

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets remained closed on Saturday.
- Markets sentiments however remained weak as domestic, stockists and export demand remained weak.
- Markets moved higher as farmers brought in less stock in the markets seeing slightly lower prices.
- However, sources have reported crop losses in A.P due to untimely weather.
- Last year production was 1.5 crore bags and this year production could decline to 1.25 crore bags.
- However sources added that dry weather conditions in A.P could assist further development of the crop.

In the short term red chilli prices may show weakness on higher arrivals and weak demand. In the long term market trend may depend on weather conditions, export demand and production of the crop.

Technical Analysis:

- Candlestick formation reveals indecision.
- Prices closed below 9 and 18-day EMA's thus supporting the bearish momentum in the short term.
- MACD and RSI are moving down supports bearish market.
- Red Chilli futures are likely to trade range bound with a weak bias in next trading session.

Weather:

Dry weather conditions could increase the chances of arrivals in the markets and may assist further development of the crop.

Price Drivers:

No.	Pressure Point	Favours
1	Lower production estimates	Bulls
2	Crop losses expected	Bulls
3	Weak stockists demand	Bears
4	Weak export demand	Bears
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	15-01-11	14-01-11	Change
Cold Storage	Guntur	Closed	Closed	-
Teja		Closed	Closed	-
Bedki		Closed	Closed	-

Arrivals and Offtake in bags: (1 bag=45 Kg)

	15-01-11	14-01-11
Arrivals	Closed	Closed
Offtake	Closed	Closed



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	8140-8145	8059	8038	8198	7933	7983	8032	8229	8279

BLACK PEPPER
Market Analysis:

- Kochi Black pepper physical markets ended higher on Saturday as demand remained firm.
- Pepper market continues to remain firm with arrivals on the lower side amid good domestic demand.
- Sources added that in Lampung local prices increased by 5% due to limited stock as material with farmers has exhausted.
- Markets also moved higher after reports of low production in India and farmers are holding on to the stocks.
- However IPC says that India's production will be around 48,000 tonnes lower by just 2,000 tonnes.
- Markets sources added that harvesting in many place of Idukki has been delayed due to labour shortage.
- Sources however added that harvesting will start in India and this may bring in arrivals which may lower markets next week.

Pepper prices may trade range bound to firm in the short term on lower arrivals expected in the local markets. In the medium and long term price trend will depend on the availability and production estimates in India.

Technical Analysis:

- Candlestick formation reveals bullish sentiments.
- Prices closed above 9 and 18-day EMA's thus supporting the firm momentum in short term.
- MACD is moving down supports bearish markets.
- RSI is moving up supports bullish markets.
- Black Pepper futures are likely to trade range bound with a weak bias in next trading session.

Weather:

Dry weather conditions could increase the chances of arrivals in the markets and assist the harvesting of crop.

Price Drivers:

No.	Pressure Point	Favours
1	Unfavorable weather for harvests	Bulls
2	Firm domestic demand	Bulls
3	Lower carry-forward stocks	Bulls
4	Weak export demand	Bears
5	Higher arrivals	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	15-01-11	14-01-11	Change
Ungarbled	Kochi	21500	21400	+100
Garbled		22300	22200	+100

Arrivals and Offtake in Tonnes:

	15-01-11	14-01-11
Arrivals	20	15
Offtake	40	15

Pepper 1102(NCPEPG1)2011/01/15 - Daily B:22925.00 A:22933.00
O 22853.00 H 23198.00 L 22795.00 C 22925.00 V 5,731 I 9,024 +97
EMA(9) 22934 (18) 22895


Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	23100-23105	22869	22811	23252	22569	22747	22925	23375	23553

TURMERIC

Market Analysis:

- Erode and Nizam remained closed on Saturday.
- Erode will remain closed till Monday on account of Sankranti and Pongal festivals.
- However sources added on Friday markets sentiments may remain weak on anticipation of fresh crop arrivals in the markets.
- Market activity remained low as upcountry demand remained weak due to cold weather.
- Sources added that stockists demand remained weak and all the sources want to buy the new crop.
- On the other hand this year about 5-10% losses could be seen due to bad weather conditions in the initial sowing period.
- However, sources estimate a rise in production to 60-65 lakh bags vs. 40-45 lakh bags last year due to higher sowing intentions.

In the short-term turmeric prices may trade range bound to weak on lower demand and fresh arrivals expected in the markets. In the medium to long-term the price trend may depend on this year's output estimates and demand.

Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- Prices closed below 9 and 18-day EMAs thus supporting the bearish momentum in short term.
- MACD and RSI are moving down supports bearish sentiments.
- Turmeric futures are likely to trade range bound with a weak bias in next trading session.

Weather:

Dry weather conditions could increase the chances of arrivals in the markets and assist the harvesting of crop.

Price Drivers:

No.	Pressure Point	Favours
1	Higher output estimation	Bears
2	Higher acreage estimates	Bears
2	Weak stockists demand	Bears
4	Losses could be seen	Bulls
5	Lower carry-over stocks	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	15-01-11	14-01-11	Change
Finger	Erode	Closed	Closed	-
Gattah	Erode	Closed	Closed	-
Nizam	Nizamabad	Closed	Closed	-

Arrivals and Offtake in bags: (1 bag=90 Kg)

	Centre	15-01-11	14-01-11
Arrivals	Erode	Closed	Closed
Offtake	Erode	Closed	Closed
Arrivals	Nizamabad	Closed	Closed
Offtake	Nizamabad	Closed	Closed



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	10050-10055	9950	9924	10120	9547	9753	9960	10173	10386



SPICES

DATE: 17-01-2011

CARDAMOM

Market Analysis:

- Cardamom markets were steady to firm on Saturday as arrivals remained lower in the domestic markets.
- Sources also added that markets may see some further uptrend due to bad weather which may hinder arrivals in the local markets.
- Markets sentiments remained firm as demand remained firm.
- However upcountry demand remained weak due to cold weather in the North.
- Stockists and export demand remained weak, pulling the markets lower.
- On the other hand, weak production in India and Guatemala is however likely to support any uptrend in the market.
- India is expected to produce 10,000 tonnes compared to 13,000 tonnes.
- Guatemala is expected to produce 20,000 tonnes compared to 23,000 tonnes.

We believe that cash markets may rebound following lower arrivals. In the longer run markets could remain firm on lower output from Guatemala and India.

Technical Analysis:

- Candlestick formation is revealing bullish sentiments.
- Prices are above 9 and 18-day EMAs supporting bullish momentum in the short term.
- MACD is flat supporting sideways market.
- RSI is moving up supporting bullish market.
- Cardamom futures are likely to trade range-bound with weak bias in next trading session.

Weather:

Dry weather conditions could increase the chances of arrivals in the markets and assist the harvesting of crop.

Price Drivers:

No.	Pressure Point	Favours
1	Weak demand	Bears
2	Weak export demand	Bears
3	Lower arrivals	Bulls
4	Lower production from India and Guatemala	Bulls
5	Unfavourable weather conditions for harvesting	Bulls

SPOT MARKET PRICES: (Rs/Kg)

Grade	Centre	15-01-11	14-01-11	Change
Small	Max Auction Price	1557.5	No Trade	-
	Average Auction Price	1406.79	No Trade	-

Arrivals and Offtake in Kgs:

	15-01-11	14-01-11
Arrivals	23891	No Trade
Offtake	23454	No Trade



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	SELL	1580-1582	1566	1560	1593	1500	1535	1569.7	1595	1610

CUMIN SEED

Market Analysis:

- Unjha cash markets remained traded steady on Saturday as arrivals remained lower in the markets.
- Markets sentiments however remained weak as selling pressure remained higher.
- Sources also added that markets sentiments may remain weak as weather has cleared in Gujarat aiding the crop development.
- However stockists were buying at lows and this could propel the markets higher in the short-term.
- However lower carryover stocks and lower production estimates this year may reduce losses.
- India's production this year could be lower compared to last year due to untimely rainfall in Gujarat and Rajasthan.
- Gujarat is expected to produce 30% less compared to last year.
- However Rajasthan is expected to produce little more due to increase in sowing intentions from farmers this year.

We expect Cumin seed prices to trade range bound to steady on slightly better demand at lows amid clear weather over Gujarat for further development of the crop. Price trend in the medium to long term may depend on weather over growing regions, production estimates and export demand.

Technical Analysis:

- Candlestick formation reveals bullish sentiments.
- Prices have closed below the 9 and 18-day EMAs suggests weak trend in short term.
- MACD is moving down supports bearish sentiments.
- RSI is moving up supports bullish sentiments.
- Cumin seed prices are likely to remain range bound with a firm bias in next trading session.

Weather:

Dry weather conditions could increase the chances of arrivals in the markets and assist the harvesting of crop.

Price Drivers:

No.	Pressure Point	Favours
1	Weak stockists demand	Bears
2	Favourable weather over Gujarat	Bears
3	Weak export demand	Bears
4	Lower carry over	Bulls
5	Lower productions estimates	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	15-01-11	14-01-11	Change
Loose		12125	Closed	-
Machine Cut	Unjha	13600	Closed	-
NCDEX		13075-		
Quality		13100	Closed	-

Arrivals and Offtake in bags: (1 bag=55 Kg)

	15-01-11	14-01-11
Arrivals	1500	Closed
Offtake	3000	Closed

JEERA 1102(NCJEEG1)2011/01/15 - Daily B:14728.00 A:14740.00
O 14484.00 H 14838.00 L 14435.00 C 14730.00 V 11,415 I 16,431 +258
EMA(9) 14579 (18) 14599



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	14700-14705	14852	14877	14611	14264	14497	14730	14900	15070

CORIANDER SEED

Market Analysis:

- Coriander cash markets remained ended higher on Saturday supported by reports of crop losses in M.P, A.P and Rajasthan.
- Sources say that M.P is expected to lose about 25% of the crop and Rajasthan about 5-10% and A.P about 5-10% due to untimely rains.
- Markets sentiments remained firm as stockists were buying at lows.
- Sources added that firm futures counter also partially influenced buying in the cash markets.
- However some sources added that this year amid the losses we could see the production to be good.

We expect coriander prices to move higher on crop losses anticipations. In the medium to long term price trend may depend on production estimates and demand in the market.

Technical Analysis:

- Candlestick formation is supporting bearish sentiments.
- Prices are above 9 and 18-day EMAs supporting bullish momentum in the short term.
- MACD is flat suggests sideways market.
- RSI is moving down supports bearish sentiments.
- Coriander seed futures are likely to trade range-bound with weak bias in next trading session.

Weather:

Dry weather conditions could increase the chances of arrivals in the markets and assist the harvesting of crop.

Price Drivers:

No.	Pressure Point	Favours
1	Firm stockists demand	Bulls
2	Firm domestic demand	Bulls
3	Firm futures counter	Bulls
4	Favourable weather over Rajasthan	Bears
5	Higher arrivals	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	15-01-11	14-01-11	Change
Badami	Ramganj	3700-3900	Closed	+150
Eagle		4000-4100	Closed	+150

Arrivals and Offtake in bags: (1 bag=40 Kg)

	15-01-11	14-01-11
Arrivals	3500	Closed
Offtake	3500	Closed



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	5300-5305	5247	5234	5340	5101	5191	5280	5435	5589

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