

SPICES DAILY

March 28, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average stable during Tuesday's trade. It was offered in an unchanged price range in Erode markets amidst mostly steady arrivals as well as offtake. Nizamabad markets remained closed on Tuesday. Andhra Pradesh Markfed's procurement of turmeric from markets reportedly at a higher price range in order to support the farmers has provided some element of stability in the markets. 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. 2270 at the early hours of trade. The futures surged up on increased buying interest and tested a fresh contract month high of Rs. 2330. The futures settled with significant gains after paring some of the advances in late action. Active May contract traded in the range of Rs. 2270-2330 during Tuesday'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 south 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 steady to 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 as well as open interest has increased as compared to previous settlement. Turmeric futures are likely to trade upwards following a steady to firm opening. However, a downward technical correction is expected soon.

Turmeric 0705(NCTMCK7)2007/03/27 - Daily B:2293.00 A:2304.00
O 2285.00 H 2330.00 L 2270.00 C 2301.00 V 32,730 I 16,320 +23
EMA(9) 2213.9 (18) 2170.9



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2230	2270	2301	2350	2390

TRADE RECOMMENDATION:

Buy NCDEX May Turmeric near Rs. 2290 with a target of Rs. 2315 and then Rs. 2320 with a strict stop loss at Rs. 2275. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2050-2150	25000
	Gattah	2050-2125	

BLACK PEPPER

SPOT MARKETS

Black pepper markets extended previous firmness further on Tuesday. It was quoted sharply higher by Rs. 400 per quintal in Kochi amidst arrivals as well as offtake of 30 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 higher as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 13772 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. 14190. Late profit taking curbed some of the advances, but the futures finished in positive territory. Most-active May contract traded in the range of Rs. 13772-14190 during Tuesday'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. Profit taking likely at higher price levels

Weather:

Isolated rain/thundershowers are likely over south 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 steady to 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 steady to firm opening. However, a downward technical correction is expected soon.

Pepper 0705(NCPEPK7)2007/03/27 - Daily B:13925.00 A:13930.00
O 13834.00 H 14190.00 L 13772.00 C 13925.00 V 27,538 I 13,507 +124
EMA(9) 13391 (18) 13152



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	13316	13544	13925	14340	14570

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 13850-13875 with a target at Rs. 14000 and then Rs. 14050 with a strict stop loss at Rs.13750. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	13000	30
	Ungarbled	12400	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed on Tuesday. For the past couple of days, 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. 5450 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. 5698. The futures finished with significant gains in final action. Active June contract traded in the range of Rs. 5450-5698 during Tuesday'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 south 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 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 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 steady to firm opening with possibility of some downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX June	5346	5490	5635	5842	5986

TRADE RECOMMENDATION:

Buy NCDEX June Chilli near Rs. 5575-5600 with a target of Rs. 5650 and then Rs. 5675 with a strict stop loss of Rs. 5525. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed a firm trend during Tuesday's trade. It was offered at a higher price range amidst reduced arrivals ahead of long holidays. 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 higher as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 13036 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 13315. The futures finished with significant gains after paring some of the advances in final action. Most-active May contract traded in the range of Rs. 13036-13315 during Tuesday'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 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	12910	13065	13219	13469	13623

TRADE RECOMMENDATION:

Buy NCDEX May Jeera near Rs. 13200 with a target of Rs. 13275 and then Rs. 13300 with a strict stop loss of Rs. 13150. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2150-2200	8000-9000
	Ganesh 2200-2250	
	Machine Cleaned 2320-2340	

CARDAMOM

SPOT MARKETS

Cardamom is trading at nearly similar prices at most of the auction centers these days. The arrivals of cardamom are declining as harvesting of crop has come to an end. The average price of cardamom is Rs 350 per kg. Overseas buyers bargaining power is good on account of healthy supply position in Guatemala, where cardamom is available at discount to Indian prices. The export demand for the commodity is thin however, as Indian cardamom is better in terms of quality therefore the local traders are expecting the prices to hold slightly firm. The market may not see any major declines from current levels especially looking at the gloomy outlook for the coming crop.

FUTURES MARKETS

MCX Cardamom futures traded volatile during Tuesday's session. Most active April futures contract opened higher than previous days close and thereafter continued to advance and finally ended weak. The contract started Re 1.10 up at Rs 486 per Kg as against Monday's close of Rs 484.90 a Kg. The prices thereafter traded in the band of Rs 486- 490 a Kg. However prices failed to sustain higher levels and trading for the day finally culminated in red at Rs 483.1. Volumes traded during the day increased when compared to that of Monday.

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 South Tamil Nadu, Karnataka and Kerala, which may help in the growth of crop.

TECHNICALS

Cardamoms chart is displaying a short-term recovery in prices. Candlesticks chart formation is reflecting bearish sentiments. The prices closed above short-term averages and MACD is in rising in negative zone indicating decreasing bearish momentum. Stochastic Oscillator is about to make a bearish crossover with its signal line in the oversold region. The contract is most likely to see volatile movement of prices with slightly weak bias during the day.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	479	472	490	496

TRADE RECOMMENDATION:

SELL MCX April cardamom below Rs 485 with a target of Rs 479 and then Rs 476 with a strict stops loss at Rs 489. Trade cautiously with intra-day outlook.

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

Disclaimer

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