

SPICES DAILY

March 02, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed a stable trend during Thursday's trade. It was offered at an unchanged price in Nizamabad as well as Erode amidst higher arrivals as well as offtake. Traders are expecting arrivals to increase in the coming week and consequently may put some pressure on turmeric prices. Arrivals from the fresh harvest are likely to reach its maximum level in the coming month. With a bumper harvest outlook for this season, turmeric prices are expected to remain bearish after some short-term consolidation.

FUTURES MARKETS:

Turmeric futures at NCDEX opened marginally higher as compared to previous settlement and most-active April contract tested an intraday low Rs. 2062 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2088. The futures finished with moderate gains in final action. April contract traded in the range of Rs. 2062-2088 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 likely over Kerala & Lakshadweep during next 24 hours and mainly dry weather thereafter. Prevailing weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic is moving slightly upwards in the normal region, hinting further uptrend. MACD is moving slightly 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. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements later in the session.

Turmeric 0704(NCTMCJ7)2007/03/01 - Daily B:2075.00 A:2077.00
O 2062.00 H 2088.00 L 2062.00 C 2075.00 V 14,980 I 25,150 +15
EMA(9) 2050.1 (18) 2039.2



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2043	2057	2075	2094	2108

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2065-2070 with a target of Rs. 2080 and then Rs. 2085 with a strict stop loss at Rs. 2055. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1950	6000
	Gattah	1800-1850	
Erode	Finger	2075-2200	10000
	Gattah	2075-2150	

BLACK PEPPER

SPOT MARKETS

Black pepper traded with a firm trend during Thursday's trade. It was offered at a higher price in Kochi markets amidst arrivals as well as offtake of 20 MT. Traders reported no significant demand in the markets. However, arrivals were also negligible at this time that supported the prices to some extent. 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. Vietnam markets remain quiet due to the lunar New Year holidays. Global pepper prices are expected to remain firm in the months ahead as decline in global pepper production amid increasing consumption would result into tight supply scenario. At the domestic front also, production is expected to decline. Black pepper prices are expected to remain firm in the near futures after some short-term consolidation.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the most active March contract tested an intraday low of Rs. 12350 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures tested an intraday high of Rs. 12615. The futures settled with significant gains in final action. Most active March contract traded in the range of Rs. 12350-12615 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Global supplies are 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, no selling pressure

Weather:

Isolated rain/thundershowers likely over Kerala & Lakshadweep during next 24 hours and mainly dry weather thereafter. Present weather conditions are favourable for the pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic has made a bullish crossover in the oversold region, hinting further uptrend. MACD is also moving flat in the negative 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 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 March	12109	12337	12586	12863	13108

TRADE RECOMMENDATION:

Buy NCDEX March Pepper near Rs. 12550-12575 with a target at Rs. 12650 and then Rs. 12750 with a strict stop loss at Rs.12450. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12100	20
	Ungarbled	11500	

RED CHILLIES

SPOT MARKETS

Red chillies traded with a firm trend in Guntur during Thursday's trade. Prices were quoted owing to reduced arrivals as against previous day. Traders reported presence of domestic as well as overseas demand as the major supportive factor for the firmness in chilli prices. 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, prices are likely to remain bearish in near future with possibility of some short-term firmness.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and most-active March contract tested an intraday low of Rs. 4141 at the opening session of trade. The futures traded sharply upwards thereafter on increased buying interest and breached the 4 percent upper circuit level to test an intraday high of Rs. 4304. The futures finished near day's high in final action. March contract traded in the range of Rs. 4141-4304 during Thursday's trade.

PRICE DRIVERS:

Bullish:

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

Weather:

Isolated rain/thundershowers likely over Kerala & Lakshadweep during next 24 hours and mainly dry weather thereafter. Weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates firm opening and initial uptrend. 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 upwards and the %K-line has just entered the overbought region, hinting further uptrend. MACD is moving upwards in the negative territory, supporting the firmness. Red chillies futures are likely to trade upwards following a firm opening with possibility of some downward movements later in the session.

CHLL334GTR 0703(NCGTRH7)2007/03/01 - Daily B:4300.00 A:4304.00
O 4141.00 H 4304.00 L 4141.00 C 4302.00 V 17,785 I 7,795 +170
EMA(9) 4027.9 (18) 4009.7



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	4028	4173	4302	4431	4567

TRADE RECOMMENDATION:

Buy NCDEX March Chilli near Rs. 4275-4300 with a target of Rs. 4375 and then Rs. 4400 with a strict stop loss of Rs. 4210. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4200-4600	40000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained firm during Thursday's trade. It was quoted higher in Unjha market owing improved demand. Market has turned in favour of the bulls following recent adverse weather conditions in Rajasthan as well as Gujarat. Crop arrivals from the fresh harvest are expected to pick up further during early half of March. 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 in the near future after some short-term consolidation.

FUTURES MARKETS:

Jeera futures at the NCDEX opened much higher as compared to previous settlement and the most active April contract tested an intraday high of Rs. 12055 at the early hours of trade. Profit taking capped further advances and the futures traded sharply downward thereafter to test an intraday low of Rs. 11535. The futures finished with significant losses in final action. April contract traded in the range of Rs. 11535-12055 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:

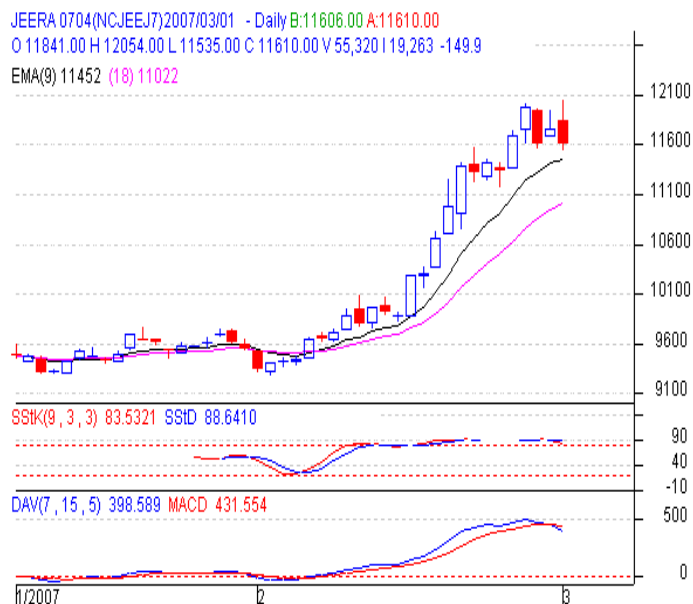
1. Arrivals started increasing in the market
2. Weak buying support at the physical markets

Weather:

Isolated rain/thundershowers over East Rajasthan till Friday morning. Mainly dry weather thereafter. Mainly dry weather likely over the rest region during next 3 days. Heavy rainfall is not desirable at this stage of crop.

TECHNICALS

Candlestick pattern is indicating steady to weak opening and initial downtrend. Stochastic is moving downwards after a bearish crossover in the overbought region, hinting further downtrend. MACD is also moving downwards in the positive territory, supporting the weakness. 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 upward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11027	11308	11610	12110	12377

TRADE RECOMMENDATION:

Sell NCDEX April Jeera near Rs. 11625-11650 with a target of Rs. 11575 and then Rs. 11550 with a strict stop loss of Rs. 11700. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1940-1990	16000-17000
	Ganesh	2000-2050	
	Machine Cleaned	2100-2130	

CARDAMOM

SPOT MARKETS

Cardamom prices witnessed fall of Rs 20-25 at auction and major trading centres. At Thursday's auction at STCL, Bodinayakannur, prices dropped mainly on the back of 'Holi' holidays in Northern Markets and heavy offloading during auction. Distress selling by farmers pressurized the prices to trade downwards. Arrivals and sales during auction stood at 50 tonnes. Average prices stood at Rs 320-325 a kg, down by Rs 20 against last weeks Rs 345-50 a kg. 7mm MCX was also traded on lower side and hovered around 375-380 a kg. The drop in prices at major trading centres like Delhi and Mumbai was mainly due to reluctance and sluggish demand from stockists. According to market sources, fresh export demand is likely to pick up in Mid-March and spot market may reinvigorate after Holi festival.

FUTURES MARKETS

Cardamom futures witnessed weak sentiments at MCX. The most active April contract opened down by Rs 2.10 at Rs 498 against its previous close of Rs 500.10. Initially buying pressure pushed the futures to trade on higher side, testing the highs of Rs 502.50. However, increased selling pressure pulled the futures to trade downwards for rest of the session and tested the lows of Rs 496. Contract finally settled in the negative territory of Rs 496.50.

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 weak opening and bearish sentiments with downward trend. MACD is moving towards negative region, hinting that the trend will continue. Prices closed below both 9 days and 18 days EMA. Stochastic favour bears. Market is expected to trade downwards following a steady to weak opening with possibility of late slight recovery.

CARDAMOM 0704(MXCAMJ7)2007/03/01 - Daily B:496.00 A:496.80
O 498.00 H 502.50 L 496.00 C 496.50 V 976 T 48,665 I 2,948 -3.6
EMA(9) 504.71 (18) 505.61



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	484	482	509	512

TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 500 with a target of Rs 495 and then Rs 493, with a strict stop loss near Rs 505. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
STCL, Bodinayakannur	375-380	50,000

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