

SPICES DAILY

March 22, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed slightly firm trend during Wednesday's trade. It was quoted higher in Nizamabad after the long weekend holidays. In Erode also prices maintained earlier range amidst mostly steady arrivals as well as offtake. Andhra Pradesh Markfed has started procuring turmeric from markets in order to support the farmers, who were demanding for minimum support price of turmeric, has supported the market sentiments. However, the quantum as well as price of turmeric to be procured by AP Markfed is yet to be known, which would have greater influence on determining the future trend in the markets.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher as compared to previous settlement and the most active April contract tested an intraday low of Rs. 2144 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2195. The futures finished with significant gains in final action. April contract traded in the range of Rs. 2144-2195 during Wednesday's trade.

PRICE DRIVERS:

Bearish:

1. Higher production estimates
2. Fresh crop arrivals increasing in markets

Bullish:

1. AP Markfed started procuring turmeric from markets
2. India exported 42,750 tonnes turmeric during April-January 2006-07

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu, Kerala, Lakshadweep and Nicobar Islands. Mainly dry weather is likely over the rest region. Dry weather conditions are favourable for the crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic is moving indecisively in the normal region. 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 has increased, while open interest has declined as compared to previous settlement. 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)2007/03/21 - Daily B:2174.00 A:2175.00
O 2147.00 H 2195.00 L 2144.00 C 2175.00 V 28,900 I 17,900 +33
EMA(9) 2121.7 (18) 2094.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2126	2154	2175	2211	2237

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2170 with a target of Rs. 2190 and then Rs. 2200 with a strict stop loss at Rs. 2155. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1950	8000
	Gattah	1700-1800	
Erode	Finger	2050-2125	14000
	Gattah	2000-2050	

BLACK PEPPER

SPOT MARKETS

Black pepper markets witnessed a bullish trend during Wednesday's trade. It was offered at a higher price in Kochi amidst arrivals as well as offtake of 25 MT. However, there was no significant development in its fundamental side. Demand, both domestic as well as overseas, was not at par expectations in the markets. However, selling pressure was also absent from the markets that supported the prices. Overseas buyers are eyeing the Vietnam crop that is yet to come in a big way. According to the Vietnam Pepper Association, total pepper output in this country could fall by 10-20 percent and consequently exports may decline by 10 percent. India has emerged as the largest exporter of black pepper to the US in January. India has exported 1,870 tonne of black pepper to the US, out of total US imports of 4,226 tonnes.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the most-active April contract tested an intraday low of Rs. 12455 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures traded sharply upwards to test an intraday high of Rs. 12975. The futures finished with significant gains in final action. April contract traded in the range of Rs. 12455-12975 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. Vietnam crop is likely to fall by 10-20 percent

Bearish:

1. Lacklustre trade in the physical markets

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu, Kerala, Lakshadweep and Nicobar Islands. Mainly dry weather is likely over the rest region. Dry weather conditions are favourable for the pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic is moving upwards and the %K-line has just entered in the overbought region, hinting further uptrend. MACD is also moving upwards, supporting the firmness. 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 firm opening with possibility of some downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	12452	12707	12940	13232	13469

TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 12900 with a target at Rs. 13025 and then Rs. 13100 with a strict stop loss at Rs.12805. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12100	25
	Ungarbled 11500	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur maintained previous position during Wednesday's trade. Prices remained mostly steady owing to presence of demand, both domestic as well as overseas. Domestic chilli production is expected to be 20 percent higher than the year-ago levels. Despite a significant increase in production, its impact was minimal on prices as overseas demand for Indian chillies has improved in recent time. Report of crop failure in China, India's major competitor in chilli export, has increased the export opportunities for Indian chillies.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and the April contract tested an intraday low of Rs. 4551 at the early hours 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. 4814. The futures finished near day's high in final action. April contract traded in the range of Rs. 4551-4814 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Improved demand in the markets
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 registered season high levels

Weather:

Isolated rain/thundershowers are likely over south Tamil Nadu, Kerala, Lakshadweep and Nicobar Islands. Mainly dry weather is likely over the rest region. Dry weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates steady to 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 upwards in the normal region, hinting further uptrend. MACD is also moving upwards in the positive territory. Red chillies 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	4587	4668	4785	4923	5004

TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4750-4775 with a target of Rs. 4825 and then Rs. 4850 with a strict stop loss of Rs. 4700. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 4000-4400	60000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed a firm trend during Wednesday's trade. It was offered at a higher price range in Unjha markets following improved offtake amidst steady arrivals. Concerns of prevailing weather conditions over the major producing regions have supported the prices. Crop arrivals from the fresh harvest are expected to pick up further that may put more pressure on prices. However, production is estimated to have fallen this year owing to reduced acreage under the crop in Gujarat, where farmers shifted to other crops and unfavourable weather conditions in Rajasthan in recent time. Consequently, traders are expecting significant decline in domestic production this year.

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. 12256 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 12444. The futures finished near day's high in final action. April contract traded in the range of Rs. 12256-12444 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 increasing in the market

Weather:

Isolated rain/thundershower is likely over north Rajasthan till 22nd morning and mainly dry weather 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 indecisively in the normal region. 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 as well as open interest has declined as compared to previous settlement. Jeera 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	11980	12161	12408.9	12670	12835

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 12350-12375 with a target of Rs. 12450 and then Rs. 12500 with a strict stop loss of Rs. 12275. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2070-2120	10000
	Ganesh 2120-2170	
	Machine Cleaned 2240-2260	

CARDAMOM

SPOT MARKETS

Cardamom prices remained steady in the Wednesday's auction at CPMC (Kumily) on the back of sagging demand and slight fall in arrivals. Arrivals of 44 tones were all sold in the auction; however the market is still looking for revival of export demand. Average prices stood at Rs 340 a kg, while the MCX grade was traded in the range of Rs 375-385 a kg. Subdued looking overseas demand for cardamom is not letting the prices to go higher. Given the domestic production is sufficient to fulfill the domestic demand, thus prices are not going up at this stage. Once the export demand revives, the prices might find wings to fly on. Further, local traders are not optimistic about the forthcoming crop of cardamom, thanks to prevailing hot conditions in the region. So, it seems the downside potential of the prices is limited, whereas higher prices can be seen only when overseas buyers comes back.

FUTURES MARKETS

MCX Cardamom futures witnessed strong bounce back Wednesday as aggressive buying at lower levels triggered the prices. Most active April contract opened firm at Rs 462 and then the prices never looked back. The contract closed the session at Rs 477.3 after seeing the highs of Rs 479.2. Volumes traded shot up, whereas open interest dipped further.

PRICE DRIVERS

Bearish:

1. Poor demand from stockists
2. Good stock with Guatemala
3. Poor demand on financial year-end

Bullish:

1. Unfavourable weather for the next crop in Kerala
2. Declining arrivals
3. End of harvesting season

WEATHER

Dry and warm weather conditions prevailing over Kerala and Tamil Nadu is not favourable for crop.

TECHNICALS

Candlesticks chart pattern reflects strength coming back to the market. MACD is in turning upward in negative zone, which indicates decreasing bearish momentum. Prices closed above 9 days EMA suggests short-term firmness in the market. Stochastic is also positive in oversold region. The contract is most likely to see movements with positive bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	467	462	489	493

TRADE RECOMMENDATION:

Buy MCX April cardamom above Rs 474 with a target of Rs 485 and then Rs 489 with a strict stops loss at Rs 469. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPMC, Kumily	375-385	40,000

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