

SPICES DAILY

March 16, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets remained on an average stable during Thursday's trade. Mostly steady arrivals in Nizamabad as well as Erode kept the prices hovering in a narrow range. Meanwhile, news of AP Markfed likely to procure 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 the future trend in the markets.

FUTURES MARKETS:

Turmeric futures at NCDEX opened marginally higher as compared to previous settlement and most-active April contract tested an intraday low of Rs. 2059 at the opening session of trade. Buoyed by strong speculative buying interest on the news that AP Markfed would procure turmeric from markets, futures breached 4 percent upper circuit level. The April contract tested an intraday high of Rs. 2170 and finished near day's high in final action. April contract traded in the range of Rs. 2059-2170 during Thursday's trade.

PRICE DRIVERS:

Bearish:

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

Bullish:

1. News of AP Markfed to procure 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 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 firm opening and initial uptrend. Stochastic is moving upwards 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 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 upwards following a firm opening with possibility of some downward movements later in the session.

Turmeric 0704(NCTMCJ7)2007/03/15 - Daily B:2166.00 A:2168.00
O 2066.00 H 2169.00 L 2059.00 C 2166.00 V 53,370 I 20,890 +101
EMA(9) 2071.4 (18) 2057.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2087	2121	2166	2211	2245

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2150-2160 with a target of Rs. 2200 and then Rs. 2210 with a strict stop loss at Rs. 2125. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1850-1950	7000
	Gattah 1750-1825	
Erode	Finger 2000-2100	15000
	Gattah 2000-2050	

BLACK PEPPER

SPOT MARKETS

Domestic black pepper markets witnessed a firm trend during Thursday's trade. It was offered at a higher price in Kochi markets amidst arrivals as well as offtake of 30 MT. There was no significant development in its fundamental aspects. 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 would hit the market most likely during late March to early April. According to the Vietnam Pepper Association, total pepper output in this country could fall by 10-20 percent and consequently black pepper exports may decline by 10 percent. Traders reported some overseas enquiry for future shipments.

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. 11995 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 12392. The futures finished with significant gains in final action. April contract traded in the range of Rs. 11995-12392 during Thursday'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
4. 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 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 slightly upwards in the normal region, hinting further uptrend. MACD is also moving upwards in the negative territory, supporting the firmness. Prices closed above the 9-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 with possibility of some downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11806	12067	12345	12678	12923

TRADE RECOMMENDATION:

Buy NCDEX April Pepper near Rs. 12275-12300 with a target at Rs. 12400 and then Rs. 12475 with a strict stop loss at Rs.12175. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 11800	30
	Ungarbled 11200	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained on an average stable during Thursday's trade. It was quoted unchanged amidst higher arrivals as well as offtake in the markets. Presence of some demand, both domestic as well as overseas, was the only supportive feature for the markets. Fresh crop arrivals are expected to gain further pace during coming couple of weeks and consequently would put more 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, red chilli 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. 4375 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 4537 only to retreat again. The futures finished with some gains in final action. April contract traded in the range of Rs. 4375-4537 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Moderate 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 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 has declined, while 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 slightly upwards in the normal region, hinting further uptrend. MACD is moving downwards 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	4301	4371	4462	4585	4655

TRADE RECOMMENDATION:

Buy NCDEX April Chilli near Rs. 4425-4450 with a target of Rs. 4500 and then Rs. 4525 with a strict stop loss of Rs. 4375. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4000-4300	75000-80000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed a stable trend during Thursday's trade. It was quoted on an average unchanged in Unjha markets amidst lower arrivals as well as offtake. Forecast of dry weather over the major producing regions had a bearish impact on the markets. Crop arrivals from the fresh harvest are expected to pick up further during coming few weeks that may put some pressure on prices. However, production is estimated to have fallen this year owing to reduced acreage under the crop and unfavourable weather conditions. Consequently, traders are expecting significant decline in domestic production this year.

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. 11840 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 12189. The futures finished near day's high and registered significant gains in final action. April contract traded in the range of Rs. 11840-12189 during Thursday'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
2. Moderate buying support at the spot markets

Weather:

Mainly dry weather is likely over the region. Rise in both day & night temperatures by 2-3°C likely over Rajasthan and Gujarat. 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 downwards and the %K-line has just entered 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 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 movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	11470	11766	12170	12523	12786

TRADE RECOMMENDATION:

Buy NCDEX April Jeera near Rs. 12125-12150 with a target of Rs. 12225 and then Rs. 12275 with a strict stop loss of Rs. 12050. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2030-2080	14000-15000
	Ganesh 2080-2130	
	Machine Cleaned 2200-2215	

CARDAMOM

SPOT MARKETS

Cardamom prices improved marginally at the Thursday's auction at STCL, Bodinayakannur. Near end of harvesting season and some export buying pressurized the prices on higher side during auction. Further, adverse weather conditions prevailing in Kerala region are also adding to the firmness. The total arrivals stood at 32 tonnes; however farmers withdrew nearly 2 tonnes in anticipation of further increase in prices in coming month. Average prices stood at Rs 360 a kg, while the MCX grade was traded in the range of Rs 395-400 a kg. Exporter bought nearly 6 tonnes to cater Saudi market. However, the major spot markets like Mumbai, Delhi and continues to rule steady amidst sluggish demand and low buying interest among stockists at higher levels.

FUTURES MARKETS

MCX Cardamom futures witnessed weak sentiments Thursday. The futures tried to recoup the earlier losses but failed to maintain the higher levels and closed with marginal losses. Most active April contract opened steady at Rs 479. Increased buying interest pushed the futures to the highs of Rs 482.5 initially, only to retreat to the lows of Rs 473 before finally closing the session at Rs 475. Volumes traded remained steady, whereas open interest dipped marginally.

PRICE DRIVERS

Bearish:

1. Guatemala's optimum carryover stock
2. Sluggish domestic demand
3. No fresh overseas demand

Bullish:

1. Near drought situation in Kerala
2. Declining stocks
3. End of harvesting season
4. Increase in Guatemalan prices

WEATHER

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

TECHNICALS

Candlesticks chart pattern reflects bearish sentiments. MACD is in positive region and moving downwards which indicates increasing bearish sentiments. Prices closed below both the 9 days EMA and 18 days EMA. Stochastic has made bearish crossover in neutral region. The contract is most likely to trade downward following a steady to slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	462	458	480	485

TRADE RECOMMENDATION:

SELL MCX March cardamom below Rs 475 with a target of Rs 467 and then Rs 462 with a strict stops loss at Rs 480. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
STCL, Bodinayakannur	395-400	32,000

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