

SPICES DAILY

March 24, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed mostly rangebound trade on Friday. It was offered in an unchanged price range in Nizamabad, except finger variety amidst slightly reduced offtake. In Erode, it was quoted unchanged owing to improved offtake amidst higher arrivals. Andhra Pradesh Markfed has started procuring turmeric from markets in order to support the farmers, who were demanding for minimum support price of turmeric, has supported the market sentiments. 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 near-month April contract tested an intraday low of Rs. 2141 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. 2206. The futures finished with significant gains in final action. Near-month April contract traded in the range of Rs. 2141-2206 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, Karnataka, Kerala 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 slightly upwards and the %k-line has just entered in the overbought region, hinting further uptrend. MACD is also 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 increased as compared to previous settlement. 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)2007/03/23 - Daily B:2190.00 A:2191.00
O 2168.00 H 2206.00 L 2141.00 C 2190.00 V 27,910 I 18,060 +27
EMA(9) 2142.0 (18) 2110.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2126	2150	2190	2225	2250

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2180 with a target of Rs. 2200 and then Rs. 2210 with a strict stop loss at Rs. 2165. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1900-1950	10000
	Gattah	1700-1800	
Erode	Finger	2000-2100	22000-24000
	Gattah	2000-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remain bullish during Friday's trade. It was quoted higher by Rs. 200 per quintal in Kochi amidst arrivals as well as offtake of 15 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 period, 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 near-month April contract tested an intraday low of Rs. 12861 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. 13210. The futures finished higher after paring some of the early gains in final action. April contract traded in the range of Rs. 12861-13210 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. Lacklustre trade in the physical markets

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu, Karnataka, Kerala 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 upwards in the overbought region, hinting further uptrend. MACD is also moving upwards, 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. Black pepper 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	12573	12810	13110	13402	13600

TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 13050-13075 with a target at Rs. 13150 and then Rs. 13200 with a strict stop loss at Rs.12975. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12400	15
	Ungarbled 11800	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained firm during Friday'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 near-month April contract tested an intraday low of Rs. 4913 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. 5077. The futures finished in positive territory after curbing some of the gains in final action. April contract traded in the range of Rs. 4913-5077 during Friday's trade.

PRICE DRIVERS:

Bullish:

1. Improved demand in the markets
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, Karnataka, Kerala 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 to firm opening and initial uptrend. 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 upwards in the overbought region, hinting further uptrend. MACD is also moving upwards in the positive territory, supporting the firmness in market. Red chillies futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements later in the session.

CHLL334GTR 0704(NCGTRJ7)2007/03/23 - Daily B:4998.00 A:5000.00
O 4974.00 H 5075.00 L 4914.00 C 5000.00 V 19,815 I 10,060 +32
EMA(9) 4697.2 (18) 4537.7



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	4756	4830	5000	5100	5174

TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4950-4975 with a target of Rs. 5050 and then Rs. 5075 with a strict stop loss of Rs. 4890. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 4000-4700	90000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained on an average stable during Friday's trade. It was quoted in an unchanged price range in Unjha markets following steady arrivals as well as offtake. Concerns of prevailing 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 period.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the near-month April contract tested an intraday low of Rs. 12475 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. 12660. The futures finished in positive territory after paring some of the early gains in final action. April contract traded in the range of Rs. 12475-12660 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:

Mainly dry weather is likely over the region. No significant change in day and night temperatures. Dry weather is favourable at this stage of the crop.

TECHNICALS

Candlestick pattern is indicating steady to firm opening and indecision. Stochastic is moving upwards in the normal region, hinting further uptrend. MACD is moving indecisively 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 April	12248	12420	12571	12800	12985

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 12525-12550 with a target of Rs. 12600 and then Rs. 12625 with a strict stop loss of Rs. 12475. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2110-2160	10000
	Ganesh 2160-2210	
	Machine Cleaned 2280-2300	

CARDAMOM

SPOT MARKETS

Cardamom traded at nearly steady prices during Friday's trade at the Mass Enterprise's Vandanmedu auction. The arrivals however decreased as picking of the crop came to an end. The prices improved from last weeks auction levels on the back of some export demand. Average prices stood at Rs 350 a kg, while the MCX grade traded in the range of Rs 385-395 a kg. Subdued looking prices finally got some relief from export demand. Given the domestic production is sufficient to fulfill the domestic demand; all eyes are on the overseas markets. Local traders expect the prices to hold and downside potential to be minimal from these levels, especially looking at the gloomy outlook for the coming crop.

FUTURES MARKETS

MCX Cardamom futures continued with previous day's initial firmness. Most active April contract added some fresh gains as the contract opened slightly low at Rs 471.00 as against Thursday's close of Rs 472.80 a Kg and thereafter the prices shot upto the high of Rs 484.70 per Kg. Volumes traded and open interest both increased 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 reviving
2. Declining arrivals
3. Poor weather for next crop

WEATHER

Isolated rain/thundershowers are likely over Kerala and Tamil Nadu which may help in the growth of crop.

TECHNICALS

Cardamom chart is displaying a downtrend. Candlesticks chart formation is reflecting bullish sentiments. The prices managed to close above short term EMA's and MACD is in turning upward in negative zone indicating decreasing bearish momentum. Stochastic is heading towards oversold region. The contract is most likely to see volatile movements of prices with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	472	462	492	500

TRADE RECOMMENDATION:

Buy MCX April cardamom above Rs 479 with a target of Rs 485 and then Rs 489 with a strict stops loss at Rs 475. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Mass Entp (Vandanmedu)	375-385	15,000

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