

SPICES DAILY

March 23, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average rangebound during Thursday's trade. It was quoted steady in Nizamabad amidst higher arrivals as well as offtake. However, in Erode, prices of finger variety declined on increased arrivals in the markets. 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. However, the quantum as well as price of turmeric to be procured by AP Markfed would have greater influence on determining the future trend in the markets.

FUTURES MARKETS:

Turmeric futures at NCDEX opened lower as compared to previous settlement and the most active April contract tested an intraday high of Rs. 2191 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. 2152. The futures finished near day's low in final action. April contract traded in the range of Rs. 2152-2191 during Thursday'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. India exported 42,750 tonnes turmeric during April-January 2006-07

Weather:

Isolated rain/thundershowers are likely over Telangana, 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 weak opening and initial downtrend. Stochastic is moving indecisively in the normal region. MACD is 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 has declined, while open interest has increased 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 0704(NCTMCJ7)2007/03/22 - Daily B:2160.00 A:2161.00
O 2175.00 H 2191.00 L 2154.00 C 2160.00 V 16,230 I 18,060 -15
EMA(9) 2129.4 (18) 2101.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2104	2126	2160	2195	2217

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2170 with a target of Rs. 2150 and then Rs. 2140 with a strict stop loss at Rs. 2185. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1900-2000	10000
	Gattah	1700-1800	
Erode	Finger	2000-2100	18000-20000
	Gattah	2000-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper markets extended previous advances further during Thursday's trade. It was quoted higher in Kochi amidst arrivals as well as offtake of 40 MT. However, there was no significant development 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. Pepper output in Vietnam is projected to fall by 10-20 percent and consequently exports may decline by 10 percent. India's export has gone up to 25,500 tonnes, valued at Rs. 266 crore during the April-February 2006-07 of current fiscal. It was higher than 15,126 tonnes of black pepper, worth Rs. 127.34 crore exported during the same period of last fiscal.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the most-active April contract tested an intraday low of Rs. 12840 at the early hours of trade. Increased buying interest has supported the futures and the futures traded upwards to test an intraday high of Rs. 13115. Profit taking capped further advances, but the futures managed to settle in positive territory after paring some of the gains. April contract traded in the range of Rs. 12840-13115 during Thursday'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 Telangana, 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 opening and initial downtrend. 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 moderately downwards following a steady to weak opening initially and upwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	12590	12776	12963	13300	13469

TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 12875 with a target at Rs. 13000 and then Rs. 13075 with a strict stop loss at Rs.12775. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12200	40
	Ungarbled	11600	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained bullish during Thursday's trade. It was offered at a higher price range as improved demand offset the higher 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 lower than previous settlement and the April contract tested an intraday low of Rs. 4731 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures breached 4 percent upper circuit level for the second consecutive day to test an intraday high of Rs. 4985. The futures finished near day's high in final action. April contract traded in the range of Rs. 4731-4985 during Thursday'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 Telangana, 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 firm opening and initial uptrend. 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 upwards and the %K-line has just entered in the overbought region, hinting further uptrend. MACD is also moving upwards in the positive territory. Red chillies futures are likely to trade upwards following a firm opening with possibility of some downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	4774	4860	4967	5110	5200

TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4900-4925 with a target of Rs. 5000 and then Rs. 5050 with a strict stop loss of Rs. 4825. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 4000-4600	75000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets continue the bull rally during Thursday's trade. It was quoted in a higher price range in Unjha markets following higher offtake amidst steady arrivals. Concerns of prevailing weather conditions over the major producing regions have supported 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 higher as compared to previous settlement and the most active April contract tested an intraday low of Rs. 12410 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. 12594. The futures finished with significant gains in final action. April contract traded in the range of Rs. 12410-12594 during Thursday'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

Weather:

Isolated rain/thundershower is likely over south Konkan during next 24 hours and mainly dry weather thereafter. Mainly dry weather is likely over the rest 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 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 has increased, while 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 early in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	12257	12425	12530	12778	12946

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 12500-12525 with a target of Rs. 12575 and then Rs. 12600 with a strict stop loss of Rs. 12450. 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 prices bounced slightly higher in the Thursday auction at CPMC (Kumily) on the back of some export demand. Arrivals of 24 tones were all sold in the auction. Average prices stood at Rs 350 a kg, while the MCX grade was traded in the range of Rs 385-395 a kg. Subdued looking prices finally got some support from export demand. Exporters bought about 3-4 tonnes today, which gave some hope to the traders that the overseas demand might revive in the coming time. 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 washed away some of the earlier gains Thursday. Most active April contract opened slightly firm at Rs 479.2, however the prices couldn't sustain the initial firmness for long and eased on heavy selling prices. The contract saw the lows of Rs 465 before finally closing the session at Rs 470. Volumes traded and open interest both dipped 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

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

TECHNICALS

Candlesticks chart pattern reflects weakness in the market as depicted by evening cloud pattern formed by candlestick. The prices closed below short term EMAs, which supported bears. MACD is in turning 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.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	461	454	480	484

TRADE RECOMMENDATION:

Buy MCX April cardamom above Rs 464 with a target of Rs 474 and then Rs 478 with a strict stops loss at Rs 458. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPMC, Kumily	375-385	40,000

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