

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets ended higher on Friday as arrivals remained lower in Guntur.
- Sources also added that domestic, stockists and export demand remained weak.
- Upcountry demand remained weak and may push markets lower in the short run.
- Markets sentiments remained firm 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 bearish sentiments.
- 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	Lower arrivals	Bulls
4	Weak stockists and export demand	Bears
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	21-01-11	20-01-11	Change
Cold Storage	Guntur	6950-7750	6750-7550	+200
Teja		8050-8350	7850-8150	+200
Bedki		8450-9450	8250-9250	+200

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

	21-01-11	20-01-11
Arrivals	50000	50000
Offtake	50000	50000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	8500-8510	8415	8394	8568	8166	8358	8550	8858	9166

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets remain sideways on Friday as demand remains weak at highs.
- 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 from the North of the country.
- IPC says that overall global production in 2011 is expected to be around 309,952 lower compared to 316,380 tonnes in 2010.
- IPC also adds that India's production will be around 48,000 tonnes in 2011 lower compared to 50,000 tonnes in 2010.
- 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 in the short term on mixed sentiments and lower demand. In the medium and long term price trend will depend on the availability and production estimates globally.

Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- Prices closed below 9 and 18-day EMA's thus supporting the bearish momentum in short term.
- MACD and RSI are moving down supports bearish markets.
- Black Pepper futures are likely to trade range bound with a firm 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	Firm domestic demand	Bulls
2	Lower arrivals	Bulls
3	Weak international interest	Bears
4	Favorable weather for harvests	Bears
5	Weak upcountry demand	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	21-01-11	20-01-11	Change
Ungarbled	Kochi	21500	21500	-
Garbled		22300	22300	-

Arrivals and Offtake in Tonnes:

	21-01-11	20-01-11
Arrivals	20	20
Offtake	20	20

Pepper 1102(NCPEPG1)2011/01/21 - Daily B:22870.00 A:22901.00
O 23026.00 H 23094.00 L 22775.00 C 22880.00 V 4,932 I 10,618 -140
EMA(9) 22946 (18) 22919



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	22800-22810	23038	23050	22675	22419	22597	22880	23235	23376

TURMERIC

Market Analysis:

- Nizam ended lower on Friday on weak demand.
- Erode markets moved higher as sources say that farmers seeing that markets have declined a lot they might hesitate to bring in stocks.
- Market sentiments in Nizam have remained weak on anticipation of fresh crop arrivals in the markets.
- However market activity remained low as upcountry demand remained weak due to cold weather.
- Sources added that that upcountry demand is expected to be weak till 27th January 2011.
- On the other hand this year about 5-10% losses could be seen due to bad weather conditions in the initial sowing period.
- Mixed reactions arise for turmeric production estimates in India for 2011.
- Some sources say that production be in the range of 40-45 lakh bags, some say that production estimates could be in the range of 60-65 lakh bags.

In the short-term turmeric prices may trade range bound 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 indecision.
- Prices closed above 9 and 18-day EMAs thus supporting the bullish 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	Weak upcountry demand	Bears
5	Lower carry-over stocks	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	21-01-11	20-01-11	Change
Finger	Erode	15250-	15200-	+50
		15450	15400	
Gattah	Erode	15150-	15100-	+50
		15350	15300	
Nizam	Nizamabad	15550	15700	-150

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

	Centre	21-01-11	20-01-11
Arrivals-Old		1000	800
Arrivals-New	Erode	1000	1000-1200
Offtake		1500	1500
Arrivals	Nizamabad	No Arrivals	No Arrivals
Offtake	Nizamabad	No Offtake	No Offtake



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	10300-10305	10197	10172	10371	9933	10039	10206	10419	10502

CARDAMOM

Market Analysis:

- Cardamom markets end lower on Friday amid lower arrivals in the domestic markets.
- Domestic and export demand remained weak pulling the markets lower.
- Sources added that the 3rd harvest will be over by this weekend and the next harvest could start next week; however arrivals could slow down due to low production estimates.
- Sources also added that markets sentiments may remain bullish due to bad weather which may hinder arrivals in the local markets.
- 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:

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	Weak domestic and export demand	Bears
2	Weak stockists demand	Bears
3	Favourable weather conditions for harvesting	Bears
4	Lower arrivals	Bulls
5	Lower production from India and Guatemala	Bulls

SPOT MARKET PRICES: (Rs/Kg)

Grade	Centre	21-01-11	20-01-11	Change
Small	Max Auction Price	1538.5	1410-1515	+23.5
	Average Auction Price	1322.63	1325.39-1338.26	-15.63

Arrivals and Offtake in Kgs:

	21-01-11	20-01-11
Arrivals	22315	30145
Offtake	21980	27096



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1475-1477	1497	1502	1461	1439	1456	1500	1526	1553

CUMIN SEED

Market Analysis:

- Unjha cash markets remained steady on Friday as hedgers continued buying in the markets.
- However arrivals improved slightly on anticipation of higher markets.
- Markets sentiments remained firm as the cash markets were partially influenced by firm futures counter on Friday.
- However
- 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 even though initially sowing was higher.
- Sources added that Gujarat is expected to produce 30% less compared to last year.
- Sources added that Rajasthan is expected to produce more however due to untimely rains production could be lower this year.

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 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	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	21-01-11	20-01-11	Change
Loose		12225	12225	-
Machine Cut	Unjha	13700	13700	-
NCDEX		13175-	13175-	-
Quality		13200	13200	-

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

	21-01-11	20-01-11
Arrivals	3000	2500
Offtake	3400	4000

JEERA 1103(NCJEEH1)2011/01/21 - Daily B:15535.00 A:15545.00
O 15316.00 H 15600.00 L 15211.00 C 15535.00 V 2,319 I 14,013 +255
EMA(9) 15211 (18) 15069



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	15580-15585	15424	15404	15675	15045	15290	15535	15690	15845

SPICES

DATE: 22-01-2011

CORIANDER SEED

Market Analysis:

- Coriander cash markets remained steady on Friday as demand remained weak.
- Markets sentiments remained weak as production estimates may be higher.
- However arrivals declined seeing lower prices.
- 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 stockist's, export and north Indian demand remain weak.
- 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 below 9-day EMAs supporting bearish 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	21-01-11	20-01-11	Change
Badami	Ramganj	3500-3700	3500-3700	-
Eagle		3800-3900	3800-3900	-

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

	21-01-11	20-01-11
Arrivals	2500	3000
Offtake	2500	3000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5500-5505	5445	5431	5542	5274	5349	5423	5549	5674

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