

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets ended higher on Wednesday as arrivals declined slightly 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 were also influenced by firm futures counter on Wednesday.
- 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 bullish sentiments.
- Prices closed above 9 and 18-day EMA's thus supporting the bullish momentum in the short term.
- MACD is moving down supports bearish market.
- RSI is moving up supports bullish 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	19-01-11	18-01-11	Change
Cold Storage	Guntur	6650-7450	6600-7400	+50
Teja		7750-8050	7700-8000	+50
Bedki		8150-9150	8100-9100	+50

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

	19-01-11	18-01-11
Arrivals	60000	65000
Offtake	60000	65000

CHLL334GTR 1102(NCGTRG1)2011/01/19 - Daily B:8514.00 A:8530.00
O 8300.00 H 8636.00 L 8300.00 C 8526.00 V 2,970 I 4,835 +154
EMA(9) 8348.4 (18) 8229.4



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	8650-8655	8564	8542	8711	8151	8338	8526	8674	8823

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets ends higher on Wednesday as demand improved in the domestic markets.
- Pepper market sentiments remain bearish as reports that Indonesia and Brazil are not showing much interest.
- Upcountry market players were also waiting for the fresh crop to come in so export activity has been sluggish.
- Indian parity in the international market remained competitive at \$5,150-5,175 per tonne (c&f) and sources added that some demand is expected to come.
- 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 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 market.
- 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 arrivals	Bulls
4	Weak international interest	Bears
5	Weak upcountry demand	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	19-01-11	18-01-11	Change
Ungarbled	Kochi	21600	21400	+200
Garbled		22400	22200	+200

Arrivals and Offtake in Tonnes:

	19-01-11	18-01-11
Arrivals	20	20
Offtake	35	20



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	23250-23255	23018	22993	23386	22410	22605	23115	23505	23760

TURMERIC

Market Analysis:

- Erode and Nizam ended lower on Wednesday 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.
- However sources added that farmers seeing that markets have declined a lot they might hesitate to bring in stocks.
- 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 bullish sentiments.
- Prices closed above 9 and 18-day EMAs thus supporting the bullish momentum in short term.
- MACD is moving down supports bearish sentiments.
- RSI is moving down supports bullish 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	19-01-11	18-01-11	Change
Finger	Erode	15000-	15200-	-200
		15200	15400	
Gattah	Erode	14900-	15100-	-200
		15100	15300	
Nizam	Nizamabad	15800	16000	-200

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

	Centre	19-01-11	18-01-11
Arrivals	Erode	1500-1800	1500
Offtake		900-1000	500-600
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	10200-10210	10098	10072	10279	9770	9962	10154	10296	10438

CARDAMOM

Market Analysis:

- Cardamom markets moved lower on Wednesday as arrivals remained lower 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 bullish sentiments.
- Prices are below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD is moving down supporting bearish market.
- RSI is moving up supporting bullish 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	19-01-11	18-01-11	Change
Small	Max Auction Price	1601	1602	-1.00
	Average Auction Price	1306.85	1352.03	-45.18

Arrivals and Offtake in Kgs:

	19-01-11	18-01-11
Arrivals	28074	29150
Offtake	26331	28567



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1512-1514	1529	1533	1501.5	1454	1485	1515	1538	1560

CUMIN SEED

Market Analysis:

- Unjha cash markets remained steady on Wednesday as hedgers continued buying in the markets.
 - 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.
 - 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 bullish sentiments.
- Prices have closed above the 9 and 18-day EMAs suggests bullish trend in short term.
- MACD and RSI are 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	Firm hedgers buying activity	Bulls
4	Lower carry over	Bulls
5	Lower productions estimates	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	19-01-11	18-01-11	Change
Loose		12225	12225	-
Machine Cut	Unjha	13700	13700	-
NCDEX		13175-	13175-	-
Quality		13200	13200	-

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

	19-01-11	18-01-11
Arrivals	2500-3000	2500-3000
Offtake	5000-5500	6000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	14910-14920	15069	15106	14812	14695	14804	15040	15149	15258

CORIANDER SEED

Market Analysis:

- Coriander cash markets remained steady on Wednesday as demand remained weak.
- Markets sentiments remained weak as production estimates remain same as last 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 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	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	19-01-11	18-01-11	Change
Badami	Ramganj	3600-3800	3600-3800	-
Eagle		3900-4000	3900-4000	-

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

	19-01-11	18-01-11
Arrivals	3000	3000
Offtake	3000	3000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	5400-5405	5346	5332	5441	5181	5269	5358	5483	5609

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