

## SPICES DAILY

April 09, 2007

### TURMERIC

#### SPOT MARKETS:

Domestic turmeric markets maintained previous steadiness during Saturday's trade. It was quoted in an unchanged price range in Nizamabad amidst reduced arrivals as well as offtake. Erode markets remained closed on week-long holidays. There were no significant changes in its fundamental side in the recent time apart from the direct purchase by Andhra Pradesh Markfed, reportedly at a higher price range. This has provided some element of stability in the markets, though the impact is already factored in. Turmeric prices are likely to witness some weakness in the days ahead.

#### FUTURES MARKETS:

Turmeric futures at NCDEX started the session with a firm note and tested an intraday high of Rs. 2306 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 2264 during late hours of trading. The futures finished near day's low in final action. Most active May contract traded in the range of Rs. 2264-2306 during Saturday'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 Coastal Andhra Pradesh, Coastal Karnataka, south Tamil Nadu, Kerala, Lakshadweep and Nicobar Island. 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 in the neutral region, hinting further downtrend. MACD is also moving downwards in the positive territory. Prices closed above the 9-day as well as 18-day EMA, hinting short-term firmness. Turmeric 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	2210	2230	2266	2300	2320

#### TRADE RECOMMENDATION:

Sell NCDEX May Turmeric near Rs. 2275 with a target of Rs. 2250 and then Rs. 2225 with a strict stop loss at Rs. 2295. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2000	5000
	Gattah	1850	
Erode	Finger	Closed	-
	Gattah	Closed	

## BLACK PEPPER

### SPOT MARKETS

Domestic black pepper markets witnessed a highly bullish trend at the weekend. It was offered in a higher price range amidst arrivals as well as offtake of Rs. 25 MT. Apart from tight domestic supply situation, recent trend in global pepper markets in general and Vietnam in particular can be attributed to the sharp rise in domestic quotes. Vietnam's harvest is at its peak, yet no sign of selling pressure was visible. The cost of raw materials is reported higher and farmers in no hurry to sell their produce at any price lower than their expectations. However, buyers preferred to wait and watch for the prices to cool down. A recent statement by the Chairman of Brazilian Pepper Exporters Association that pepper prices may possibly rise up to USD 5,000, also added to the spiraling prices.

### FUTURES MARKETS:

Black pepper futures at the NCDEX opened firm and extended previous advances further to test an intraday high of Rs. 15931 at the early hours of trade. Profit taking capped further advances and the futures slide to test an intraday low of Rs. 15575. The futures pared some of the losses thereafter only to finish in negative territory. Most-active May contract traded in the range of Rs. 15575-15931 during Saturday'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:

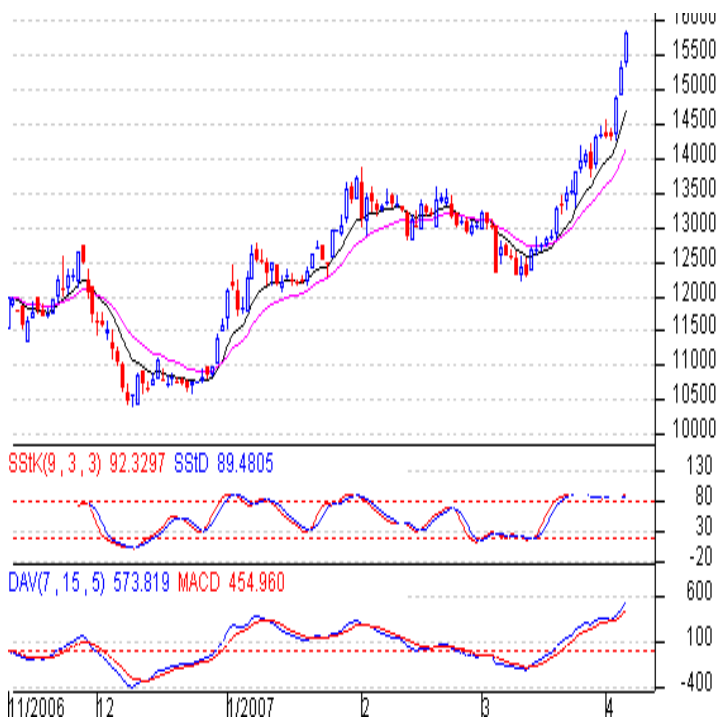
1. Profit taking likely at higher price levels

### Weather:

Isolated rain/thundershowers are likely over Coastal Andhra Pradesh, Coastal Karnataka, south Tamil Nadu, Kerala, Lakshadweep and Nicobar Island. Mainly dry weather is likely over the rest region. Dry weather conditions are favourable for the crop.

### TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic is moving upwards in the overbought region, hinting further uptrend. MACD is also moving upwards in positive territory, supporting the firmness. Black pepper futures are likely to trade moderately downwards following a steady to weak opening and upwards thereafter.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	15000	15380	15725	16075	16450

### TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 15600 with a target at Rs. 15800 and then Rs. 15900 with a strict stop loss at Rs. 15450. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	13900	25
	Ungarbled	14500	

## RED CHILLIES

### SPOT MARKETS

Domestic red chillies markets in Guntur remained closed on Saturday. Recently, it was offered in a higher price range amidst improved demand. Traders reported presence of overseas demand as the major supportive feature for the prices. 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. Amidst such circumstances, chilli markets are expected to remain firm.

### 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. 6209 at the early hours of trade. The futures traded downwards thereafter on profit taking and tested an intraday low of Rs. 6050. The futures finished with hefty gains in final action. Most active June contract traded in the range of Rs. 6050-6209 during Saturday'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 Coastal Andhra Pradesh, Coastal Karnataka, south Tamil Nadu, Kerala, Lakshadweep and Nicobar Island. Mainly dry weather is likely over the rest region. Mainly dry weather is likely over the rest region. Dry weather conditions are favourable for the crop.

### TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic is moving flat in the overbought region, hinting indecision. MACD is moving upwards in the positive territory, supporting the firmness. Red chillies 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 June	5875	5950	6118	6250	6325

### TRADE RECOMMENDATION:

Sell NCDEX June Chilli near Rs. 6175 with a target of Rs. 6100 and then Rs. 6075 with a strict stop loss of Rs. 6225. 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 some weakness at the weekend. It was offered in a lower price range amidst higher arrivals in the markets. Concerns of crop output in this year continue to remain as 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. Jeera markets are expected to show some weakness on likely increasing arrivals.

### 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. 14074 at the early hours of trade. The futures traded downward thereafter on increased selling interest and tested an intraday low of Rs. 13837. The futures finished in negative territory in late action. Most-active May contract traded in the range of Rs. 13837-14074 during Saturday'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:

Isolated rain/thundershowers are likely over south Konkan & Goa and north Rajasthan during next 24 hours and mainly dry weather thereafter. Mainly dry weather is likely over the rest region. Heat Wave conditions are likely to continue of over some parts Gujarat and northwest Maharashtra during next 48 hours. 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 upwards in the overbought region, hinting further uptrend. MACD is moving upwards in the positive territory, supporting the firmness. Prices closed above the 9-day as well as 18-day EMA, supporting the firmness. 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	13500	13600	13893.9	14050	14150

### TRADE RECOMMENDATION:

Sell NCDEX May Jeera near Rs. 13900-13950 with a target of Rs. 13850 and then Rs. 13800 with a strict stop loss of Rs. 14025. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2300-2360	12000
	Ganesh 2530-2630	
	Machine Cleaned 2630-2730	

## CARDAMOM

### SPOT MARKETS

There was no auction Saturday on account of year-end closing. The auctions will start from Monday. The prices surged recently on account of extended drought conditions in Kerala, which is likely to hamper the prospects of the crop. Some scattered rains expected in Kerala however are likely to benefit the cardamom crop there. Traders are expecting tight supply position in the commodity in the coming time. Farmers are also likely to hold their produce in anticipation of further hike in the prices, especially after recent bounce in the prices. However, if the crop gets sufficient rains the prices might cool off a bit. The long-term prospects for cardamom however are still bullish.

### FUTURES MARKETS

MCX Cardamom futures traded bearish on the last trading day of the week. Most active May contract opened slightly firm at Rs 516 and then it surged to the highs of Rs 517.3. However, the prices couldn't sustain the higher levels for long and came down to see the lows of Rs 509.5 before finally closing the session at Rs 511.5 a kg. Volumes traded and open interest both increased slightly during the session.

### PRICE DRIVERS

**Bearish:**

1. Scattered rains expected in growing regions
2. Export demand still to pick up

**Bullish:**

1. Healthy domestic demand
2. Supply to tighten ahead in off season
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 bearish signals. 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 trade with bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX May	504	500	520	525

### TRADE RECOMMENDATION:

SELL MCX May cardamom below Rs 515 with a target of Rs 507 and then Rs 504 with a strict stops loss at Rs 520. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
Vandanmedu (Mass Enterprises)	NA	NIL

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
 © 2005 Indian Agribusiness Systems Pvt Ltd.