

SPICES DAILY

April 05, 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 low of Rs. 2206 at the early hours of trade. Increased buying support at the lower price levels supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2269. The futures finished in positive territory in final action. Most active May contract traded in the range of Rs. 2206-2269 during Wednesday'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 Coastal Andhra Pradesh. 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 downwards in the neutral region, hinting further downtrend. MACD is also moving downwards in the positive territory, supporting the weakness. Prices closed above the 18-day EMA, hinting short-term firmness. Volume has declined, while open interest has increased as compared to previous settlement. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of downward movements later in the session.

Turmeric 0705(NCTMCK7)2007/04/04 - Daily B:2255.00 A:2257.00
O 2223.00 H 2269.00 L 2206.00 C 2254.00 V 43,640 I 27,670 +12
EMA(9) 2274.4 (18) 2239.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2180	2217	2254	2306	2343

TRADE RECOMMENDATION:

Buy NCDEX May Turmeric near Rs. 2230-2240 with a target of Rs. 2270 and then Rs. 2280 with a strict stop loss at Rs. 2205. 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 witnessed a highly bullish trend during Wednesday's trade. It was quoted higher by Rs. 400 per quintal in Kochi. 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. 14231 at the early hours of trade. The futures traded sharply upwards thereafter on increased buying interest and breached 4 percent upper circuit level to test a fresh contract month high of Rs. 14917. Most-active May contract traded in the range of Rs. 14231-14917 during Wednesday'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 Coastal Andhra Pradesh. 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 open interest has increased 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.

Pepper 0705(NCPEPK7)2007/04/04 - Daily B:14885.00 A:14890.00
O 14330.00 H 14915.00 L 14232.00 C 14885.00 V 29,892 I 15,456 +575
EMA(9) 14194 (18) 13801



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	13991	14438	14885	15363	15810

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 14850-14875 with a target at Rs. 14950 and then Rs. 15000 with a strict stop loss at Rs. 14775. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 13900	175
	Ungarbled 13300	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained firm during Wednesday's trade. It was quoted in a higher price range amidst steady arrivals as well as offtake 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 low of Rs. 5645 at the early hours of trade. The futures surged up on increased buying interest and hit 6 percent upper circuit level to test an intraday high of Rs. 5981. The futures finished near day's high in final action. Most active June contract traded in the range of Rs. 5645-5981 during Wednesday'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 Coastal Andhra Pradesh. 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 indecisively in the positive territory. Red chillies 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 June	5527	5746	5965	6199	6418

TRADE RECOMMENDATION:

Buy NCDEX June Chilli near Rs. 5950 with a target of Rs. 6025 and then Rs. 6050 with a strict stop loss of Rs. 5900. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 4400-5100	80000-90000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets extended previous advances further during Wednesday's trade. It was quoted in a higher price range amidst higher arrivals as well as offtake. 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 lower as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 13141 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 13611. The futures finished with significant gains. Most-active May contract traded in the range of Rs. 13141-13611 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 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. Gradual rise in day temperatures. 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 in the neutral region, hinting further downtrend. MACD is moving indecisively in the positive territory. Prices closed above the 9-day as well as 18-day EMA, supporting the firmness. 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 downward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	12949	13227	13505	13889	14167

TRADE RECOMMENDATION:

Buy NCDEX May Jeera near Rs. 13475-13500 with a target of Rs. 13575 and then Rs. 13625 with a strict stop loss of Rs. 13400. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	2340-2390
	Ganesh	2540-2640
	Machine Cleaned	2640-2740
		9000

CARDAMOM

SPOT MARKETS

Cardamom prices remained steady in auction at CPMC Kumily Wednesday. The average prices remained steady at Rs 350 a kg as compared to Tuesday's auction at HSPL (Nedukandum). However, the prices were higher by Rs 15 as compared to last week. The highest price fetched in Wednesday's auction was Rs 518. The prices for 7 mm grade cardamom ranged between Rs 440-460 depending upon the quality. Arrivals of 54 tonnes were all sold. Weather still remains concerning in Kerala and is likely to affect the production of the next crop. Even sowing of the crop in next season would get delayed on account of poor soil moisture conditions. The overseas buyers might come in the market after some easing in the prices. The prices also got support from some export demand. About 5-8 tonnes of cardamom were exported as per market sources.

FUTURES MARKETS

MCX Cardamom futures showed movements with positive bias Wednesday. Most active April contract opened slightly weak at Rs 467 levels. The prices then dipped to the lows of Rs 465.7. Buying support at lower levels then took the prices to the highs of Rs 476.5 before the session close at Rs 474.50 a kg. Volumes traded and open interest both increased 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 giving mixed signals at this stage. 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	464	460	482	484

TRADE RECOMMENDATION:

BUY MCX April cardamom above Rs 470 with a target of Rs 478 and then Rs 481 with a strict stops loss at Rs 465. Trade cautiously with intra-day outlook.

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

Disclaimer

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