

## SPICES DAILY

March 12, 2007

### TURMERIC

#### SPOT MARKETS:

Turmeric markets witnessed stable trend at the weekend. It was offered at an unchanged price range in Nizamabad amidst slightly lower arrivals as well as offtake. Erode markets remained closed on Saturday. 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 lower as compared to previous settlement and most-active April contract tested an intraday high Rs. 2060 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. 2032. The futures finished near day's low in late action. April contract traded in the range of Rs. 2032-2060 during Saturday'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 north Andhra Pradesh. 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 to weak opening and initial downtrend. Stochastic has made a bullish crossover in the normal region, hinting further uptrend. MACD is moving flat in the positive territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume has declined, while open interest has increased. Turmeric 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	1989	2007	2038	2058	2076

#### TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2040-2045 with a target of Rs. 2030 and then Rs. 2025 with a strict stop loss at Rs. 2055. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1850-1950	7000
	Gattah 1750-1825	
Erode	Finger Closed	-
	Gattah Closed	

## BLACK PEPPER

### SPOT MARKETS

Domestic black pepper markets remained quiet at the weekend. It was quoted unchanged in Kochi markets amidst arrivals as well as offtake of 10 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 low of Rs. 12213 at the early hours of trade. Increased buying interest has supported the futures thereafter and the April contract tested an intraday high of Rs. 12350, but immediately ran into selling pressure. The futures curbed the gains and finished in negative territory in final action. April contract traded in the range of Rs. 12213-12350 during Saturday'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 north 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 weak opening and initial downtrend. Stochastic is moving slightly upwards in the normal region. MACD is 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 declined as compared to previous settlement. Black pepper futures are likely to trade moderately downwards following a steady opening with possibility of upward movements later.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11877	12054	12269	12536	12713

### TRADE RECOMMENDATION:

Sell NCDEX April Pepper near Rs. 12275-12300 with a target at Rs. 12225 and then Rs. 12200 with a strict stop loss at Rs.12350. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	11800	10
	Ungarbled	11200	

## RED CHILLIES

### SPOT MARKETS

Domestic red chillies markets in Guntur remained closed on Saturday. Red chillies remained on an average bearish during last couple of days. Prices declined on higher inflow of fresh crop arrivals. 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.

### FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and the April contract tested an intraday high of Rs. 4464 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. 4316. The futures finished with significant losses in final action. April contract traded in the range of Rs. 4316-4464 during Saturday'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 north 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 has declined, while 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 also moving slightly 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	4137	4227	4341	4441	4515

### TRADE RECOMMENDATION:

Sell NCDEX April Chilli near Rs. 4350-4375 with a target of Rs. 4275 and then Rs. 4250 with a strict stop loss of Rs. 4435. Trade cautiously with intra day outlook.

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

## JEERA (Cumin)

### SPOT MARKETS

Domestic jeera markets remained firm at the weekend. It was offered at a higher price range in Unjha markets as improved offtake has offset the increasing arrival pressure. Forecast of adverse weather conditions over the producing regions, particularly in Rajasthan has supported the firm prices. 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. Amid such circumstances, domestic jeera prices are expected to maintain the firmness in near future 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. 12090 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 12410.1. The futures finished in positive territory in final action. April contract traded in the range of Rs. 12090-12410.1 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 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:

Isolated rain/thundershowers are likely over Rajasthan till 11th evening and scattered rain/thundershowers 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 and the %K-line has just entered the overbought 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 as compared to previous settlement. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of downward movements later in the session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11800	12065	12325	12705	12950

### TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 12250-12275 with a target of Rs. 12325 and then Rs. 12350 with a strict stop loss of Rs. 12200. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2065-2115	14000
	Ganesh 2115-2165	
	Machine Cleaned 2225-2240	

## CARDAMOM

### SPOT MARKETS

Cardamom prices stood steady at the Saturday's auction at ISMPCS, Pullianmala. Similarly, they are maintaining steady position at major trading centres like Delhi, Mumbai and Kanpur on sluggish demand. Stockists are unwilling to buy cardamom at current higher levels and continued dry spell in Kerala region and lower production this year is keeping the cardamom from fall. Meanwhile, the arrivals at Saturday's auction at ISMPCS, Pullianmala stood at 14 tonnes. The average price hovered in the range of Rs 350-355 a kg, while the 7mm MCX grade fetched Rs 390-395 a kg. According to the trade sources, the cardamom will continue to trade on higher side in coming month as near drought situation prevails in Kerala, which accounts for 80% of cardamom production and production remains on lower side.

### FUTURES MARKETS

Cardamom futures traded firm at MCX. The most active April contract opened firm by Rs 2.30 at Rs 488 against its previous close of Rs 485.70. Initially increased selling pressure pulled the futures to trade on lower side testing the lows of Rs 483.40. However, increased buying interest thereafter pushed the futures to trade upwards, testing the intraday highs of Rs 494. Contract finally settled in the positive territory by gaining Rs 7.20 at Rs 492.90.

### 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 firm opening and bullish sentiments thereafter with slight downward trend in mid-session. 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.

CARDAMOM 0704(MXCAMJ7)2007/03/10 - Daily B:492.40 A:492.80  
O 488.00 H 494.00 L 483.40 C 492.90 V 1,496 T 1,029 I 3,873 +7.2  
EMA(9) 493.00 (18) 496.74



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	472	470	496	500

### TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 490 with a target of Rs 483 and then Rs 480 with a strict stop loss near Rs 495. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
ISMPCS, Pullianmala	390-395	14,000

#### Disclaimer

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