

SPICES DAILY

March 29, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed a steady to firm trend during Wednesday's trade. It was offered in a steady price range in Nizamabad amidst higher arrivals as well as offtake. In Erode, it was quoted in a higher price range owing to reduced arrivals. 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 lower as compared to previous settlement and the most active May contract tested an intraday low of Rs. 2288 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures surged up to test a fresh contract month-high at Rs. 2348. The futures finished near day's high in final action. Most active May contract traded in the range of Rs. 2288-2348 during Wednesday'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 Karnataka, Kerala, Lakshadweep and Nicobar Islands. 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 upwards in the overbought region, hinting further uptrend. MACD is also 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)2007/03/28 - Daily B:2340.00 A:2343.00
O 2288.00 H 2348.00 L 2288.00 C 2342.00 V 26,880 I 16,920 +40
EMA(9) 2239.7 (18) 2189.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2271	2311	2342	2388	2424

TRADE RECOMMENDATION:

Buy NCDEX May Turmeric near Rs. 2330 with a target of Rs. 2355 and then Rs. 2360 with a strict stop loss at Rs. 2315. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1900-2000	12000-15000
	Gattah	1800-1850	
Erode	Finger	2050-2200	19000-20000
	Gattah	2100-2175	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remained mostly steady during Wednesday's trade. It was quoted unchanged in Kochi amidst arrivals as well as offtake of 17.5 MT. 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 lower as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 13880 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 14115. The futures finished in positive territory in final action. Most-active May contract traded in the range of Rs. 13880-14115 during Wednesday'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 Karnataka, Kerala, Lakshadweep and Nicobar Islands. 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 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 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.

Pepper 0705(NCPEPK7)2007/03/28 - Daily B:14056.00 A:14060.00
O 13940.00 H 14115.00 L 13880.00 C 14060.00 V 17,585 I 13,935 +96
EMA(9) 13533 (18) 13262



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	13783	13921	14060	14253	14391

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 13975-14000 with a target at Rs. 14075 and then Rs. 14125 with a strict stop loss at Rs.13900. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	13000	17.5
	Ungarbled	12400	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained firm during Wednesday's trade. 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 higher than previous settlement and the most active June contract tested an intraday high of Rs. 5751 at the early hours of trade. The futures traded downwards on profit taking and tested an intraday low of Rs. 5526 only to recover back again. The futures managed to finish in positive territory in final action. Most active June contract traded in the range of Rs. 5526-5751 during Wednesday'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 Karnataka, Kerala, Lakshadweep and Nicobar Islands. 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 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 moving upwards in the positive territory, supporting the firmness in market. Red chillies futures are likely to trade upwards following a steady opening with possibility of downward movements later in the session.

CHLL334GTR 0706(NCGTRM7)2007/03/28 - Daily B:5626.00 A:5640.00
O 5659.00 H 5751.00 L 5526.00 C 5635.00 V 21,520 110,580 +16
EMA(9) 5259.8 (18) 4989.1



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX June	5328	5467	5635	5862	5991

TRADE RECOMMENDATION:

Buy NCDEX June Chilli near Rs. 5575-5600 with a target of Rs. 5650 and then Rs. 5675 with a strict stop loss of Rs. 5525. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334	4100-4800
		80000-90000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained closed on Wednesday. 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. 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 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-February 2006-07.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 13200 at the early hours of trade. The futures traded upwards thereafter on increased buying support and tested an intraday high of Rs. 13384.1. The futures finished near day's high and registered significant gains in final action. Most-active May contract traded in the range of Rs. 13200-13384.1 during Wednesday'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:

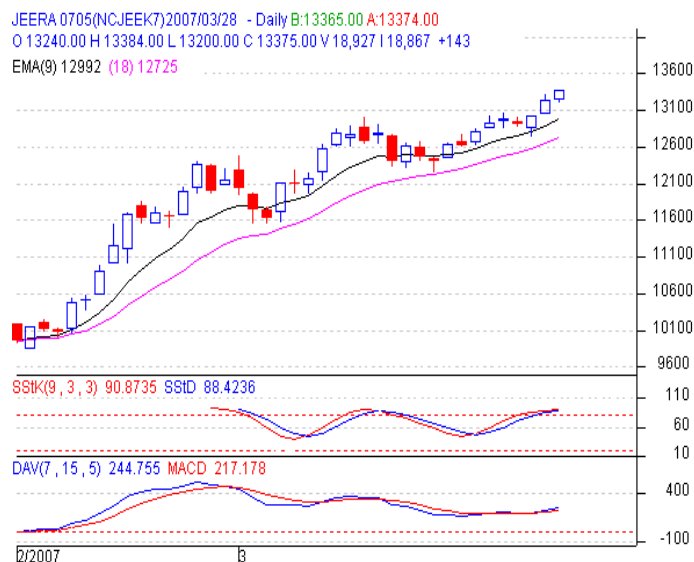
1. Arrivals increasing in the market

Weather:

Mainly dry weather is likely over the region. Rise in day and night temperatures by 2-3°C. 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 also 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. 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	13005	13135	13375	13575	13700

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 bounced sharply higher in the Wednesday's auction at CPMC (Kumily) on the back of shrinking supply and rekindling exports demand. Arrivals of 26 tones were all sold in the auction. Average prices stood at Rs 380 a kg, while the MCX grade was traded in the range of Rs 415-425 a kg. Highest price for good quality cardamom was Rs 508 per kg in today's auction. As the harvesting season has come to an end the supplies are shrinking with time. Some export demand of 1-2 tonnes were seen today, however the local traders expect it to increase in the coming time. The prices are likely to at least hold these levels and downside potential to be minimal from these levels, especially looking at the gloomy outlook for the coming crop and prospective export demand.

FUTURES MARKETS

MCX Cardamom futures recouped all the losses of the previous session on Wednesday. Most active April contract opened slightly weak at Rs 480.5 levels. However, the prices then recovered on heavy buying at lower levels. The contract saw the highs of Rs 488.9 during the session before finally closing at Rs 487.5 a kg. Volumes traded declined, whereas open interest inched slightly higher during the session.

PRICE DRIVERS

Bearish:

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

Bullish:

1. Export demand rekindling
2. Declining arrivals
3. Poor weather for next crop

WEATHER

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

TECHNICALS

Candlesticks chart pattern reflects firmness in the market as depicted by EMA pattern. The prices closed above short term EMAs, which supports bulls. MACD is in running upward in negative zone, which indicates decreasing bearish momentum. Stochastic is also positive in oversold region. The contract is most likely to see volatile movements with positive bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	480	476	497	501

TRADE RECOMMENDATION:

Buy MCX April cardamom above Rs 484 with a target of Rs 493 and then Rs 497 with a strict stops loss at Rs 478. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPMC, Kumily	415-425	26,000

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