

SPICES DAILY

April 02, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets in Nizamabad as well as Erode remained closed on account of financial year-end. In the last few days, turmeric traded mostly rangebound amidst reduced trading activities. Andhra Pradesh Markfed's procurement of turmeric from markets reportedly at a higher price range in order to support the farmers has provided some element of stability in the markets. 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 higher as compared to previous settlement and the most active May contract tested an intraday high of Rs. 2374 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 2326. The futures finished with significant losses in final action. Most active May contract traded in the range of Rs. 2326-2374 during Saturday's trade.

PRICE DRIVERS:

Bearish:

1. Higher production estimates
2. Fresh crop arrivals increasing in markets

Bullish:

1. AP Markfed procuring turmeric from markets
2. Export crossed fiscal year target in quantity as well as value terms

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu, Kerala, Lakshadweep 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 downwards in the overbought region, hinting downward technical correction. MACD is 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 as compared to previous settlement. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of upward movements later in the session.

Turmeric 0705(NCTMCK7)2007/03/31 - Daily B:2337.00 A:2338.00
O 2368.00 H 2373.00 L 2326.00 C 2337.00 V 19,190 I 19,420 -23
EMA(9) 2286.8 (18) 2230.4



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2265	2296	2337	2366	2399

TRADE RECOMMENDATION:

Sell NCDEX May Turmeric near Rs. 2350 with a target of Rs. 2325 and then Rs. 2310 with a strict stop loss at Rs. 2370. 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 witnessed a stable trend at the weekend. It was offered in an unchanged price range 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 harvesting is now in the peak. However, Vietnamese farmers are reported not in a hurry to sell their produce unless prices match their expectations. Demand continues to offset new crop supplies and prices increases daily. Vietnam Pepper Association has already forecasted a 10-20 percent decline in its total production. This has resulted in an upward push in global export prices of pepper recently.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the most-active May contract tested an intraday high of Rs. 14469 at the early hours of trade. The futures traded downwards thereafter to test an intraday low of Rs. 14265 only to recover back again. The futures finished in positive territory in final action. Most-active May contract traded in the range of Rs. 14265-14469 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
4. Vietnam farmers not in a hurry to sell their produce

Bearish:

1. Profit taking likely at higher price levels

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu, Kerala, Lakshadweep 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 uptrend. Stochastic is moving flat in the overbought region, hinting indecision. MACD is moving upwards in 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. Black pepper 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 May	13890	14076	14350	14613	14820

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 14275-14300 with a target at Rs. 14375 and then Rs. 14425 with a strict stop loss at Rs. 14200. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 13300	-
	Ungarbled 12700	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed on Saturday on account of financial year-end. For the last few trading 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 steady as compared to previous settlement and the most active June contract tested an intraday high of Rs. 5769 at the early hours of trade. The futures traded downwards thereafter and tested an intraday low of Rs. 5650. The futures finished in negative territory after paring some losses in final action. Most active June contract traded in the range of Rs. 5650-5769 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Improved demand, both domestic as well as overseas
2. India exported 1.12 lakh tonnes chilli during April-February 2006-07

Bearish:

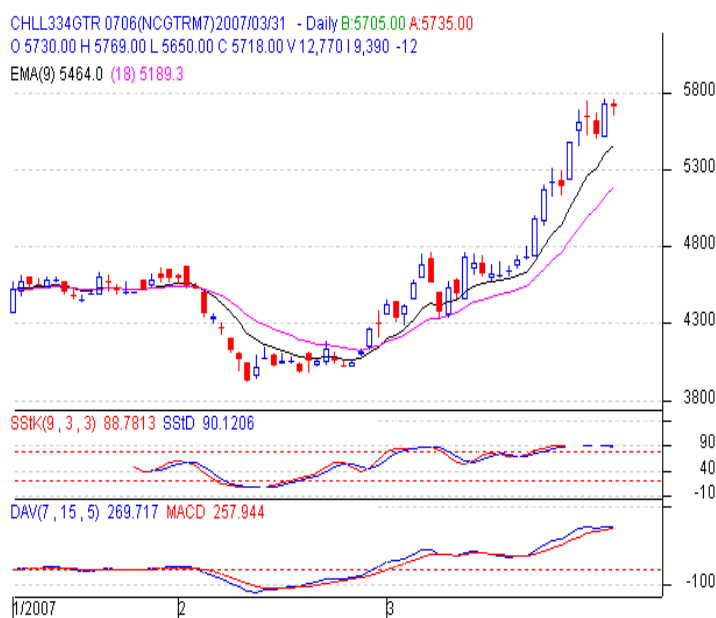
1. Forthcoming crop is expected good due to higher acreage
2. Crop arrivals increasing in the markets

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu, Kerala, Lakshadweep 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 opening and initial uptrend. Volume as well as 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 flat in the overbought region, hinting indecision. MACD is also moving flat in the positive territory. Red chillies futures are likely to trade moderately upwards following a steady opening with possibility of downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX June	5440	5543	5718	5891	5994

TRADE RECOMMENDATION:

Sell NCDEX June Chilli near Rs. 5775 with a target of Rs. 5700 and then Rs. 5675 with a strict stop loss of Rs. 5825. 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 remained closed on Saturday on account of financial year-end. For the last few days, it was quoted higher amidst reduced arrivals. Concerns of previous week's weather conditions over the major producing regions and its impact on the standing crop have supported the prices to a greater extent. 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-Feb 2006-07.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the most-active May contract tested an intraday high of Rs. 13444 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 13275. The futures finished near day's low in final action. Most-active May contract traded in the range of Rs. 13275-13444 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. Heat wave conditions are likely to continue over some parts of Gujarat, north Maharashtra and Rajasthan for next 1-2 days and abate thereafter. Dry weather is favourable at this stage of the crop.

TECHNICALS

Candlestick pattern is indicating weak opening and initial downtrend. Stochastic is moving downwards in the overbought region, hinting likely downward technical correction. 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 declined, while open interest has increased as compared to previous settlement. Jeera futures are likely to trade downwards following a weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	12783	13021	13282	13552	13772

TRADE RECOMMENDATION:

Sell NCDEX May Jeera near Rs. 13280-13300 with a target of Rs. 13200 and then Rs. 13150 with a strict stop loss of Rs. 13375. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q Closed	-
	Ganesh Closed	
	Machine Cleaned Closed	

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