

SPICES DAILY

April 07, 2007

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remained quiet during Friday's trade. It was offered in an unchanged price range in Nizamabad owing to steady 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 opened lower as compared to previous settlement and the most active May contract tested an intraday low of Rs. 2232 at the early hours of trade. Increased buying interest at the lower price levels supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2315. The futures finished with significant gains in final action. Most active May contract traded in the range of Rs. 2232-2315 during Friday'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 Tamil Nadu, Kerala, Coastal & South Interior Karnataka, 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 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. Prices closed above the 9-day as well as 18-day EMA, hinting short-term firmness. Volume as well as 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 some downward movements later in the session.

Turmeric 0705(NCTMCK7)2007/04/06 - Daily B:2295.00 A:2296.00
O 2233.00 H 2314.00 L 2232.00 C 2295.00 V 65,730 I 29,790 +54
EMA(9) 2273.9 (18) 2246.1



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	2213	2252	2298	2350	2387

TRADE RECOMMENDATION:

Buy NCDEX May Turmeric near Rs. 2275-2280 with a target of Rs. 2310 and then Rs. 2325 with a strict stop loss at Rs. 2250. Trade cautiously with intraday outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1900-2000	8000-10000
	Gattah	1800-1875	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Domestic black pepper markets remained closed on Friday. Pepper prices have risen significantly in the last few days. 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. The firmness in global pepper prices have added to the bullish trend in domestic markets as well.

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. 15300 at the early hours of trade. The futures traded sharply upwards thereafter on increased buying interest and tested a fresh contract month high of Rs. 15860. Most-active May contract traded in the range of Rs. 15300-15860 during Friday'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 Tamil Nadu, Kerala, Coastal & South Interior Karnataka, Lakshadweep and Nicobar Island. Dry weather conditions are favourable for the pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates firm opening and initial uptrend. Stochastic is moving upwards in the overbought region, hinting further uptrend. MACD is also 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)2007/04/06 - Daily B:15820.00 A:15824.00
O 15370.00 H 15860.00 L 15310.00 C 15824.00 V 42,630 I 15,616 +498

EMA(9) 14700 (18) 14161



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX May	15227	15471	15798	16303	16499

TRADE RECOMMENDATION:

Buy NCDEX May Pepper near Rs. 15700 with a target at Rs. 15875 and then Rs. 15950 with a strict stop loss at Rs. 15575. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	Closed	-
	Ungarbled	Closed	

RED CHILLIES

SPOT MARKETS

Domestic red chillies markets remained closed on Friday. 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 low of Rs. 6035 at the early hours of trade. The futures surged up on increased buying interest and tested an intraday high of Rs. 6212. The futures finished with hefty gains in final action. Most active June contract traded in the range of Rs. 6035-6212 during Friday'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 Tamil Nadu, Kerala, Coastal & South Interior Karnataka, Lakshadweep and Nicobar Island. 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 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 is moving upwards in the positive territory, supporting the firmness. 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	5862	6036	6178	6373	6536

TRADE RECOMMENDATION:

Buy NCDEX June Chilli near Rs. 6125-6150 with a target of Rs. 6225 and then Rs. 6275 with a strict stop loss of Rs. 6050. 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 remained firm. It was offered in a higher price range during Friday's trade. Demand was reported higher, while arrivals were mostly stagnant. Moreover, concerns of crop output in this year continue to remain as the 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 maintain the recent firmness.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher as compared to previous settlement and the most-active May contract tested an intraday low of Rs. 13675 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 14098. The futures finished with significant gains in late action. Most-active May contract traded in the range of Rs. 13675-14098 during Friday'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. Heat Wave conditions are likely to continue over some parts of Gujarat and extend into south Rajasthan and north Maharashtra during next 48 hours. 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 upwards and the %K-line has just entered 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. Volume as well as 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 May	13472	13688	13994.8	14399	14615

TRADE RECOMMENDATION:

Buy NCDEX May Jeera near Rs. 13950-13975 with a target of Rs. 14050 and then Rs. 14100 with a strict stop loss of Rs. 13875. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 2320-2380	10000
	Ganesh 2550-2650	
	Machine Cleaned 2650-2750	

CARDAMOM

SPOT MARKETS

Cardamom prices are gradually inching higher these days as healthy domestic demand is supporting the prices. There was no auction today on account of Easter Holidays. In Wednesday's auction at CPMC (Kumily), the average price increased to Rs 380. The arrivals of 55.5 tonnes of cardamom were all sold. The prices were higher by Rs 50 as compared to the last auction. Traders are expecting tight supply position in the commodity in the coming time and thus are buying actively. Whereas, farmers are holding their produce in anticipation of further hike in the prices, especially after recent bounce in the prices. Weather conditions are still worrying as dry spell is extending. However, isolated rains expected in the region are giving some hope to the farmers, as it would be extremely beneficial for the crop.

FUTURES MARKETS

MCX Cardamom futures showed movements with negative bias Friday. Most active May contract opened slightly firm at Rs 520.5 and then it never looked back and slipped to the lows of Rs 514.1 a kg levels. The contract finally closed the session near day's low at Rs 514.8 a kg. Volumes traded dipped, whereas open interest increased.

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	507	503	519	522

TRADE RECOMMENDATION:

SELL MCX May cardamom below Rs 517.5 with a target of Rs 510 and then Rs 507 with a strict stops loss at Rs 521. Trade cautiously with intra-day outlook.

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

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