT. There was no significant development in its fundamental side. Demand, both domestic as well as overseas, was not at par expectations in the markets. However, selling pressure was also absent from the markets that supported the prices. Overseas buyers are eyeing the Vietnam crop that is yet to come in a big way. According to the Vietnam Pepper Association, total pepper output in this country could fall by 10-20 percent and consequently exports may decline by 10 percent. India has emerged as the largest exporter of black pepper to the US in January. India has exported 1,870 tonne of black pepper to the US, out of total US imports of 4,226 tonnes.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the most-active April contract tested an intraday high of Rs. 12645 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 12450. The futures finished near unchanged level in final action. April contract traded in the range of Rs. 12450-12645 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. Vietnam crop is likely to fall by 10-20 percent

Bearish:

1. Lacklustre trade in the physical markets

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu and Kerala. Mainly dry weather is likely over the rest region. Dry 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 also moving upwards in the negative 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 as compared to previous settlement. Black pepper futures are likely to trade moderately downwards following a steady opening initially and upwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	12138	12275	12511	12678	12824

TRADE RECOMMENDATION:

Sell NCDEX April Pepper near Rs. 12550 with a target at Rs. 12475 and then Rs. 12450 with a strict stop loss at Rs. 12600. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11900	10
	Ungarbled 11300	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained mostly stable during Tuesday's trade. Prices remained mostly steady owing to presence of demand, both domestic as well as overseas. Domestic chilli production is expected to be 20 percent higher than the year-ago levels. Despite a significant increase in production, its impact was minimal on prices as overseas demand for Indian chillies has improved in recent time. Report of crop failure in China, India's major competitor in chilli export, has increased the export opportunities for Indian chillies.

FUTURES MARKETS:

Chilli futures at the NCDEX opened marginally higher than previous settlement and the April contract tested an intraday low of Rs. 4525 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 4615 only to retreat again. The futures finished with marginal gains in final action. April contract traded in the range of Rs. 4525-4615 during Tuesday's trade.

PRICE DRIVERS:

Bullish:

1. Moderate demand in the markets
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 registered season high levels

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu and Kerala. Mainly dry weather is likely over the rest region. Dry weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates steady 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 indecisively in the normal region. MACD is also moving flat in the positive territory. Red chillies futures are likely to trade downwards following a steady opening with possibility of some upward movements early in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	4390	4447	4555	4620	4685

TRADE RECOMMENDATION:

Sell NCDEX April Chilli near Rs. 4575 with a target of Rs. 4525 and then Rs. 4475 with a strict stop loss of Rs. 4625. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 4000-4400	60000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed a stable trend during Tuesday's trade. It was offered at an unchanged price range in Unjha markets amidst reduced arrivals as well as offtake. Concerns of prevailing weather conditions over the major producing regions have supported the prices. Crop arrivals from the fresh harvest are expected to pick up further that may put more pressure on prices. However, production is estimated to have fallen this year owing to reduced acreage under the crop in Gujarat, where farmers shifted to other crops and unfavourable weather conditions in Rajasthan in recent time. Consequently, traders are expecting significant decline in domestic production this year.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the most active April contract traded upwards to test an intraday high of Rs. 12409. Profit taking capped further advances and the futures slide during late hours of trading to test an intraday low of Rs. 12228. The futures finished in negative territory in final action. April contract traded in the range of Rs. 12228-12409 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 increasing in the market

Weather:

Isolated rain/thundershower is likely over Rajasthan during next 24 hours and mainly dry weather thereafter. Mainly dry weather is likely over the rest 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 moving downwards in the positive territory. 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. Jeera 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	11816	12000	12250	12539	12720

TRADE RECOMMENDATION:

Sell NCDEX April Jeera near Rs. 12275-12300 with a target of Rs. 12225 and then Rs. 12200 with a strict stop loss of Rs. 12350. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2030-2080	10000
	Ganesh 2080-2130	
	Machine Cleaned 2200-2220	

CARDAMOM

SPOT MARKETS

Cardamom prices eased in the Tuesday's auction at Nedukandam Iddukki (HSPL) as weak demand from the traders and good arrivals put pressure on the prices. Being the financial year-end domestic buyers is keeping their hands away from the market on account of financial crunch. Further, overseas buyers are also not coming to the market to give supportive hand to the prices. In such a scenario, slight increase in arrivals today pressured cardamom prices down by about 20% as compared to the prices at previous day's auction. The total arrivals of 20 tonnes were all sold off. Local traders are not optimistic about the forthcoming crop of cardamom, thanks to prevailing hot conditions in the region. Despite this the prices are not firming up as the current supply position is at comfortable levels especially looking at the subdued demand. Average prices stood at Rs 340 a kg, while the MCX grade was traded in the range of Rs 375-385 a kg.

FUTURES MARKETS

MCX Cardamom futures witnessed recovery after some initial weakness Tuesday. Most active April contract opened slightly weak at Rs 452.8 and then the prices extended the previous day's weakness and slipped to the lows of Rs 448.6. However, buying support at lower levels took the prices to close at day's high of Rs 463. Volumes traded and open interest both dipped marginally.

PRICE DRIVERS

Bearish:

1. Poor demand on financial year-end
2. Good stock with Guatemala
3. No fresh overseas demand

Bullish:

1. Unfavourable weather for the next crop in Kerala
2. Declining arrivals
3. End of harvesting season

WEATHER

Dry and warm weather conditions prevailing over Kerala and Tamil Nadu is not favourable for crop.

TECHNICALS

Candlesticks chart pattern reflects some strength coming back to the market. MACD is in negative region and moving downwards which indicates increasing bearish momentum. Prices closed below both the 9 days EMA and 18 days EMA. However, Stochastic has made bullish crossover in oversold region. The contract is most likely to show some recovery from these levels.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	454	451	477	479

TRADE RECOMMENDATION:

Buy MCX April cardamom above Rs 459 with a target of Rs 468 and then Rs 472 with a strict stops loss at Rs 455. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Nedukandam Iddukki (HSPL)	375-385	20,000

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