

SPICES DAILY

March 06, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained bearish during Monday's trade. It was offered at a lower price in Erode markets on poor buying support. However, arrivals were lower in this market. Nizamabad markets remained closed on Monday. 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. 2075 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. 2022 during late hours of trading. The futures finished near day's low. April contract traded in the range of Rs. 2022-2075 during Monday'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 Karnataka, Kerala, Tamil Nadu and Lakshadweep during next 24 hours and mainly dry weather thereafter. Mainly dry weather is likely over the rest region. Prevailing weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. 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 has increased, while open interest has declined. Turmeric futures are likely to trade downwards following a weak opening with possibility of some upward movements later in the session.

Turmeric 0704(NCTMCJ7)2007/03/05 - Daily B:2025.00 A:2027.00
O 2075.00 H 2075.00 L 2022.00 C 2027.00 V 14,760 I 23,340 -49
EMA(9) 2052.3 (18) 2044.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1974	1996	2027	2049	2069

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2030 with a target of Rs. 2005 and then Rs. 1998 with a strict stop loss at Rs. 2046. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2000-2100	10000
	Gattah	2000-2100	

BLACK PEPPER

SPOT MARKETS

Black pepper traded with a bearish trend at the start of the week. It was quoted lower 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. 12720 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures slide to test an intraday low of Rs. 11982. The futures finished with significant losses in final action. April contract traded in the range of Rs. 11982-12720 during Monday'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 Karnataka, Kerala, Tamil Nadu and Lakshadweep during next 24 hours and mainly dry weather thereafter. 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 weak opening and initial downtrend. Stochastic is moving flat in the normal region, hinting indecision. 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 increased as compared to previous settlement. Black pepper futures are likely to trade downwards following a weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11413	11696	12000	12367	12614

TRADE RECOMMENDATION:

Sell NCDEX April Pepper near Rs. 12000 with a target at Rs. 11900 and then Rs. 11850 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 stable at the start of the week. Chilli prices have firmed up recently in the physical markets. 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 low of Rs. 4269 at the opening session of trade. The futures traded sharply upwards thereafter on increased buying interest and tested an intraday high of Rs. 4417. The futures finished near day's high in final action. April contract traded in the range of Rs. 4269-4417 during Monday'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:

Isolated rain/thundershowers are likely over Karnataka, Kerala, Tamil Nadu and Lakshadweep during next 24 hours and mainly dry weather thereafter. 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 has increased, while 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 in 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.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	4212	4306	4412	4525	4620

TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4400-4420 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) 4200-4600	60000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained steady on Monday. It was offered at an unchanged price despite reduced arrivals after the long weekend holidays. 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 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 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 low of Rs. 11145 at the opening session of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 11692.9. The futures finished at day's high in final action. April contract traded in the range of Rs. 11145-11692.9 during Monday'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:

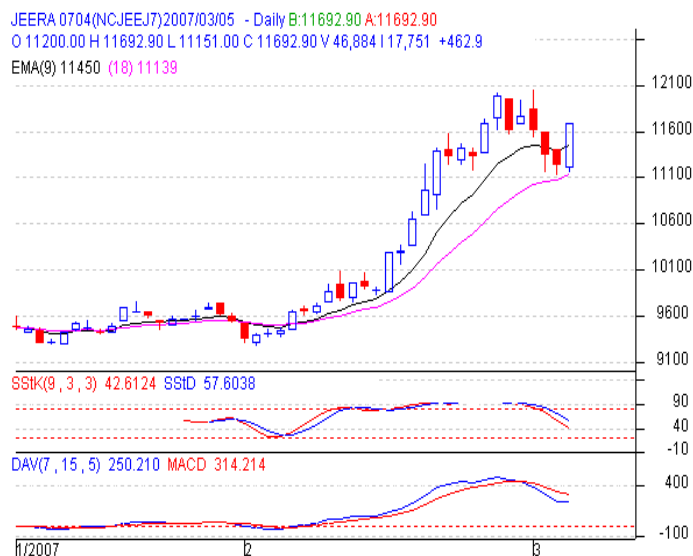
1. Arrivals started increasing in the market
2. Weak buying support at the physical markets

Weather:

Mainly dry weather likely over the region. Dry weather is favourable at this stage of the crop.

TECHNICALS

Candlestick pattern is indicating firm opening and initial uptrend. Stochastic is moving downwards 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 EMA, hinting firm prices in short-term. Volume has increased, while open interest has declined as compared to previous settlement. Jeera futures are likely to trade upwards following a firm opening with possibility of downward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11125	11435	11692.9	12039	12349

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 11675-11700 with a target of Rs. 11750 and then Rs. 11775 with a strict stop loss of Rs. 11625. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1900-1950	6000-7000
	Ganesh	1960-2010	
	Machine Cleaned	2060-2090	

CARDAMOM

SPOT MARKETS

Cardamom was traded at the unchanged levels in the auction as well as major trading centres amidst sluggish demand and low buying interest. Total arrivals at CPA, Bodinayakannur declined to 10 tonnes against 15 tonnes of last week. Tight supply position at auction supported the prices from its fall. Average price hovered in the range of Rs 330-335 a kg, while 7mm MCX grade was traded in the range of Rs 390-395 a kg. However, prices are maintaining steady position at major trading centres like Delhi, Mumbai and Kanpur on sluggish demand. Stockists are unwilling to buy cardamom at current higher levels. However, lower production this year and increase in Guatemalan cardamom prices internationally is likely to keep the cardamom prices firm.

FUTURES MARKETS

Cardamom futures witnessed strong sentiments with bullish tone at MCX. The most active April contract opened gap up at Rs 486.50 against its previous close of Rs 483.10. Increased buying pressure during initial hour pressurized the futures to trade on the higher side, testing the highs of Rs 502.40. However, futures could not sustain the initial firmness and shed some points thereafter on selling pressure. Futures traded in the range of Rs 502.40-486.50.

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

Isolated rains and cloudy weather forecast over Kerala and Tamil Nadu region is favourable for freshly planted vines and standing crop. Harvesting will not be affected due to present weather conditions.

TECHNICALS

Candlesticks chart pattern reflects firm opening and bullish sentiments with downward correction thereafter. MACD is moving in the negative region. Prices closed at 9 days EMA level and below 18 days EMA. Stochastic is in oversold region. Market is expected to trade upwards following a steady to firm opening and late downward movement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	476	472	515	522

TRADE RECOMMENDATION:

BUY MCX April cardamom above Rs 496 with a target of Rs 505 with a strict stop loss near Rs 490. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPA, Bodinayakannur	390-395	10,000

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