

SPICES DAILY

April 04, 2007

TURMERIC

SPOT MARKETS:

Turmeric markets in Nizamabad as well as Erode remained closed on extended holidays of financial year-end. In the last few trading days, turmeric traded mostly rangebound amidst reduced trading activities. 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 most active May contract tested an intraday high of Rs. 2328 at the early hours of trade. The futures traded sharply downwards thereafter on increased selling interest and tested an intraday low of Rs. 2213. The futures finished with significant losses in final action. Most active May contract traded in the range of Rs. 2213-2328 during Tuesday's trade.

PRICE DRIVERS:

Bearish:

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

Bullish:

1. AP Markfed procuring turmeric from markets
2. Export crossed fiscal year target in quantity as well as value terms

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 steady to weak opening and initial downtrend. Stochastic is moving downwards and the %K-line has just entered in the neutral region, hinting further downtrend. MACD is moving downwards after a bearish crossover in the positive territory, supporting the weakness. Prices closed below the 9-day EMA, hinting short-term weakness. Volume as well as open interest has increased as compared to previous settlement, strengthening the downtrend. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements early in the session.

Turmeric 0705(NCTMCK7)2007/04/03 - Daily B:2241.00 A:2243.00
O 2306.00 H 2326.00 L 2213.00 C 2242.00 V 56,560 I 25,340 -55
EMA(9) 2279.5 (18) 2237.9



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2150	2184	2242	2281	2317

TRADE RECOMMENDATION:

Sell NCDEX May Turmeric near Rs. 2250 with a target of Rs. 2210 and then Rs. 2190 with a strict stop loss at Rs. 2280. Trade cautiously with intraday outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper markets remained stable during Tuesday's trade. It was offered in an unchanged price range in Kochi amidst arrivals as well as offtake of 28 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 harvesting is now in the peak. However, Vietnamese farmers are reported not in a hurry to sell their produce unless prices match their expectations. Demand continues to offset new crop supplies and prices increases daily. Vietnam Pepper Association has already forecasted a 10-20 percent decline in its total production. This has resulted in an upward push in global export prices of pepper recently.

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. 14230 at the early hours of trade. The futures traded upwards thereafter on increased buying interest at lower price levels and tested an intraday high of Rs. 14441. However, the futures finished in negative territory in final action. Most-active May contract traded in the range of Rs. 14230-14441 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
4. Vietnam farmers not in a hurry to sell their produce

Bearish:

1. Profit taking likely at higher price 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 pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic is moving flat in the overbought region, hinting indecision. MACD is about to make a bearish crossover in 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. Black pepper futures are likely to trade moderately downwards following a steady to weak opening initially and upwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	14046	14203	14310	14627	14800

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 14250 with a target at Rs. 14350 and then Rs. 14400 with a strict stop loss at Rs. 14175. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	13500	28
	Ungarbled	12900	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur maintained previous firmness during Tuesday's trade. It was quoted in an unchanged price range amidst reduced arrivals in the markets. 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 as compared to previous settlement and the most active June contract tested an intraday high of Rs. 5737 at the early hours of trade. Increased selling interest pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 5601, only to recover back again. The futures finished with some gains in late action. Most active June contract traded in the range of Rs. 5601-5737 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, 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 flat in the overbought region, hinting indecision. MACD has made a bearish crossover in the positive territory, supporting the weakness. 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	5450	5547	5675	5849	5937

TRADE RECOMMENDATION:

Buy NCDEX June Chilli near Rs. 5625-5650 with a target of Rs. 5725 and then Rs. 5775 with a strict stop loss of Rs. 5550. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334	4300-5000 80000-90000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets remained firm during Tuesday's trade. It was offered in a higher price range as compared to previous day. Higher demand amidst reduced arrivals supported the prices. Concerns of the output this year after the recent adverse weather conditions over the major producing regions continue to remain as a major supportive feature for the markets. Production is projected lower this year owing to lower acreage in Gujarat and adverse weather conditions in Rajasthan. Meanwhile, 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 high of Rs. 13374 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 13152. The futures finished in negative territory in final action. Most-active May contract traded in the range of Rs. 13152-13374 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
2. Profit taking at higher price levels

Weather:

Mainly dry weather is likely over the region. Rise in day temperatures by 2-3°C. Dry weather is favourable at this stage of the crop.

TECHNICALS

Candlestick pattern is indicating steady to weak opening and initial downtrend. Stochastic is moving downwards and the %K-line has just entered in the neutral region, hinting further downtrend. MACD is moving downwards in the positive territory, supporting the weakness. Prices closed above the 9-day as well as 18-day EMA. Volume has declined, while open interest has increased as compared to previous settlement. Jeera futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	12856	13000	13220	13479	13600

TRADE RECOMMENDATION:

Sell NCDEX May Jeera near Rs. 13250-13275 with a target of Rs. 13175 and then Rs. 13125 with a strict stop loss of Rs. 13350. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	2320-2370
	Ganesh	2520-2620
	Machine Cleaned	2620-2720

CARDAMOM

SPOT MARKETS

Cardamom prices eased slightly in Tuesday's auction at HSPL (Nedukandum) on the back of sluggish demand. Average prices stood at Rs 350 a kg. Arrivals of 18 tonnes were all sold. Recent scattered rains in some patches of Kerala were beneficial for the crop, however the drizzles were not sufficient for the thirsty crop. Long dry spell of weather is concerning for the forth coming crop as production is feared to fall in major producing state Kerala. Even sowing of the crop in next season would get delayed on account of poor soil moisture conditions. Arrivals are shrinking with time as harvesting is now over. However, as the export demand has not picked up yet, the prices are not getting much support from this end. The overseas buyers might come in the market after some easing in the prices. The long-term prospects for cardamom however are still bullish.

FUTURES MARKETS

MCX Cardamom futures showed volatile movements Tuesday. Most active April contract opened slightly firm at Rs 471.9 levels. The prices then dipped to the lows of Rs 459.8 continuing its weakness of previous session. Buying support at lower levels then took the prices to the highs of Rs 471.9 before the session close at Rs 467.6 a kg. Volumes traded and open interest both dipped during the session.

PRICE DRIVERS

Bearish: 1. Good stock with Guatemala
2. Export demand still to pick up

Bullish:
1. Poor arrivals of good quality cardamom
2. Poor weather for next crop
3. Poor production expected in Kerala

WEATHER

Some scattered rains expected in Kerala and South Tamil Nadu would be beneficial for the cardamom crop there.

TECHNICALS

Cardamom charts are showing weakness in the market. The prices closed below short term EMAs, indicating bearish sentiments in the market. MACD is in running downward in negative zone, which indicates increasing bearish momentum. Stochastic is also negative in neutral region. The contract is most likely to see some initial firmness and then prices might ease down.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX April	453.5	449	477	484

TRADE RECOMMENDATION:

Sell MCX April cardamom below Rs 472 with a target of Rs 462 and then Rs 458 with a strict stops loss at Rs 478. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPMC, Kumily	415-425	26,000

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