

SPICES DAILY

March 19, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remained on an average bearish at the weekend. It was offered in a lower price range in Nizamabad amidst poor buying support. Erode 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 low of Rs. 2110 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. 2153. Futures finished with significant gains in final action. April contract traded in the range of Rs. 2110-2153 during Saturday's trade.

PRICE DRIVERS:

Bearish:

1. Higher production estimates during this season
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 during next 24 hrs and mainly dry weather thereafter. 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 normal 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 some downward movements later in the session.

Turmeric 0704(NCTMCJ7)2007/03/17 - Daily B:2136.00 A:2137.00
O 2110.00 H 2152.00 L 2110.00 C 2136.00 V 21,380 I 19,250 +25
EMA(9) 2090.5 (18) 2070.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2071	2099	2136	2186	2215

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2125 with a target of Rs. 2155 and then Rs. 2175 with a strict stop loss at Rs. 2100. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1800-1900	4000-5000
	Gattah	1700-1750	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remain quiet at the weekend. It was quoted steady in Kochi amidst no significant developments 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. Meanwhile, domestic traders reported some overseas enquiry. 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 marginally higher as compared to previous settlement and the most-active April contract tested an intraday high of Rs. 12440 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. 12312 only to recover again. The futures retraced back again and finished in positive territory in final action. April contract traded in the range of Rs. 12312-12440 during Saturday'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 during next 24 hrs and mainly dry weather thereafter. 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 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.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	12000	12181	12401	12615	12806

TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 12375 with a target at Rs. 12450 and then Rs. 12475 with a strict stop loss at Rs.12325. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11800	12.5
	Ungarbled 11200	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed on Saturday. Prices remained mostly steady during the past couple of days 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.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and the April contract traded rangebound to test an intraday low of Rs. 4428. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 4490. The futures finished with some gains in final action. April contract traded in the range of Rs. 4428-4490 during Saturday'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 during next 24 hrs and mainly dry weather thereafter. 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 downwards in the normal region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. Red chillies 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	4316	4381	4465	4560	4620

TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4450 with a target of Rs. 4500 and then Rs. 4525 with a strict stop loss of Rs. 4415. 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 mostly stable during the weekend. It was offered at an unchanged price range in Unjha markets amidst steady arrivals as well as offtake. Forecast of dry weather over the major producing regions had a bearish impact on 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 lower as compared to previous settlement and the most active April contract traded downwards to test an intraday low of Rs. 11832 at the early hours of trade. Increased buying interest at the lower price levels supported the futures thereafter and the futures retraced back to test an intraday high of Rs. 12078. The futures finished in positive territory in final action. April contract traded in the range of Rs. 11832-12078 during Saturday'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
2. Moderate buying support at the spot markets

Weather:

Mainly dry weather is likely over the 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 downwards in the normal region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness in the market. Prices closed above the 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 April	11536	11750	12045.3	12325	12539

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 12000 with a target of Rs. 12075 and then Rs. 12100 with a strict stop loss of Rs. 11950. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2010-2060	15000
	Ganesh 2060-2110	
	Machine Cleaned 2180-2200	

CARDAMOM

SPOT MARKETS

Cardamom prices remained steady in the Saturday's auction at ISMPCS (Pullianmala). Demand side of the commodity is sagging at this stage as stockists are not seen the levels attractive enough to grab Cardamom. Export demand is also subdued on account of cheaper Guatemala crop. However, the concerns of fall in production in the forth coming crop in Kerala due to poor weather conditions is lending some support to the weak looking market. For the prices to firm up, the export demand from Saudi market has to revive and gather momentum. The total arrivals of 14 tonnes were all sold off. Average prices stood at Rs 350 a kg, while the MCX grade was traded in the range of Rs 390 a kg. The major spot markets like Mumbai and Delhi continue to rule steady amidst sluggish demand from the retail end.

FUTURES MARKETS

MCX Cardamom futures witnessed with bearish inclination on the last trading day of the week. Most active April contract opened steady at Rs 472 and then it never looked back before finally closing the session at Rs 365.9. The contract meanwhile saw the lows of Rs 365.2. Volumes traded and open interest both dipped marginally.

PRICE DRIVERS

Bearish:

1. Guatemala's healthy stock
2. Sluggish domestic demand
3. No fresh overseas demand

Bullish:

1. Near drought situation in Kerala
2. Declining stocks
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 bearish sentiments. 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. Stochastic is negative in oversold region, which warrants some caution on the part of bulls. The contract is most likely to trade downward following a steady to slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	454	451	475	478

TRADE RECOMMENDATION:

SELL MCX March cardamom below Rs 468 with a target of Rs 460 and then Rs 457 with a strict stops loss at Rs 473. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
ISMPCS (Pullianmala)	390	14,000

Disclaimer

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