

SPICES DAILY

March 17, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed a steady to firm trend during Friday's trade. It was quoted unchanged in Nizamabad amidst lower arrivals as well as offtake. However, in Erode it was offered at a higher price range owing to improved offtake. News of AP 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 the future trend in the markets.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher following huge gains on Thursday. Most active April contract tested an intraday high of Rs. 2185 at the early hours of trade. However, profit taking capped further advances and the futures traded sharply downwards to test an intraday low of Rs. 2098. Futures finished with significant losses in final action. April contract traded in the range of Rs. 2098-2185 during Friday'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 weak opening and initial downtrend. 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 as well as open interest has declined. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.

Turmeric 0704(NCTMCJ7)2007/03/16 - Daily B:2109.00 A:2112.00
O 2170.00 H 2185.00 L 2098.00 C 2110.00 V 38,680 I 18,840 -56
EMA(9) 2079.0 (18) 2062.8



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2036	2067	2110	2138	2170

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2120 with a target of Rs. 2095 and then Rs. 2080 with a strict stop loss at Rs. 2140. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1850-1950	6000
	Gattah	1750-1825	
Erode	Finger	2025-2150	16000
	Gattah	2000-2100	

BLACK PEPPER

SPOT MARKETS

Domestic black pepper markets remained on an average stable during Friday's trade. It was quoted unchanged in Kochi markets amidst arrivals as well as offtake of 25 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. Traders reported some overseas enquiry for future shipments.

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. 12265 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 12535 only to retreat again. The futures settled with marginal gains in late action. April contract traded in the range of Rs. 12265-12535 during Friday'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
4. 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 opening and indecision. 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 as well as open interest has declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady opening with possibility of some downward movements early in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11886	12129	12358	12702	12962

TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 12275-12300 with a target at Rs. 12400 and then Rs. 12475 with a strict stop loss at Rs.12175. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11800	25
	Ungarbled 11200	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur maintained previous steadiness during Friday's trade. It was quoted steady amidst lower arrivals as well as offtake 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 consolidation.

FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and the April contract traded upwards to test an intraday high of Rs. 4545. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 4405. The futures finished near day's low in final action. April contract traded in the range of Rs. 4405-4545 during Friday'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 weak opening and initial downtrend. Volume as well as 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 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	4266	4332	4437	4544	4619

TRADE RECOMMENDATION:

Sell NCDEX April Chilli near Rs. 4450-4475 with a target of Rs. 4400 and then Rs. 4375 with a strict stop loss of Rs. 4525. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 4000-4300	50000-60000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed a bearish trend during Friday's trade. It was quoted on an average lower in Unjha markets amidst higher arrivals and steady offtake. Forecast of dry weather over the major producing regions had a bearish impact on 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 higher as compared to previous settlement and the most active April contract tested an intraday high of Rs. 12264 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 11960. The futures finished in negative territory after paring some losses in final action. April contract traded in the range of Rs. 11960-12264 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 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. Rise in both day & night temperatures are likely over Rajasthan. 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 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 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 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	11503	11799	12047	12424	12703

TRADE RECOMMENDATION:

Sell NCDEX April Jeera near Rs. 12050 with a target of Rs. 11975 and then Rs. 11950 with a strict stop loss of Rs. 12100. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2010-2060	15000-16000
	Ganesh 2060-2110	
	Machine Cleaned 2180-2200	

CARDAMOM

SPOT MARKETS

Cardamom prices eased marginally at the Friday's auction at Vandanmedu (Mass Entp). With the sagging demand from stockists at higher levels towards the end of harvesting season is pressing the prices down. The Cheaper Guatemala crop is also keeping the export demand sporadic. 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 24 tonnes were all sold off. Average prices stood at Rs 350 a kg, while the MCX grade was traded in the range of Rs 375-390 a kg. The major spot markets like Mumbai and Delhi continues to rule steady amidst sluggish demand and low buying interest among stockists at higher levels.

FUTURES MARKETS

MCX Cardamom futures witnessed weak sentiments Thursday. The initial attempts to surge higher failed as selling pressure on weak fundamentals took the prices down. Most active April contract opened firm at Rs 476.9 and tested the highs of Rs 477.9. Increased selling pressure then took the prices to the lows of Rs 470.3 before finally closing the session at Rs 471. Volumes traded and open interest both dipped marginally.

PRICE DRIVERS

Bearish:

1. Guatemala's optimum carryover 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 positive region and moving downwards which indicates increasing bearish sentiments. Prices closed below both the 9 days EMA and 18 days EMA. Stochastic has made bearish crossover in neutral region. The contract is most likely to trade downward following a steady to slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	462	458	478	483

TRADE RECOMMENDATION:

SELL MCX March cardamom below Rs 475 with a target of Rs 467 and then Rs 463 with a strict stops loss at Rs 480. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Vandanmedu (Mass Ent)	375-390	24,000

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