

SPICES DAILY

March 03, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained steady to bearish during Friday's trade. It was quoted mostly steady in Nizamabad amidst reduced arrivals as well as offtake ahead of the long weekend holidays. However, in Erode, prices declined slightly on increased arrivals. Traders are eyeing higher arrivals in the coming weeks that may put some more pressure on 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 after some short-term consolidation.

FUTURES MARKETS:

Turmeric futures at NCDEX opened steady as compared to previous settlement and most-active April contract tested an intraday high Rs. 2078 at the opening session of trade. Increased selling interest has pressurised the futures and the futures traded downwards to test an intraday low of Rs. 2058. The futures pared most of the losses only to finish in negative territory in final action. April contract traded in the range of Rs. 2058-2078 during Friday'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:

Light isolated rain/thundershowers likely over Kerala during next 3 days and over Tamil Nadu during next 24 hours. Isolated light rain/thundershowers over Coastal Karnataka & Lakshadweep after 48 hours. Mainly dry weather over the rest region. Prevailing weather conditions are favourable for the crop at this time.

TECHNICALS

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

Turmeric 0704(NCTMCJ7)2007/03/02 - Daily B:2072.00 A:2073.00
C 2076.00 H 2078.00 L 2058.00 C 2072.00 V 9,400 I 24,410 -3
EMA(9) 2054.5 (18) 2042.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2043	2058	2072	2094	2108

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2065 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	4000
	Gattah	1800	
Erode	Finger	2050-2150	13000-14000
	Gattah	2050-2150	

BLACK PEPPER

SPOT MARKETS

Black pepper traded with a bearish trend during Friday's trade. It was quoted lower 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. 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 higher as compared to previous settlement and the April contract tested an intraday high of Rs. 12945 at the opening session of trade. Increased selling interest has pressurised the futures thereafter and the futures tested an intraday low of Rs. 12656. The futures settled with significant losses in final action. April contract traded in the range of Rs. 12656-12945 during Friday'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:

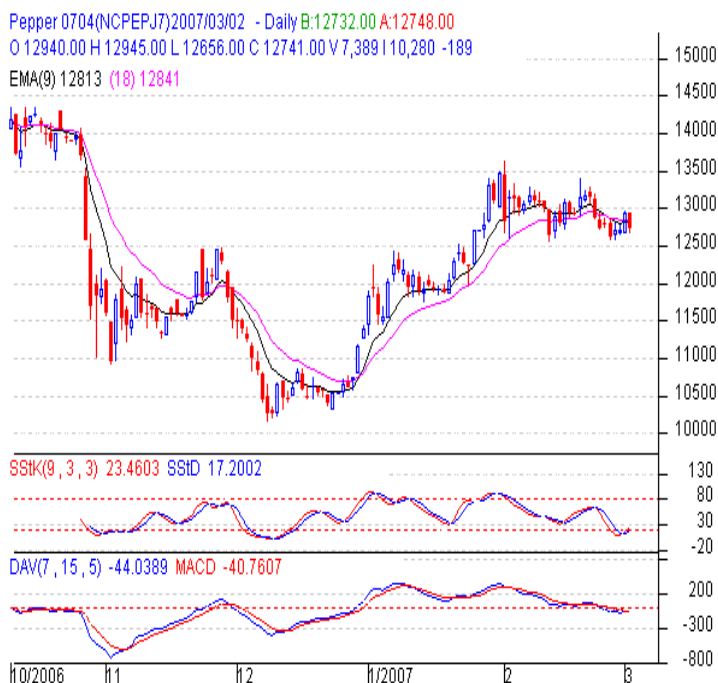
1. Lacklustre demand in the market

Weather:

Light isolated rain/thundershowers likely over Kerala during next 3 days and over Tamil Nadu during next 24 hours. Isolated light rain/thundershowers over Coastal Karnataka & Lakshadweep after 48 hours. Mainly dry weather 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 has made a bullish crossover in the oversold region, hinting further uptrend. 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 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 April	12349	12544	12741	12985	13179

TRADE RECOMMENDATION:

Sell NCDEX April Pepper near Rs. 12750-12775 with a target at Rs. 12700 and then Rs. 12675 with a strict stop loss at Rs.12825. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12000	20
	Ungarbled	11400	

RED CHILLIES

SPOT MARKETS

Red chillies traded with a stable trend in Guntur during Friday's trade. Prices were quoted unchanged owing to steady arrivals as well as offtake as against previous day. Traders reported presence of domestic as well as overseas demand as the major supportive factor for the recent 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 some 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. 4286 at the opening session of trade. The futures traded sharply downwards thereafter on increased selling interest and tested an intraday low of Rs. 4135. The futures finished near day's low in final action. April contract traded in the range of Rs. 4135-4286 during Friday'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 gaining momentum
3. Lacklustre demand in the markets

Weather:

Light isolated rain/thundershowers likely over Kerala during next 3 days and over Tamil Nadu during next 24 hours. Isolated light rain/thundershowers over Coastal Karnataka & Lakshadweep after 48 hours. Mainly dry weather 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 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 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 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	4008	4077	4164	4222	4291

TRADE RECOMMENDATION:

Sell NCDEX April Chilli near Rs. 4175-4200 with a target of Rs. 4125 and then Rs. 4100 with a strict stop loss of Rs. 4250. 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 witnessed highly bearish trend during Friday's trade. It was quoted lower in Unjha market owing to weak buying support at the higher price tag. Forecast of dry weather over the producing regions also cast a bearish shadow in this bull market. 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 witness some downward correction on expected rise in its arrivals.

FUTURES MARKETS:

Jeera futures at the NCDEX opened lower as compared to previous settlement and the most active April contract tested an intraday high of Rs. 11598 at the opening session of trade. The futures traded sharply downwards thereafter on increased selling interest and tested an intraday low of Rs. 11150. The futures finished with significant losses after curbing some losses in final action. April contract traded in the range of Rs. 11150-11598 during Friday'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:

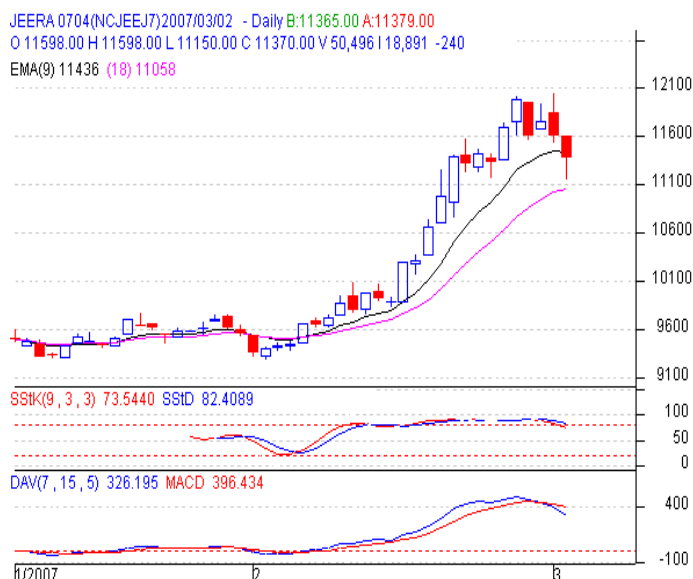
1. Arrivals started increasing in the market
2. Weak buying support at the physical markets

Weather:

Mainly dry weather likely over the region during next 3 days. 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 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 below the 9-day EMA, hinting weak prices in short-term. Volume as well as open interest has declined 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	10830	11111	11370	11770	12054

TRADE RECOMMENDATION:

Sell NCDEX April Jeera near Rs. 11375-11400 with a target of Rs. 11325 and then Rs. 11300 with a strict stop loss of Rs. 11450. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1900-1950	16000-17000
	Ganesh	1960-2010	
	Machine Cleaned	2060-2090	

CARDAMOM

SPOT MARKETS

Cardamom prices maintained its steady to weak position at both auction and major trading centres. With no fresh export buying coupled with 'Holi' holidays in Northern markets and continuing sluggish domestic demand, prices are likely to hold their steady levels for short term. Further, heavy offloading and distress selling by farmers also contributed to weakening of prices. At Friday's auction at Mass Enterprises, Vandanmedu, arrivals improved to 35 tonnes against last weeks 26 tonnes. However, average prices dropped marginally by Rs 5-10 and hovered around Rs 350-355 a kg level. 7mm MCX grade was traded in the range of Rs 380-385. 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 sharp fall at MCX. The most active April contract opened steady at Rs 496.90 against its previous close of Rs 496.30. However, increased selling pressure dominated the market throughout the session, pulling futures to trade downwards on bearish sentiments. Futures tested the intraday low of Rs 485.20. Contract finally settled in the negative territory by losing Rs 8.30 at Rs 488. Volumes increased significantly while open interest dropped 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

Hot and clear weather prevailing in Kerala region is favourable for harvesting of capsules in irrigated regions.

TECHNICALS

Candlesticks chart pattern reflects steady opening and bearish sentiments thereafter 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.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	472	469	497	500

TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 489 with a target of Rs 482 with a strict stop loss near Rs 593. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Mass Enterprises, Vandanmedu	380-385	35,000

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