

SPICES DAILY

March 26, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained mostly closed on Saturday. Turmeric prices in general remained on an average rangebound for the past few days amidst almost steady arrivals as well as offtake. 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 slightly lower as compared to previous settlement and the active May contract tested an intraday high of Rs. 2229 at the early hours of trade. Profit taking capped further advances and the futures traded downwards to test an intraday low of Rs. 2191. The futures finished near day's low in final action. Active May contract traded in the range of Rs. 2191-2229 during Saturday'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 north Coastal Andhra Pradesh, Telangana, south Tamil Nadu, 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 weak opening and initial downtrend. Stochastic is moving slightly upwards and the %k-line has 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 declined as compared to previous settlement. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.

Turmeric 0705(NCTMCK7)2007/03/24 - Daily B:2196.00 A:2200.00
O 2218.00 H 2229.00 L 2192.00 C 2199.00 V 10,400 I 16,270 -15
EMA(9) 2170.7 (18) 2141.1



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2144	2165	2199	2231	2252

TRADE RECOMMENDATION:

Sell NCDEX May Turmeric near Rs. 2200-2210 with a target of Rs. 2185 and then Rs. 2170 with a strict stop loss at Rs. 2230. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remain stable at the weekend. It was quoted unchanged 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. 13451 at the early hours of trade. The futures traded upwards to test an intraday high of Rs. 13665 on increased buying support. Profit taking capped further advances and the futures pared most of the early gains in final action, but managed to stay in positive territory. Most-active May contract traded in the range of Rs. 13451-13665 during Saturday'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 north Coastal Andhra Pradesh, Telangana, south Tamil Nadu, 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 weak opening and initial downtrend. Stochastic is moving flat in the overbought region, hinting indecision. MACD is moving upwards, 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 slightly downwards following a steady to weak opening initially and upwards thereafter.

Pepper 0705(NCPEPK7)2007/03/24 - Daily B:13514.00 A:13515.00
O 13530.00 H 13665.00 L 13451.00 C 13515.00 V 8,783 I 12,194 +38
EMA(9) 13122 (18) 12974



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	13191	13315	13515	13774	13898

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 13450-13475 with a target at Rs. 13575 and then Rs. 13650 with a strict stop loss at Rs.13350. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed at the weekend. For last few 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 higher than previous settlement and the near-month April contract tested an intraday high of Rs. 5055 at the early hours of trade. However, the futures immediately ran into profit taking and traded downwards to test an intraday low of Rs. 4920. The futures finished in negative territory in final action. April contract traded in the range of Rs. 4920-5055 during Saturday'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 north Coastal Andhra Pradesh, Telangana, south Tamil Nadu, 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 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 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 downwards following a steady to weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	4743	4816	4961	5081	5161

TRADE RECOMMENDATION:

Sell NCDEX April Chilli near Rs. 4975 with a target of Rs. 4900 and then Rs. 4875 with a strict stop loss of Rs. 5025. 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 witnessed a stable trend at the weekend. It was offered in an unchanged price range in Unjha markets following higher 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.

FUTURES MARKETS:

Jeera futures at the NCDEX opened lower as compared to previous settlement and the most-active May contract tested an intraday high of Rs. 13012 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 12870. The futures finished with losses in final action. Most-active May contract traded in the range of Rs. 12870-13012 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 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 weak opening and initial downtrend. Stochastic is moving upwards and the %K-line has just entered in the overbought 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 downwards following a steady to weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	12580	12744	12910	13152	13315

TRADE RECOMMENDATION:

Sell NCDEX May Jeera near Rs. 12950 with a target of Rs. 12875 and then Rs. 12850 with a strict stop loss of Rs. 13000. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2110-2160	12000-13000
	Ganesh 2160-2210	
	Machine Cleaned 2280-2300	

CARDAMOM

SPOT MARKETS

Cardamom traded at nearly steady prices at Pulianmalai auction. The arrivals however decreased as picking of the crop came to an end. Average prices stood at Rs 349 a kg. Financial year ending led cash crunch with traders along with subdued looking export demand kept the prices on the lower side. Export demand for the commodity is sporadic these days, further overseas buyer's bargaining power on account healthy supply position in Guatemala, where cardamom is available at discount to Indian prices. However, the Indian cardamom's better quality is likely to keep its demand intact despite slightly higher prices. Given the domestic production is sufficient to fulfill the domestic demand; all eyes are on the overseas markets. 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 traded volatile during the day. Most active April futures contract opened bearish and thereafter traded volatile to finally end weak near the day's opening price. The contract started Re 1 less at Rs 481 a Kg as against Friday's close of Rs 482 per Kg. The prices thereafter traded in the band of Rs 476.40 - 486 a Kg. Volumes traded decreased on Saturday.

PRICE DRIVERS

Bearish:

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

Bullish:

1. Declining arrivals
2. Poor weather for next crop

WEATHER

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

TECHNICALS

Cardamom chart is displaying a downtrend. Candlesticks chart formation is reflecting indecision at current levels. The prices managed to close above short-term averages and MACD is turning upward in negative zone indicating decreasing bearish momentum. Stochastic Oscillator is rising in oversold region. The contract is most likely to see volatile movement of prices with chances of slight weakness during the session.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	465	472	488	496

TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 482 with a target of Rs 477 and then Rs 475 with a strict stops loss at Rs 485. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
ISMPCS (Pulianmalai)	375-385	10,200

Disclaimer

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