

## SPICES DAILY

March 10, 2007

### TURMERIC

#### SPOT MARKETS:

Turmeric markets remained on an average steady to slightly firm during Friday's trade. It was quoted unchanged in Nizamabad amidst steady arrivals as well as offtake. In Erode, it was offered at a marginally higher price amidst improved offtake. 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 higher as compared to previous settlement and most-active April contract tested an intraday low Rs. 2042 at the opening session of trade. Increased buying interest has supported the futures and the futures traded upwards thereafter to test an intraday high of Rs. 2067. The futures finished with marginal gains in late action. April contract traded in the range of Rs. 2042-2067 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:

Isolated rain/thundershowers are likely over 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 opening and initial downtrend. Stochastic is moving downwards in the normal region, hinting further downtrend. MACD is moving slightly downwards in the 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. Turmeric futures are likely to trade downwards following a steady opening with possibility of some upward movements later in the session.

Turmeric 0704(NCTMCJ7)2007/03/09 - Daily B:2050.00 A:2051.00  
O 2050.00 H 2067.00 L 2042.00 C 2050.00 V 12,260 I 21,920 +4  
EMA(9) 2046.3 (18) 2043.0



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2006	2024	2050	2063	2080

#### TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2050-2055 with a target of Rs. 2045 and then Rs. 2035 with a strict stop loss at Rs. 2065. 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	12000-13000
	Gattah 1975-2050	

## BLACK PEPPER

### SPOT MARKETS

Black pepper maintained its previous steadiness during Friday's trade. It was offered at an unchanged price 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. 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 most-active April contract tested an intraday high of Rs. 12440 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. 12250. The futures finished near day's low in final action. April contract traded in the range of Rs. 12250-12440 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:

Isolated rain/thundershowers are likely over 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 flat in the normal region, hinting indecision. MACD is also 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 has declined, while open interest has increased as compared to previous settlement. Black pepper 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	11749	12014	12258	12579	12826

### TRADE RECOMMENDATION:

Sell NCDEX April Pepper near Rs. 12250-12275 with a target at Rs. 12200 and then Rs. 12175 with a strict stop loss at Rs.12325. 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 extended previous weakness further during Friday's trade. Higher inflow of fresh crop has pressurised the prices. Moreover, traders also reported lack of buying support as a reason behind the price fall. 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.

### FUTURES MARKETS:

Chilli futures at the NCDEX opened lower than previous settlement and the April contract tested an intraday low of Rs. 4165 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures breached 4 percent upper circuit level to test an intraday high of Rs. 4438. The futures finished with significant gains in final action. April contract traded in the range of Rs. 4165-4438 during Friday'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. Mainly dry weather is likely over the rest region. Weather conditions are favourable for the crop at present.

### TECHNICALS

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



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	4177	4286	4408	4540	4640

### TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4400 with a target of Rs. 4475 and then Rs. 4500 with a strict stop loss of Rs. 4350. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4000-4400	50000-60000

## JEERA (Cumin)

### SPOT MARKETS

Domestic jeera markets witnessed a firm trend during Friday's trade. It was quoted at a higher price on improved offtake amidst mostly steady arrivals. Forecast of adverse weather conditions over the producing regions has supported the firm prices. 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 higher as compared to previous settlement and the most active April contract tested an intraday low of Rs. 12120 at the opening session of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 12359. The futures finished with significant gains in final action. April contract traded in the range of Rs. 12120-12359 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:

Isolated rain/thundershowers are likely over Rajasthan till 11th and increase 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 after a bullish crossover in the normal region, hinting further uptrend. MACD is also moving upwards in the positive territory, supporting the firmness. 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	11823	12057	12290	12555	12789

### 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 2025-2075	10000-11000
	Ganesh 2075-2125	
	Machine Cleaned 2175-2200	

## CARDAMOM

### SPOT MARKETS

Cardamom prices stood steady at auction as well as major trading centres amid slow moving demand and poor buying support from stockists. Stockists are unwilling to buy cardamom at current higher levels. Meanwhile, the arrivals at Friday's auction at Mass Enterprises, Vandanmedu declined to 25 tonnes from last weeks 35 tonnes. The average price stood unchanged at Rs 355-360 a kg, while the 7mm MCX grade hovered in the range of Rs 385-395 a kg. If the dry spell and hot weather pattern continues for few more days in Kerala, chances of further rise in prices cannot be ruled out.

### FUTURES MARKETS

Cardamom futures witnessed weak sentiments with bearish tone at MCX. Most active April contract opened weak by Rs 2.70 at Rs 485.30 against its previous close of Rs 488. Increased selling pressure pulled the futures to trade downwards, testing the lows of Rs 482.50. However, buying interest at lower level supported the futures to recover slightly in later session. Contract hovered in the range of Rs 488-482.50 and finally settled in the negative territory of Rs 486. Volumes declined however 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

Hot and clear weather prevailing in Kerala region is favourable for harvesting of capsules in irrigated regions. However, can be harmful for next crop.

### TECHNICALS

Candlesticks chart pattern reflects indecisive market with weak opening. 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 in neutral region. Market is expected to trade downwards following a steady to weak opening with possibility of slight correction in later session.

CARDAMOM 0704(MXCAMJ7)2007/03/09 - Daily B:485.00 A:486.30  
O 485.30 H 488.00 L 482.50 C 486.00 V 1,265 T 61,448 I 3,598 -2  
EMA(9) 493.09 (18) 497.23



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	467	464	495	498

### TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 486 with a target of Rs 478 and then Rs 472 with a strict stop loss near Rs 491. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
Mass Enterprises, Vandanmedu	385-395	25,000

#### Disclaimer

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