

## SPICES DAILY

March 09, 2007

### TURMERIC

#### SPOT MARKETS:

Turmeric markets witnessed a steady to slightly bearish trend during Thursday's trade. It was offered at an unchanged price in Nizamabad amidst steady arrivals as well as offtake. However, it was quoted steady to slightly lower in Erode amidst improved arrivals in the markets. Arrivals are likely to increase further in the coming weeks and consequently would put some more pressure on its prices. Arrivals from the fresh harvest are likely to reach its maximum level in the next few weeks. However, presence of some domestic demand remains the supportive feature for the market. Turmeric prices are expected to remain bearish in the coming days.

#### FUTURES MARKETS:

Turmeric futures at NCDEX opened lower as compared to previous settlement and most-active April contract tested an intraday low Rs. 2024 at the opening session of trade. Increased buying interest has supported the futures and the futures traded upwards thereafter to test an intraday high of Rs. 2054. The futures finished with some gains in late action. April contract traded in the range of Rs. 2024-2054 during Thursday'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 Kerala and Andhra Pradesh. Mainly dry weather is likely over the rest region. Prevailing weather conditions are favourable

#### TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic is moving downwards in the normal region, hinting further downtrend. 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 as well as open interest has increased. Turmeric 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	2016	2030	2046	2069	2084

#### TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2040 with a target of Rs. 2055 and then Rs. 2060 with a strict stop loss at Rs. 2030. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1850-1950	8000
	Gattah	1750-1825	
Erode	Finger	1950-2050	11000-12000
	Gattah	1950-2050	

## BLACK PEPPER

### SPOT MARKETS

Black pepper continues to trade steady in spot markets. It was quoted unchanged in Kochi markets amidst no arrivals as well as offtake. Traders reported no significant demand in the markets. However, increased selling interest has pressurised the prices. International buying was also not visible in the market as most of the importers are eyeing the Vietnam crop that would hit the market most likely during late March to early April. In Vietnam, pepper export prices are projected to remain high this year as supply would remain tight following the decline in production. The Vietnam Pepper Association (VPA) has forecasted that the country's pepper export price would remain at around US\$ 2,200-2,500 per tonne this year. Domestic production is also expected to decline. Black pepper prices are expected to remain firm in the near future after some short-term consolidation.

### 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. 12115 at the early hours of trade. Increased buying interest at the lower price levels has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 12469 during late hours of trading. The futures finished with significant gains in final action. April contract traded in the range of Rs. 12115-12469 during Thursday'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 Kerala and Andhra Pradesh. 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 steady to firm opening and initial uptrend. Stochastic is moving flat in the normal region, hinting indecision. MACD is also moving flat in the negative territory. 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 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	12173	12370	12720	12879

### TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 12300-12350 with a target at Rs. 12450 and then Rs. 12500 with a strict stop loss at Rs.12200. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur witnessed a bearish trend during Thursday's trade. Huge inflow of fresh crop has pressurised the prices. Moreover, traders also reported lack of buying support as a reason behind the price fall. Fresh crop arrivals are expected to gain further pace during coming couple of weeks and consequently would put some 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, prices are likely to remain bearish in near future.

### FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and the April contract tested an intraday high of Rs. 4413 at the opening session of trade. Increased selling interest has pressurised the futures thereafter and the futures breached 4 percent lower circuit level to test an intraday low of Rs. 4192. The futures finished with significant losses in final action. April contract traded in the range of Rs. 4192-4413 during Thursday'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 Kerala and Andhra Pradesh. Mainly dry weather is likely over the rest region. 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 below the 9-day EMA, hinting short-term weakness in prices. Stochastic is moving downwards in the overbought region, hinting further downtrend. MACD is also 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 upward movements later in the session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	4013	4097	4231	4316	4400

### TRADE RECOMMENDATION:

Sell NCDEX April Chilli near Rs. 4225-4250 with a target of Rs. 4150 and then Rs. 4100 with a strict stop loss of Rs. 4325. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4200-4600	80000-90000

## JEERA (Cumin)

### SPOT MARKETS

Domestic jeera markets remained bullish during Thursday's trade. It was offered at a higher price on improved offtake amidst steady arrivals. Crop arrivals from the fresh harvest are expected to pick up further during coming few weeks. Production is estimated to have fallen this year owing to reduced acreage under the crop and unfavourable weather during the sowing season. Traders are expecting significant decline in production this year in Rajasthan as well as Gujarat. Amid such circumstances, domestic jeera prices are likely to remain firm on its strong fundamentals.

### 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. 11720 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 12145. The futures finished with significant gains in final action. April contract traded in the range of Rs. 11720-12145 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 started increasing in the market
2. Weak buying support at the physical markets

### Weather:

Mainly dry weather is likely over the region outside Rajasthan, where isolated rain/thundershowers are likely from 9th. 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 after a bullish crossover in the normal region, hinting further uptrend. MACD is moving flat in the positive territory. Prices closed above the 9-day EMA, hinting firm prices in short-term. Volume as well as 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 movement later in the session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11564	11825	12114	12435	12696

### TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 12100 with a target of Rs. 12175 and then Rs. 12200 with a strict stop loss of Rs. 12050. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2000-2050	10000
	Ganesh 2050-2100	
	Machine Cleaned 2150-2180	

## CARDAMOM

### SPOT MARKETS

Cardamom prices improved marginally at the Thursday's auction at STCL, Bodinayakannur. Reducing arrivals and near end of harvesting season kept the prices firm during auction. Further, adverse weather conditions prevailing in Kerala region also added to the firmness. The total arrivals stood at 20 tonnes; however farmers withdrew nearly 3 tonnes in anticipation of further increase in prices. No export buying was observed. Average prices stood at Rs 325 a kg against last week's Rs 320 a kg, while the MCX grade was traded in the range of Rs 385-395 a kg. However, the spot market continues to rule steady amidst sluggish demand and low buying interest among stockists at higher levels.

### FUTURES MARKETS

MCX Cardamom futures witnessed weak sentiments. The most active April contract opened firm by Rs 2.40 at Rs 499 against its previous close of Rs 496.60. Increased selling pressure pulled the futures throughout the session to trade on the lower side, testing the lows of Rs 485.30. The futures hovered in the range of Rs 500-485.30 and finally settled in the negative territory of Rs 487.50.

### PRICE DRIVERS

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

**Bullish:**  
1. Near drought situation in Kerala  
2. Declining stocks  
3. Increasing overseas demand

### WEATHER

Dry and warm weather conditions prevailing over Kerala and Tamil Nadu is not favourable for crop. However, weather is favourable for picking of capsules in irrigated areas.

### TECHNICALS

Candlesticks chart pattern reflects bearish sentiments. MACD is in negative region and moving downward, indicating that trend will continue. Prices closed below both the 9 days EMA and 18 days EMA that indicates weakness in prices. Stochastic is in neutral region and favour the bulls. The contract is most likely to trade downward following a steady to slightly weak opening.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	476	469	496	502

### TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 490 with a target of Rs 482 with a strict stop loss at Rs 494. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
STCL, Bodinayakannur	385-395	20,000

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