

SPICES DAILY

March 08, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average stable during Wednesday's trade. It was offered at previous price range in Nizamabad as well as Erode amidst slightly lower arrivals. 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 marginally lower as compared to previous settlement and most-active April contract tested an intraday high Rs. 2044 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. 2024. However, the futures recovered back to finish in positive territory in late action. April contract traded in the range of Rs. 2024-2044 during Wednesday'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 Andhra Pradesh and Karnataka. 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 firm opening and initial uptrend. Stochastic is moving downwards in the normal region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. 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. 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	1998	2018	2035	2060	2079

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2030 with a target of Rs. 2045 and then Rs. 2050 with a strict stop loss at Rs. 2020. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1850-1950	8000
	Gattah 1750-1825	
Erode	Finger 1975-2075	10000-11000
	Gattah 1950-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper maintained previous steadiness during Wednesday's trade. It was quoted on an average 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 as the world's pepper 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 lower as compared to previous settlement and the April contract tested an intraday high of Rs. 12364 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 12146. April contract traded in the range of Rs. 12146-12364 during Wednesday'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 Andhra Pradesh and Karnataka. 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 downwards and the %K-line has just entered in the oversold region, hinting further downtrend. MACD is moving downwards 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 upwards following a steady to weak opening with possibility of some early downward movements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11802	12014	12240	12544	12738

TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 12175-12200 with a target at Rs. 12300 and then Rs. 12375 with a strict stop loss at Rs.12075. 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 remained firm during Wednesday's trade. Offtake were reported higher 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 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 with possibility of short-term firmness.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and the April contract tested an intraday high of Rs. 4638 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. 4435. The futures finished near day's low in final action. April contract traded in the range of Rs. 4435-4638 during Wednesday'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 Andhra Pradesh and Karnataka. Mainly dry weather is likely over the rest region. Weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Volume as well as 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 moving upwards in the positive territory, supporting the firmness. Red chillies futures are likely to trade downwards following a weak opening with possibility of upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	4271	4345	4440	4535	4620

TRADE RECOMMENDATION:

Sell NCDEX April Chilli near Rs. 4425-4450 with a target of Rs. 4375 and then Rs. 4350 with a strict stop loss of Rs. 4500. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4400-4800	50000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets extended previous advances further during Wednesday's trade. It was offered at a higher price amidst improved offtake. 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 lower as compared to previous settlement and the most active April contract tested an intraday low of Rs. 11550 at the opening session of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 11818. The futures finished with significant gains in final action. April contract traded in the range of Rs. 11550-11818 during Wednesday'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 north Rajasthan where isolated rain/thundershowers are likely on 9th. Dry weather is favourable at this stage of the crop.

TECHNICALS

Candlestick pattern is indicating steady to firm opening and initial uptrend. Stochastic has made 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 has declined, while 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	11365	11550	11765	12068	12250

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 11700-11750 with a target of Rs. 11850 and then Rs. 11900 with a strict stop loss of Rs. 11600. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1950-2000	10000
	Ganesh	2010-2060	
	Machine Cleaned	2110-2140	

CARDAMOM

SPOT MARKETS

Cardamom prices continue to rule steady at auction as well as major trading centres amidst sluggish domestic demand and low buying interest at current higher levels. Further, elections due in Delhi are also adding subduedness in the market. According to traders, market will continue to hold its steady position till some domestic as well as concrete overseas demand emerges. Total arrivals during Wednesday's auction at CPMC, Kumily dropped sharply to 47 tonnes from 65 tonnes of previous week. However, prices stood steady at previous levels with average price pegged at Rs 350-355 a kg and MCX grade at Rs 395-400 a kg level.

FUTURES MARKETS

MCX Cardamom futures witnessed bullish sentiments with narrow range bound movement. April contract opened firm by Rs 1.90 at Rs 496 against its previous close of Rs 494.10. Initially increased buying pressure pushed the futures to trade on the higher side, testing the highs of Rs 501.50. However, increased selling pressure pulled prices to the lows of Rs 494.80. Finally futures settled in the positive territory of Rs 495. Volumes as well as open interest improved marginally.

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

Isolated rains and cloudy weather forecast over Karnataka region is favourable for freshly planted vines and standing crop. Harvesting of matured capsules continue under favourable conditions in the irrigated parts of Kerala.

TECHNICALS

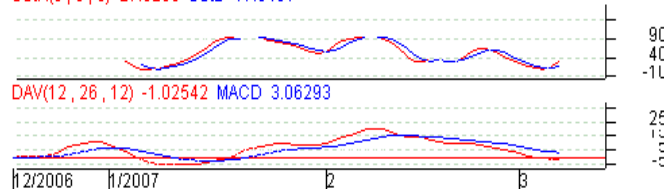
Candlesticks chart pattern reflects firm opening and bullish narrow range bound movement. MACD is moving in the negative region, indicating that the trend will continue. Prices closed at 9 days EMA and below 18 days EMA levels. Stochastic is in oversold region. Market is expected to trade downwards following a steady opening.

CARDAMOM 0704(MXCAMJ7)2007/03/07 - Daily B:497.20 A:498.00
O 496.00 H 501.50 L 494.80 C 497.20 V 1,007 T 50,157 I 3,220 +3.1

EMA(9) 496.70 (18) 499.85



Stk(9, 3, 3) 27.8269 SSID 17.5461



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	485	481	510	514

TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 500 with a target of Rs 494 and then Rs 492 with a strict stop loss near Rs 505. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPMC, Kumily	395-400	47,000

Disclaimer

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