

SPICES DAILY

April 03, 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. 2360 at the opening session of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 2288. The futures finished with significant losses in final action. Most active May contract traded in the range of Rs. 2288-2360 during Monday'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 Lakshadweep. 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 overbought region, hinting downward technical correction. MACD has made a bearish crossover in the positive territory, supporting the weakness. Prices closed above the 9-day as well as 18-day EMA. 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 later in the session.

Turmeric 0705(NCTMCK7)2007/04/02 - Daily B:2295.00 A:2296.00
O 2348.00 H 2360.00 L 2288.00 C 2296.00 V 25,220 I 22,370 -41
EMA(9) 2289.3 (18) 2237.9



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2209	2240	2296	2348	2381

TRADE RECOMMENDATION:

Sell NCDEX May Turmeric near Rs. 2300 with a target of Rs. 2275 and then Rs. 2260 with a strict stop loss at Rs. 2320. 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 firm trend at the start of this week. It was quoted higher by Rs. 200 per quintal in Kochi amidst arrivals as well as offtake of 7 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 high of Rs. 14549 at the early hours of trade. The futures traded downwards thereafter to test an intraday low of Rs. 14286. The futures pared the losses and managed to finish in positive territory in final action. Most-active May contract traded in the range of Rs. 14286-14549 during Monday'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 Lakshadweep. 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 uptrend. Stochastic is moving slightly downwards in the overbought region, hinting downward technical correction. 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 downwards following a steady to weak opening with possibility of some early upward movements.

Pepper 0705(NCPEPK7)2007/04/02 - Daily B:14343.00 A:14349.00
O 14380.00 H 14549.00 L 14287.00 C 14343.00 V 20,773 I 14,650 -7
EMA(9) 13957 (18) 13604



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	13896	14085	14343	14612	14800

TRADE RECOMMENDATION:

Sell NCDEX May Pepper near Rs. 14350-14375 with a target at Rs. 14300 and then Rs. 14275 with a strict stop loss at Rs. 14425. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 13500	7
	Ungarbled 12900	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets in Guntur remained firm during Monday's trading. 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 as compared to previous settlement and the most active June contract tested an intraday high of Rs. 5840 at the early hours of trade. Profit taking capped further advances and the futures traded sharply downwards to test an intraday low of Rs. 5612. The futures finished with significant losses in final action. Most active June contract traded in the range of Rs. 5612-5840 during Monday'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 Lakshadweep. 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 weak opening and initial downtrend. Volume as well as open interest has increased as compared to previous settlement, strengthening the downtrend. 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 downwards following a steady to weak opening with possibility of some upward movements later in the session.

CHLL334GTR 0706(NCGTRM7)2007/04/02 - Daily B:5635.00 A:5640.00
O 5778.00 H 5840.00 L 5615.00 C 5635.00 V 16,100 I 9,650 -83
EMA(9) 5498.9 (18) 5237.4



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX June	5303	5450	5635	5849	5995

TRADE RECOMMENDATION:

Sell NCDEX June Chilli near Rs. 5650-5675 with a target of Rs. 5560 and then Rs. 5525 with a strict stop loss of Rs. 5750. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334	4300-5000 150000

JEERA (Cumin)

SPOT MARKETS

Domestic jeera markets witnessed a firm trend at the start of this week. It was offered in a higher price range as compared to previous trading days. 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. 13425 at the early hours of trade. The futures traded downwards thereafter on increased selling interest and tested an intraday low of Rs. 13230. The futures finished in negative territory in final action. Most-active May contract traded in the range of Rs. 13230-13425 during Monday'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. Fall in day temperatures is likely 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 in the overbought region, hinting downward technical correction. MACD is moving slightly downwards in the positive territory, supporting the weakness. Prices closed above the 9-day as well as 18-day EMA. Volume as well as 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	12874	13021	13261	13479	13607

TRADE RECOMMENDATION:

Sell NCDEX May Jeera near Rs. 13280-13300 with a target of Rs. 13200 and then Rs. 13150 with a strict stop loss of Rs. 13375. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	2300-2350
	Ganesh	2500-2600
	Machine Cleaned	2600-2700

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