

SPICES DAILY

March 14, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets witnessed on an average bearish trend during Tuesday's trade. In Erode, it was offered at a slightly lower price range amidst higher arrivals in the markets as against previous trading day. Arrivals are gradually increasing in Erode markets and likely to pick up further in the coming days. However, in Nizamabad arrivals remained mostly stagnant in the past few days. Increasing arrivals in the coming days may add to the bearishness in the markets. With a higher production estimate for this season, turmeric prices are likely to remain bearish in the coming days.

FUTURES MARKETS:

Turmeric futures at NCDEX opened marginally lower as compared to previous settlement and most-active April contract tested an intraday high Rs. 2041 at the opening session of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 2027 only to recover back again. April contract revisited day's high at the close after trading in the range of Rs. 2027-2041 during Tuesday's trade.

PRICE DRIVERS:

Bearish:

1. Higher production estimates during this season
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 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 slightly upwards in the normal region, hinting further uptrend. MACD is moving flat in the positive territory. 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 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	2007	2019	2041	2068	2081

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2035-2040 with a target of Rs. 2055 and then Rs. 2060 with a strict stop loss at Rs. 2022. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	NA	-
	Gattah	NA	
Erode	Finger	2000-2100	13000-14000
	Gattah	2000-2050	

BLACK PEPPER

SPOT MARKETS

Domestic black pepper markets recovered Monday's losses during Tuesday's trade. It was quoted higher in Kochi markets amidst arrivals as well as offtake of 200 MT. There was no significant development in its fundamental aspects. 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 would hit the market most likely during late March to early April. According to the Vietnam Pepper Association, total pepper output in this country could fall by 10-20 percent and consequently black pepper exports may decline by 10 percent.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened marginally higher as compared to previous settlement and the most-active April contract tested an intraday low of Rs. 11861 at the early hours of trade. Increased buying interest at the lower price levels has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 12245. The futures finished in positive territory after paring some of the gains. April contract traded in the range of Rs. 11861-12245 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:

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 slightly downwards in the normal region, hinting further downtrend. MACD is also 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 upwards following a steady to firm opening with possibility of some downward movements early in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11579	11875	12113	12556	12853

TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 12050 with a target at Rs. 12200 and then Rs. 12250 with a strict stop loss at Rs.11950. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11800	200
	Ungarbled 11200	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur witnessed a bearish trend during Tuesday's trade. It was quoted lower following season high arrivals in the markets. Presence of some demand, both domestic as well as overseas, was the only supportive feature for the markets. 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, red chilli prices are likely to remain bearish in near future after 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. 4470 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. 4614 only to retreat again. The futures finished in negative territory in final action. April contract traded in the range of Rs. 4470-4614 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 to weak opening and initial downtrend. Volume has declined, while 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 downwards in the normal region, hinting further downtrend. MACD is moving flat in the positive territory. Red chillies 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	4271	4381	4545	4640	4745

TRADE RECOMMENDATION:

Sell NCDEX April Chilli near Rs. 4575-4600 with a target of Rs. 4475 and then Rs. 4450 with a strict stop loss of Rs. 4675. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4100-4500	90000-100000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed firm trend during Tuesday's trade. It was offered at a higher price range amidst reduced arrivals and weather concerns. Adverse weather conditions over the producing regions, particularly in Rajasthan have raised the crop damage concerns in the markets. Crop arrivals from the fresh harvest are expected to pick up further during coming few weeks that may put some pressure on prices. However, production is estimated to have fallen this year owing to reduced acreage under the crop and unfavourable weather conditions. Consequently, traders are expecting significant decline in domestic production this year.

FUTURES MARKETS:

Jeera futures at the NCDEX opened sharply higher as compared to previous settlement and the most active April contract tested an intraday low of Rs. 12151 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 12415. The futures finished with significant gains after paring some of the advances in final action. April contract traded in the range of Rs. 12151-12415 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
4. Adverse weather conditions

Bearish:

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

Weather:

Isolated rain/thundershowers are 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 firm opening and initial uptrend. Stochastic is moving upwards in the overbought region, hinting further uptrend. MACD is 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. However, profit taking is likely at higher price levels.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11750	12029	12320	12600	12851

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 12300 with a target of Rs. 12375 and then Rs. 12400 with a strict stop loss of Rs. 12250. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2090-2140	15000
	Ganesh 2140-2190	
	Machine Cleaned 2250-2265	

CARDAMOM

SPOT MARKETS

Cardamom prices continued to trade flat at auction as well as major trading centres like Delhi, Mumbai and Kanpur amid quiet demand and low buying support. While the unwillingness among stockists to buy cardamom at current higher levels have kept the prices at steady levels, the continued dry spell in Kerala region and lower production this year has restricted the fall in cardamom prices. Meanwhile, the arrivals during Tuesday's auction stood at 22 tonnes. The average price hovered in the range of Rs 345-350 a kg, while the MCX grade fetched Rs 390-400 a kg. Exporters remained inactive during auction as they already bought enough to fulfill export commitment.

FUTURES MARKETS

Cardamom futures witnessed weak sentiments with bearish undertone at MCX. The most active April contract opened steady at Rs 491 against its previous close of Rs 491.60. Increased selling pressure pushed the futures to trade on lower side testing the lows of Rs 483.40. Buying interest at lower levels witnessed during later session could not support the futures and finally closed the session in the negative territory by losing Rs 7.60 at Rs 484. Contract moved in the range of Rs 491-483.40. Volumes decreased marginally and open interest increased 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 slightly weak opening and bearish sentiments thereafter. MACD is moving in the negative region, hinting that the trend will continue. Prices closed below both 9 days and 18 days EMA. Stochastic is moving upwards in neutral region. Market is expected to trade downwards following a steady to weak opening.

CARDAMOM 0704(MXCAMJ7)2007/03/13 - Daily B:483.40 A:484.00
O 491.00 H 491.00 L 483.40 C 484.00 V 1,940 T 94,379 I 4,199 -7.6



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	472	467	495	498

TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 488 with a target of Rs 483 and then Rs 479 with a strict stop loss near Rs 493. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
HSPL, Nedumkandam	390-400	22,000

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