

SPICES DAILY

March 13, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average stable to slightly firm during Monday's trade. It was offered at an unchanged price in Nizamabad amidst slightly higher arrivals and steady offtake. In Erode, it was quoted higher amidst steady arrivals and higher offtake. Arrivals are likely to increase further in the coming week and consequently may add to the bearishness. Traders are reported limited demand that was the only supportive feature in the markets. With a higher production estimate for this season, turmeric prices are likely to remain bearish in the coming days.

FUTURES MARKETS:

Turmeric futures at NCDEX opened marginally higher as compared to previous settlement and most-active April contract tested an intraday high Rs. 2054 at the early hours of trade. Increased selling interest has pressurised the futures and the futures traded downwards thereafter to test an intraday low of Rs. 2034. The futures finished near unchanged level in late action. April contract traded in the range of Rs. 2034-2054 during Monday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock; higher production estimates
2. Fresh crop arrivals increasing in markets

Bullish:

1. Moderate demand in the 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. Mainly dry weather is likely over the rest region. Prevailing weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates steady opening and initial downtrend. Stochastic is moving slightly upwards in the normal region, hinting further uptrend. MACD is moving downwards in the positive territory, supporting the weakness. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume has increased, while open interest has declined. Turmeric futures are likely to trade downwards following a steady opening with possibility of some upward movements later in the session.

Turmeric 0704(NCTMCJ7)2007/03/12 - Daily B:2038.00 A:2043.00
O 2040.00 H 2054.00 L 2034.00 C 2041.00 V 5,460 I 21,980 +3
EMA(9) 2043.9 (18) 2042.3



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-------------|------|------|------|------|------|
| NCDEX April | 2005 | 2018 | 2041 | 2067 | 2080 |

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2045-2050 with a target of Rs. 2030 and then Rs. 2020 with a strict stop loss at Rs. 2065. Trade cautiously with intraday outlook.

| Centers | Prices/Qtl. | Arrivals (Bags) one bag = 90 Kgs. |
|-----------|------------------|-----------------------------------|
| Nizamabad | Finger 1850-1950 | 8000 |
| | Gattah 1750-1825 | |
| Erode | Finger 2025-2100 | 12000-13000 |
| | Gattah 2000-2075 | |

BLACK PEPPER

SPOT MARKETS

Domestic black pepper markets remained bearish at the start of this week. It was quoted lower in Kochi markets amidst arrivals as well as offtake of 20 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 International Pepper Community, Vietnam continues to dominate world pepper production and export in 2006 comprising 47 percent of the total share in pepper exports. Brazil was the second largest exporter with a share of 17 percent in global pepper export, followed by Indonesia with 13 percent share. India contributed 10 percent of the global pepper export, followed by Malaysia with 7 percent and Sri Lanka with 3 percent share.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the most-active April contract tested an intraday high of Rs. 12314 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. 11956. The futures finished with significant losses in final action. April contract traded in the range of Rs. 11956-12314 during Monday'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 and expects only by March

Bearish:

1. Lacklustre demand in the market

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu and Kerala. Mainly dry weather is likely over the rest region. Present weather conditions are favourable for the pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Stochastic is moving slightly downwards in the normal region, hinting further downtrend. MACD is also moving downwards in the negative territory, supporting the weakness. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume as well as open interest has increased as compared to previous settlement. Black pepper futures are likely to trade downwards following a weak opening with possibility of upward movements later in the session.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-------------|-------|-------|-------|-------|-------|
| NCDEX April | 11502 | 11714 | 11988 | 12226 | 12438 |

TRADE RECOMMENDATION:

Sell NCDEX April Pepper near Rs. 12000-12050 with a target at Rs. 11950 and then Rs. 11900 with a strict stop loss at Rs.12125. Trade cautiously with intra day outlook.

| Centers | Prices/Qtl. | | Arrivals (Tonnes) |
|---------|-------------|-------|-------------------|
| Kochi | Garbled | 11700 | 20 |
| | Ungarbled | 11100 | |

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur witnessed a firm trend during Monday's trade. It was offered at a higher price range amidst improved demand and steady arrivals. Traders reported presence of domestic as well as overseas demand as a major reason behind the price rise. 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 firmness.

FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and the April contract tested an intraday low of Rs. 4345 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures traded sharply upwards to test an intraday high of Rs. 4610 after breaching the 4 percent upper circuit level. The futures finished near day's high in final action. April contract traded in the range of Rs. 4345-4610 during Monday's trade.

PRICE DRIVERS:

Bullish:

1. Talks of prospective export demand
2. Improved demand in the markets
3. 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 gaining momentum

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu and Kerala. Mainly dry weather is likely over the rest region. Weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates firm opening and initial downtrend. Volume has increased, while open interest has declined 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 upwards in the positive territory, supporting the firmness. Red chillies futures are likely to trade upwards following a firm opening with possibility of late profit taking.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-------------|------|------|------|------|------|
| NCDEX April | 4321 | 4440 | 4596 | 4730 | 4849 |

TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4575-4600 with a target of Rs. 4650 and then Rs. 4675 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 | Loose (Good quality) 4300-4700 | 60000 |

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed slightly bearish trend at the start of this week. Higher arrivals has pressurised the market sentiments and consequently price were quoted lower as against the last weekend. Forecast of adverse weather conditions over the producing regions, particularly in Rajasthan remained the supportive feature for 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. 12523 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 12160. The futures finished with significant losses in final action. April contract traded in the range of Rs. 12160-12523 during Monday'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:

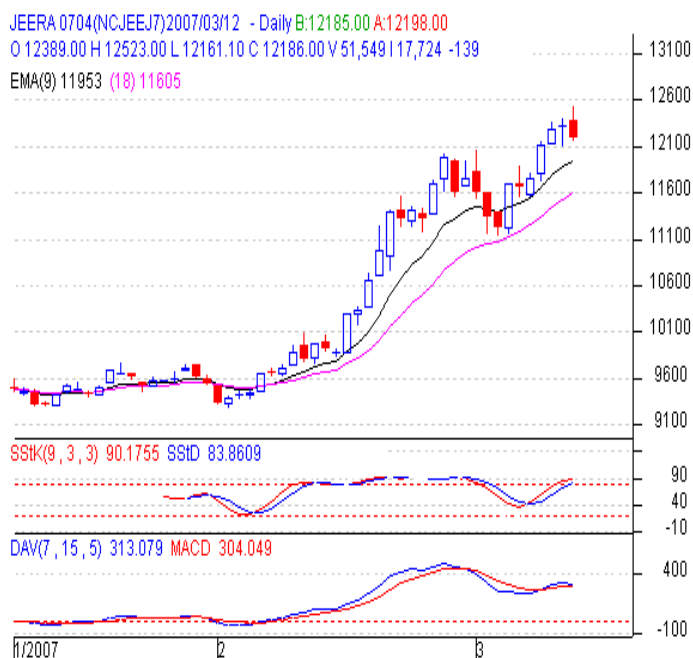
1. Arrivals started increasing in the market
2. Weak buying support at the spot markets

Weather:

Rain/thundershowers at many places with isolated hail/squall are likely over Rajasthan during next 24 hours and decrease thereafter. Isolated light rain/thundershower is also likely over Gujarat 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 weak opening and initial downtrend. Stochastic is moving upwards in the overbought region, hinting further uptrend. MACD is moving flat 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 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 | 11552 | 11816 | 12186 | 12539 | 12818 |

TRADE RECOMMENDATION:

Sell NCDEX April Jeera near Rs. 12185-12200 with a target of Rs. 12100 and then Rs. 12050 with a strict stop loss of Rs. 12275. Trade cautiously with intra day outlook.

| Centers | Prices/20 Kgs. | Arrivals (Bags) 1 bag = 55 to 60 Kgs. |
|---------|---------------------------|---------------------------------------|
| Unjha | F.A.Q 2050-2100 | 16000-18000 |
| | Ganesh 2100-2150 | |
| | Machine Cleaned 2210-2225 | |

CARDAMOM

SPOT MARKETS

Cardamom prices maintained their steady levels at auction as well as major trading centres like Delhi, Mumbai and Kanpur amidst subdued demand and low buying support. While the unwillingness among stockists to buy cardamom at current higher levels have kept the prices at steady levels, the continued dry spell in Kerala region and lower production this year has restricted the fall in cardamom prices. Meanwhile, the arrivals during Monday's auction stood at 10.4 tonnes. The average price hovered in the range of Rs 325-330 a kg, while the 7mm MCX grade fetched Rs 385-390 a kg. Exporters remained inactive during auction as they already bought enough to fulfill export commitment.

FUTURES MARKETS

Cardamom futures witnessed weak sentiments with bearish undertone at MCX. The most active April contract opened firm by Rs 1 at Rs 493.90 against its previous close of Rs 492.90. Initially increased buying interest pushed the futures to trade on higher side testing the highs of Rs 495.90. However, increased selling pressure thereafter pulled the futures to trade downwards, testing the intraday lows of Rs 489.10. Contract finally settled in the negative territory by losing Rs 1.80 at Rs 491.10. Volumes increased considerably while open interest increased marginally.

PRICE DRIVERS

Bearish: 1. Guatemala's optimum carryover stock
2. Sluggish demand

Bullish:

1. Near drought situation in Kerala
2. Declining stocks
3. Increased Guatemalan prices
4. Near end of picking season

WEATHER

Hot and clear weather prevailing in Kerala region is favourable for harvesting of capsules in irrigated regions.

TECHNICALS

Candlesticks chart pattern reflects slightly firm opening and bearish sentiments. MACD is moving in the negative region, hinting that the trend will continue. Prices closed below both 9 days and 18 days EMA. Stochastic is moving downwards. Market is expected to trade downwards following a steady to weak opening.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | R1 | R2 |
|-----------|-----|-----|-----|-----|
| MCX April | 479 | 475 | 500 | 503 |

TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 493 with a target of Rs 487 and then Rs 485 with a strict stop loss near Rs 496. Trade cautiously with intra-day outlook.

| Auction Centre | Prices/Kg (7mm) | Arrivals (Kg) |
|---------------------|------------------|----------------|
| CPA, Bodinayakannur | 385-390 | 10,400 |

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.