

SPICES DAILY

March 30, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average stable during Thursday's trade. It was quoted in an unchanged price range in Nizamabad amidst reduced arrivals as well as offtake. Erode markets remained closed on Thursday. 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. 2366 at the early hours of trade. The futures traded downwards thereafter on profit taking and slide to test an intraday low of Rs. 2280. The futures finished with significant loss in final action. Most active May contract traded in the range of Rs. 2280-2366 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. Export crossed fiscal year target

Weather:

Isolated rain/thundershowers are likely over Coastal 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 flat in the overbought region, hinting indecision. 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 increased 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.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2229	2263	2310	2365	2396

TRADE RECOMMENDATION:

Sell NCDEX May Turmeric near Rs. 2325 with a target of Rs. 2290 and then Rs. 2275 with a strict stop loss at Rs. 2350. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1900-2000	8000
	Gattah	1800-1850	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper markets maintained previous steadiness. It was offered unchanged in Kochi amidst arrivals as well as offtake of 22.5 MT. 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 farmers are reported not in a hurry to sell their produce. Vietnam Pepper Association has already forecasted a 10-20 percent decline in its total production and 10 percent decline in its export volume. This has resulted in an upward push in global export prices of pepper recently. At the domestic front, pepper export has touched 25,500 tonnes worth Rs. 266.90 crore during April-February 2006-07, registering 128 percent rise in quantity and 156 percent rise in value over the fiscal target.

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. 14198 at the early hours of trade. Profit taking capped further advances and the futures traded sharply downwards thereafter to test an intraday low of Rs. 13700. The futures finished with significant losses in final action. Most-active May contract traded in the range of Rs. 13700-14198 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. Profit taking likely at higher price levels

Weather:

Isolated rain/thundershowers are likely over Coastal 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 to weak opening and initial downtrend. Stochastic is moving flat in the overbought region, hinting indecision. MACD is about to make a bearish crossover in 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. Black pepper 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 May	13330	13561	13847	14198	14410

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 13700 with a target at Rs. 13900 and then Rs. 13950 with a strict stop loss at Rs. 13575. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 13000	22.5
	Ungarbled 12400	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed on Thursday. 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 lower than previous settlement and the most active June contract tested an intraday high of Rs. 5680 at the early hours of trade. The futures traded downwards on profit taking and tested an intraday low of Rs. 5491. The futures finished with significant losses in final action. Most active June contract traded in the range of Rs. 5491-5680 during Thursday'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 Coastal 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 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 flat in the overbought region, hinting indecision. MACD is also moving flat in the positive territory. 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 June	5221	5332	5542	5704	5800

TRADE RECOMMENDATION:

Sell NCDEX June Chilli near Rs. 5575 with a target of Rs. 5525 and then Rs. 5475 with a strict stop loss of Rs. 5625. 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 Thursday. 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. 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 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. 13441 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 13130. The futures finished with significant loss in final action. Most-active May contract traded in the range of Rs. 13130-13441 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 24,250 tonnes of jeera during April-February 2006-07

Bearish:

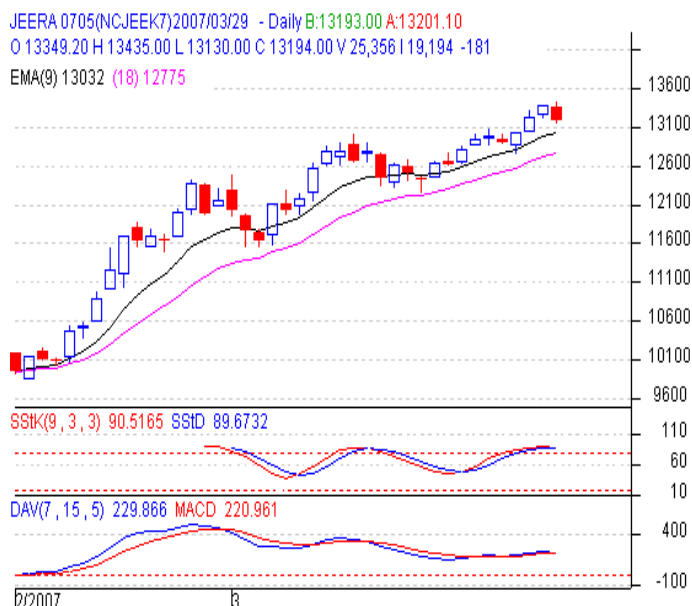
1. Arrivals increasing in the market

Weather:

Mainly dry weather is likely over the region. Rise in day temperatures by 2-3°C, leading to prevalence of heat wave conditions over parts of Gujarat and south Rajasthan during next 48 hours. 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 flat in the overbought region, hinting indecision. MACD is also 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 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 May	12725	12907	13194	13435	13616

TRADE RECOMMENDATION:

Sell NCDEX May Jeera near Rs. 13200 with a target of Rs. 13150 and then Rs. 13100 with a strict stop loss of Rs. 13250. 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	

CARDAMOM

SPOT MARKETS

Cardamom prices recovered slightly Thursday at the STCL Bodinayakannur auction center following weather concerns for the growth of the crop along with shrinking supplies, particularly of superior quality, as harvesting has come to an end. The auction center witnessed reduced arrivals of about 30 tones that were all sold in the auction. Average cardamom prices stood at Rs 352 a kg. Sporadic export demand is visible however the local traders are expecting it to increase in the coming time particularly due to its premium in terms of quality when compared with Guatemala's produce. The prices are likely to at least hold these levels and downside potential to be minimal from these levels, especially looking at the gloomy outlook for the coming crop and prospective export demand.

FUTURES MARKETS

MCX Cardamom futures washed away all its early gains during Thursday's session. Most active April futures contract opened slightly weak at Rs 489 a Kg thereafter prices recovered up to Rs 498 level however failed to stick to higher levels and settled in red at Rs 485.50 per Kg. Volumes traded and open interest both increased 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 rekindling
2. Declining arrivals
3. Poor weather for next crop

WEATHER

Isolated rain or thundershowers are likely over Kerala. Weather is dry and hot however scattered rains over cardamom growing regions will be beneficial for the growth of crop.

TECHNICALS

Candlesticks chart formations are reflecting indecision at current levels. The prices closed above short-term averages, which support bulls. MACD is in running upward in negative zone, indicating decreasing bearish momentum. Stochastic Oscillator has made a bearish crossover in the overbought zone. RSI is declining in neutral region indicating weakness. The contract is most likely to see volatile price movements with bearish bias during the day.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	480	475	493	500

TRADE RECOMMENDATION:

Sell MCX April cardamom below Rs 487 with a target of Rs 482 and then Rs 480 with a strict stops loss at Rs 490. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
STCL, Bodinayakannur	425-435	30,000

Disclaimer

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