

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets remained steady on Tuesday as arrivals remained high in Guntur.
- Markets sentiments however remained weak as domestic, stockists and export demand remained weak.
- Upcountry demand remained firm and may push markets higher.
- Markets also moved higher as 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 selling pressure at highs.
- Prices closed above 9 and 18-day EMA's thus supporting the bullish 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	18-01-11	17-01-11	Change
Cold Storage	Guntur	6600-7400	6600-7400	-
Teja		7700-8000	7700-8000	-
Bedki		8100-9100	8100-9100	-

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

	18-01-11	17-01-11
Arrivals	65000	70000
Offtake	65000	70000

CHLL334GTR 1102(NCGTRG1)2011/01/18 - Daily B:8304.00 A:8388.00
O 8406.00 H 8624.00 L 8266.00 C 8336.00 V 5,630 I 5,205 -40
EMA(9) 8296.8 (18) 8190.7



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	8375-8380	8291	8270	8435	8051	8193	8336	8551	8767

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets remained sideways on Tuesday as stockists continued to offload stocks at high.
- Pepper market sentiments remain bearish as demand remained weak due to cold wave conditions prevailing in the north and north Indian dealers are holding onto stocks.
- International market players were also waiting for the fresh crop to come in so export activity has been sluggish.
- Markets also moved higher after reports of low production in India and farmers are holding on to the stocks for better price.
- However IPC says that India's production will be around 48,000 tonnes lower by just 2,000 tonnes.
- 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 indecision.
- Prices closed below 9 and 18-day EMA's thus supporting the weak momentum in short term.
- MACD is moving down supports bearish markets.
- RSI is flat supports sideways markets.
- Black Pepper futures are likely to trade range bound with a weak bias in next trading session.

Weather:

Isolated rainfall would occur over Kerala could decrease the chances of arrivals in the markets and hinder 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	18-01-11	17-01-11	Change
Ungarbled	Kochi	21400	21400	-
Garbled		22200	22200	-

Arrivals and Offtake in Tonnes:

	18-01-11	17-01-11
Arrivals	20	1.5
Offtake	20	1

Pepper 1102(NCPEPG1)2011/01/18 - Daily B:22840.00 A:22848.00
O 22850.00 H 22992.00 L 22776.00 C 22840.00 V 5,521 I 9,797 +10
EMA(9) 22907 (18) 22888



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	22910-22920	22681	22656	23052	22530	22653	22840	23085	23178

TURMERIC

Market Analysis:

- Erode and Nizam ended lower on Tuesday on weak demand.
- Market sentiments have remained 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 selling pressure at highs.
- Prices closed below 9 and 18-day EMAs thus supporting the bearish momentum in short term.
- MACD is moving down supports bearish sentiments.
- RSI is flat supports sideways 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	Weak upcountry demand	Bears
5	Lower carry-over stocks	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	18-01-11	17-01-11	Change
Finger	Erode	15200-15400	Closed	-200
Gattah		15100-15300	Closed	-200
Nizam	Nizamabad	16000	16200	-200

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

	Centre	18-01-11	17-01-11
Arrivals	Erode	1500	Closed
Offtake		500-600	Closed
Arrivals	Nizamabad	No Arrivals	No Arrivals
Offtake		No Offtake	No Offtake



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	10025-10030	9925	9900	10095	9749	9825	9970	10120	10193

CARDAMOM

Market Analysis:

- Cardamom markets moved higher on Tuesday amid higher arrivals in the domestic markets.
- Sources added that markets may move higher due to bad weather which may hinder arrivals in the local markets.
- Markets sentiments remained firm as demand rebounded at lows.
- Stockists and export demand remained weak, pulling the markets lower.
- Markets also moved higher as weak production in India and Guatemala is pushing the markets higher.
- 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 bearish sentiments.
- Prices are below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD and RSI are moving down supporting bearish market.
- Cardamom futures are likely to trade range-bound with firm bias in next trading session.

Weather:

Isolated rainfall would occur over Kerala could decrease the chances of arrivals in the markets and hinder 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	18-01-11	17-01-11	Change
Small	Max Auction Price	1602	1417.5-1444.5	+157.5
	Average Auction Price	1352.03	1335.73-1350.61	+1.42

Arrivals and Offtake in Kgs:

	18-01-11	17-01-11
Arrivals	29150	16427
Offtake	28567	13124



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1476-1478	1493	1498	1465	1426	1461	1506	1518	1540

CUMIN SEED

Market Analysis:

- Unjha cash markets remained traded firm on Tuesday on reports of higher exports possible this year.
- Markets sentiments remained firm as the cash markets were partially influenced by firm futures counter.
- Carryover stocks are ample about 6-8 lakh bags and this year bring the markets down.
- Markets also moved higher as hedgers were buying in the market.
- This year's production in Gujarat is expected at 25 lakh bags same as last year which could move the markets higher in the long term.
- 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.
- Rajasthan is expected to produce between 6-7 lakh bags.

We expect Cumin seed prices to trade range bound to firm as production estimates were lower. Price trend in the medium to long term may depend on weather over sowing regions, production estimates and export demand.

Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- Prices have closed above the 9 and 18-day EMAs suggests bullish trend in short term.
- MACD and RSI are moving down supports bearish 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	18-01-11	17-01-11	Change
Loose		12225	12125	+100
Machine Cut	Unjha	13700	13600	+100
NCDEX		13175-	13075-	+100
Quality		13200	13100	

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

	18-01-11	17-01-11
Arrivals	2500-3000	3000
Offtake	6000	4000

JEERA 1102(NCJEEG1)2011/01/18 - Daily B:14937.00 A:14939.00
O 15115.00 H 15249.00 L 14912.00 C 14930.00 V 13,092 I 15,453 -140
EMA(9) 14729 (18) 14679



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	14825-14830	14978	15015	14730	14693	14811	14930	15048	15148

CORIANDER SEED

Market Analysis:

- Coriander cash markets ended lower on Tuesday as demand remained weak.
- Markets also slid as production estimates remain higher this year.
- However reports of crop losses in M.P, A.P and Rajasthan continue in the markets.
- 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 weak as stockists, export demand remain weak.
- However upcountry demand remained weak and could weaken the markets.
- However some sources added that this year amid the losses we could see the production to be good.

We expect coriander prices to remain range bound to weak 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 reveals indecision.
- 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 in the overbought region and is warranting caution to the bulls.
- 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	Weak stockists demand	Bears
2	Higher production estimates	Bears
3	Weak futures counter	Bears
4	Favourable weather over Rajasthan	Bears
5	Lower arrivals	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	18-01-11	17-01-11	Change
Badami	Ramganj	3600-3800	3700-3900	-100
Eagle		3900-4000	4000-4100	-100

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

	18-01-11	17-01-11
Arrivals	3000	3000
Offtake	3000	3000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	5475-5480	5420	5407	5516	5213	5309	5405	5526	5608

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