

SPICES DAILY

March 27, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets witnessed a firm trend at the start of this week. It was offered in a higher price range in Nizamabad as well as Erode markets as improved offtake has outcast higher arrivals. Andhra Pradesh Markfed's procurement of turmeric from markets reportedly at a higher price range in order to support the farmers, has added to the firmness. Activity was also higher ahead of the long weekend holidays. Meanwhile, turmeric exports during the April-February 2006-07 were higher in quantity as well as value terms over the same period of last fiscal. Turmeric contributed 5 percent of the total export earnings from spices that crossed Rs. 3000 crore mark during this period.

FUTURES MARKETS:

Turmeric futures at NCDEX opened higher as compared to previous settlement and the active May contract tested an intraday low of Rs. 2200 at the opening session of trade. The futures surged up on increased buying interest and tested an intraday high of Rs. 2284 during late hours of trading. The futures finished near day's high in final action. Active May contract traded in the range of Rs. 2200-2284 during Monday'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. Export crossed fiscal year target

Weather:

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

TECHNICALS

Candlesticks pattern indicates firm opening and initial uptrend. Stochastic is moving upwards in the overbought region, hinting further uptrend. MACD is also 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 firm opening with possibility of some downward movements later in the session.

Turmeric 0705(NCTMCK7)2007/03/26 - Daily B:2279.00 A:2281.00
O 2200.00 H 2284.00 L 2200.00 C 2278.00 V 25,190 I 15,940 +79
EMA(9) 2192.4 (18) 2156.1



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2173	2230	2278	2338	2386

TRADE RECOMMENDATION:

Buy NCDEX May Turmeric near Rs. 2275 with a target of Rs. 2300 and then Rs. 2315 with a strict stop loss at Rs. 2255. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1900-2000	10000-12000
	Gattah	1700-1800	
Erode	Finger	2050-2150	25000
	Gattah	2050-2125	

BLACK PEPPER

SPOT MARKETS

Black pepper markets remain bullish at the start of this week. It was quoted higher by Rs. 200 per quintal in Kochi amidst arrivals as well as offtake of 25 MT. Traders reported improved demand, both domestic as well as overseas as the supportive feature for the markets. At present all eyes are on Vietnam, where farmers are reported not in a hurry to sell their produce. Vietnam Pepper Association has already forecasted a 10-20 percent decline in its total production and 10 percent decline in its export volume. This has resulted in an upward push in global export prices of pepper recently. At the domestic front, pepper export has touched 25,500 tonnes worth Rs. 266.90 crore during April-February 2006-07, registering 128 percent rise in quantity and 156 percent rise in value over the fiscal target.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened lower as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 13261 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures surged up to test an intraday high of Rs. 13815 during late hours of trading. The futures finished near day's high in final action. Most-active May contract traded in the range of Rs. 13261-13815 during Monday's trade.

PRICE DRIVERS:

Bullish:

1. Global supplies expected to remain tight
2. India exported 25,500 tonnes pepper during April-February 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 Tamil Nadu, Karnataka and Kerala. 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 firm opening and initial uptrend. Stochastic is moving flat in the overbought region, hinting indecision. MACD is moving upwards in 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 increased as compared to previous settlement. Black pepper 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 May	13191	13456	13801	14179	14446

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 13750-13800 with a target at Rs. 13900 and then Rs. 13950 with a strict stop loss at Rs.13650. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	12600	25
	Ungarbled	12000	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained firm at the start of the week. It was offered in a higher price range as improved buying support has offset increasing arrival pressure. India's chilli export during April-February 2006-07 of current fiscal has increased by 9 percent to 1.12 lakh tonnes valued at Rs. 596.5 crore, up 65 percent over the same period of last fiscal. Export potential of Indian chillies has in turn minimized the bearish impact of 20 percent higher production estimates for this season. 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 active June contract tested an intraday low of Rs. 5237 at the opening session of trade. Buoyed by strong speculative buying, the futures hit 6 percent upper circuit level at the close to test a fresh contract month high of Rs. 5483. Active June contract traded in the range of Rs. 5237-5483 during Monday's trade.

PRICE DRIVERS:

Bullish:

1. Improved demand, both domestic as well as overseas
2. India exported 1.12 lakh tonnes chilli during April-February 2006-07

Bearish:

1. Forthcoming crop is expected good due to higher acreage
2. Crop arrivals increasing in the markets

Weather:

Isolated rain/thundershowers are likely over Tamil Nadu, Karnataka and Kerala. Mainly dry weather is likely over the rest region. Dry 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 flat in the overbought region, hinting indecision. MACD is moving upwards in the positive territory, supporting the firmness in market. Red chillies futures are likely to trade upwards following a firm opening with possibility of some downward movements later in the session.

CHLL334GTR 0706(NCGTRM7)2007/03/26 - Daily B:5483.00 A:5483.00
O 5237.00 H 5483.00 L 5237.00 C 5483.00 V 14,345 I 110,380 +286
EMA(9) 5055.6 (18) 4842.1



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX June	5141	5319	5483	5647	5800

TRADE RECOMMENDATION:

Buy NCDEX June Chilli near Rs. 5475-5500 with a target of Rs. 5550 and then Rs. 5575 with a strict stop loss of Rs. 5425. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334	4000-4700 100000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained stable at the start of this week. It was quoted in an unchanged price range in Unjha markets amidst higher arrivals as well as offtake. Concerns of previous week's weather conditions over the major producing regions and its impact on the standing crop have supported the prices to a greater extent. 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 in Gujarat and unfavourable weather conditions in Rajasthan in recent time. Jeera exports have increased by 154 percent in quantity at 24,250 tonnes worth Rs. 185.80 crore, up 158 percent in value during April-February 2006-07.

FUTURES MARKETS:

Jeera futures at the NCDEX opened lower as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 12736 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 13030. The futures finished near day's high in final action. Most-active May contract traded in the range of Rs. 12736-13030 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 24,250 tonnes of jeera during April-February 2006-07

Bearish:

1. Arrivals increasing in the market

Weather:

Mainly dry weather is likely over the 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 and the %K-line has entered in the overbought region, hinting further uptrend. MACD is moving indecisively 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 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 May	12636	12830	13025	13224	13418

TRADE RECOMMENDATION:

Buy NCDEX May Jeera near Rs. 13000 with a target of Rs. 13075 and then Rs. 13100 with a strict stop loss of Rs. 12950. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2110-2160	16000
	Ganesh 2160-2210	
	Machine Cleaned 2280-2300	

CARDAMOM

SPOT MARKETS

Cardamom traded at nearly steady prices at CPA'S Bodinayakannur auction. The arrivals continued to decrease as picking of the crop came to an end. Average prices stood at Rs 350 per kg. Export demand for the commodity is sporadic these days. Overseas buyers bargaining power on account of healthy supply position in Guatemala, where cardamom is available at discount to Indian prices. However, the Indian cardamom's better in terms of quality that is beneficial to keep its demand intact despite slightly higher prices. Local traders expect the prices to hold slightly firm and downside potential is likely to be minimal from these levels, especially looking at the gloomy outlook for the coming crop.

FUTURES MARKETS

MCX Cardamom futures traded mostly firm during the day. Most active April futures contract opened slightly lower than previous days close and thereafter traded in a positive mood. The contract started Re 0.50 less at Rs 480 per Kg as against weekend's close of Rs 480.5 per Kg. The prices thereafter traded in the band of Rs 480 - 488.5 a Kg and the trading for the day culminated at Rs 485.2. Volumes traded during the day increased when compared with that of Saturday's.

PRICE DRIVERS

Bearish:

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

Bullish:

1. Declining arrivals
2. Poor weather for next crop

WEATHER

Isolated rain/thundershowers are likely over Tamil Nadu, Karnataka and Kerala, which may help in the growth of crop.

TECHNICALS

Cardamoms chart is displaying a short-term recovery of prices. Candlesticks chart formation is reflecting bullish sentiments. The prices closed above short-term EMA's and MACD is in rising in negative zone indicating decreasing bearish momentum. Stochastic Oscillator is rising in oversold region. The contract is most likely to see volatile movement of prices.

CARDAMOM 0704(MXCAMJ7)2007/03/26 - Daily B:484.60 A:485.80
O 480.00 H 488.50 L 480.00 C 485.20 V 1,403 T 64,284 I 4,067 +4
EMA(9) 477.86 (18) 480.72



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	479	472	490	496

TRADE RECOMMENDATION:

BUY MCX April cardamom above Rs 482 with a target of Rs 487 and then Rs 490 with a strict stops loss at Rs 479. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPA (Bodinayakannur)	375-385	9000

Disclaimer

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