

SPICES DAILY

March 31, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets maintained previous steadiness during Friday's trade. It was offered at an unchanged price range in Nizamabad amidst reduced arrivals as well as offtake. Erode markets remain closed ahead of financial year endings. Andhra Pradesh Markfed's procurement of turmeric from markets reportedly at a higher price range in order to support the farmers has provided some element of stability in the markets. Meanwhile, turmeric exports during the April-February 2006-07 were higher in quantity as well as value terms over the same period of last fiscal. Turmeric contributed 5 percent of the total export earnings from spices that crossed Rs. 3000 crore mark during this period.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher as compared to previous settlement and the most active May contract tested an intraday low of Rs. 2314 at the opening session of trade. The futures traded sharply upwards thereafter on increased buying interest and surged up to test an intraday high of Rs. 2379. The futures finished with significant gain in final action. Most active May contract traded in the range of Rs. 2314-2379 during Friday's trade.

PRICE DRIVERS:

Bearish:

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

Bullish:

1. AP Markfed started procuring turmeric from markets
2. Export crossed fiscal year target

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 firm opening and initial uptrend. Stochastic is moving flat in the overbought region, hinting indecision. 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 as compared to previous settlement. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of downward movements later in the session.

Turmeric 0705(NCTMCK7)2007/03/30 - Daily B:2360.00 A:2362.00
O 2306.00 H 2379.00 L 2306.00 C 2361.00 V 32,740 I 20,110 +51
EMA(9) 2275.3 (18) 2218.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2286	2323	2361	2416	2453

TRADE RECOMMENDATION:

Buy NCDEX May Turmeric near Rs. 2350 with a target of Rs. 2375 and then Rs. 2390 with a strict stop loss at Rs. 2330. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1900-2000	6000-7000
	Gattah	1800-1850	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remained highly bullish in Friday. It was quoted up by Rs. 300 per quintal in Kochi amidst no arrivals as well as offtake. Traders reported improved demand, both domestic as well as overseas as the supportive feature for the markets. At present all eyes are on Vietnam, where farmers are reported not in a hurry to sell their produce. Vietnam Pepper Association has already forecasted a 10-20 percent decline in its total production and 10 percent decline in its export volume. This has resulted in an upward push in global export prices of pepper recently. At the domestic front, pepper export has touched 25,500 tonnes worth Rs. 266.90 crore during April-February 2006-07, registering 128 percent rise in quantity and 156 percent rise in value over the fiscal target.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 13845 at the early hours of trade. Increased buying interest at the lower price levels has supported the futures thereafter and the futures traded sharply upwards to test an intraday high of Rs. 14355. The futures finished near day's high with significant gains in final action. Most-active May contract traded in the range of Rs. 13845-14355 during Friday's trade.

PRICE DRIVERS:

Bullish:

1. Global supplies expected to remain tight
2. India exported 25,500 tonnes pepper during April-February 2006-07
3. Vietnam crop is likely to fall by 10-20 percent

Bearish:

1. Profit taking likely at higher price 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 pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates firm opening and initial uptrend. Stochastic is moving flat in the overbought region, hinting indecision. MACD is moving upwards in 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 as compared to previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of some downward movements later in the session.

Pepper 0705(NCPEPK7)2007/03/30 - Daily B:14330.00 A:14331.00
O 13842.00 H 14350.00 L 13842.00 C 14331.00 V 27,240 I 13,703 +484
EMA(9) 13738 (18) 13419



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	13667	13999	14331	14687	15019

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 14325 with a target at Rs. 14400 and then Rs. 14425 with a strict stop loss at Rs. 14275. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 13300	-
	Ungarbled 12700	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed on Friday ahead of financial year ending. For the last few trading days, it was quoted in a higher price range as improved buying support has offset increasing arrival pressure. India's chilli export during April-February 2006-07 of current fiscal has increased by 9 percent to 1.12 lakh tonnes valued at Rs. 596.5 crore, up 65 percent over the same period of last fiscal. Export potential of Indian chillies has in turn minimized the bearish impact of 20 percent higher production estimates for this season. 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 lower than previous settlement and the most active June contract tested an intraday low of Rs. 5515 at the opening session of trade. The futures traded sharply upwards thereafter on increased buying interest and tested an intraday high of Rs. 5761. The futures finished with significant gains in final action. Most active June contract traded in the range of Rs. 5515-5761 during Friday's trade.

PRICE DRIVERS:

Bullish:

1. Improved demand, both domestic as well as overseas
2. India exported 1.12 lakh tonnes chilli during April-February 2006-07

Bearish:

1. Forthcoming crop is expected good due to higher acreage
2. Crop arrivals increasing in the 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 crop at present.

TECHNICALS

Candlesticks pattern indicates firm opening and initial uptrend. Volume has increased, while 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 flat in the overbought region, hinting indecision. MACD is also moving flat in the positive territory. Red chillies futures are likely to trade upwards following a firm opening with possibility of downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX June	5421	5573	5725	5913	6065

TRADE RECOMMENDATION:

Buy NCDEX June Chilli near Rs. 5700 with a target of Rs. 5775 and then Rs. 5800 with a strict stop loss of Rs. 5650. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained closed on Friday ahead of financial year ending. For the last few days, it was quoted higher amidst reduced arrivals. Concerns of previous week's weather conditions over the major producing regions and its impact on the standing crop have supported the prices to a greater extent. Production is estimated to have fallen this year owing to reduced acreage in Gujarat and unfavourable weather conditions in Rajasthan in recent time. Jeera exports have increased by 154 percent in quantity at 24,250 tonnes worth Rs. 185.80 crore, up 158 percent in value during April-Feb 2006-07.

FUTURES MARKETS:

Jeera futures at the NCDEX opened almost steady as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 13215 at the opening session of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 13461. The futures finished with significant gains in final action. Most-active May contract traded in the range of Rs. 13215-13461 during Friday'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 24,250 tonnes of jeera during April-February 2006-07

Bearish:

1. Arrivals increasing in the market

Weather:

Isolated duststorm/thunderstorm is likely over Rajasthan on 31st March and 1st April. Mainly dry weather is likely over the rest region. Heat wave conditions are likely to continue over some parts of Gujarat and Rajasthan for next 24 hours and abate thereafter. Dry weather is favourable at this stage of the crop.

TECHNICALS

Candlestick pattern is indicating steady to firm opening and initial uptrend. Stochastic is moving flat in the overbought region, hinting indecision. MACD is also moving flat 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 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 May	13106	13243	13380	13598	13735

TRADE RECOMMENDATION:

Buy NCDEX May Jeera near Rs. 13350 with a target of Rs. 13425 and then Rs. 13450 with a strict stop loss of Rs. 13300. 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 continued to escalate at Vandanmedu's Mass enterprise auction center. The prices are ruling firm these days due to end of harvesting season resulting in reduced arrivals along with weather concerns for the growth of next crop. The buyers were mainly from Delhi market and the market failed to see any interest of the exporters. The auction center witnessed reduced arrivals of about 16 tones that got completely sold in the auction. Average cardamom prices stood at Rs 425 a kg as against price quoted in Bodinayakannur's auction on Thursday. Local traders are expecting export demand to revive in the coming time particularly due to its premium in terms of quality when compared with Guatemala's produce. The prices are most likely to hold at these levels with chances of some modest declines and thereafter firm, especially looking at the gloomy outlook for the coming crop.

FUTURES MARKETS

MCX Cardamom futures continued weak during Friday's trading session. Most active April futures contract opened firm at Rs 488 a Kg thereafter prices traded mostly bearish in the range of Rs 476 - 489.7 per Kg. The trading for the day finally ended in red at Rs 484.70 a Kg. Volumes traded and open interest both decreased on Friday.

PRICE DRIVERS

Bearish:

1. Poor demand from export front
2. Good stock with Guatemala
3. Poor demand on financial year-end

Bullish:

1. Demand from Delhi market
2. Poor weather for next crop

WEATHER

Isolated rain or thundershowers are likely over South Tamil Nadu and Kerala. Weather is dry and hot however scattered rains over growing regions will be beneficial for growth of crop.

TECHNICALS

Candlesticks formations are reflecting indecision at current levels. The prices closed above short-term EMA's and MACD are running upwards most likely to enter positive zone, indicating decreasing bearish momentum in the market. Stochastic Oscillator is bearish in the overbought territory. RSI is declining in neutral region indicating weakness in the market. The contract is most likely to see volatile price movements during the day.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	480	475	495	503

TRADE RECOMMENDATION:

Buy MCX April cardamom above Rs 482 with a target of Rs 487 and then Rs 489 with a strict stops loss at Rs 479. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Mass Ent, Vandanmedu	NA	16000

Disclaimer

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