

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets ended steady as demand remained weak at highs.
- Sentiments remained weak on anticipation of fresh arrivals in Guntur.
- Sources added that domestic, stockists and export demand remained weak.
- Upcountry demand remained weak and may pull markets lower in the short run.
- 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 lower than 1 crore bags.
- Sources say that production could be lower by 50-60% due to untimely weather in A.P.
- However sources added that dry weather conditions in A.P could assist harvesting of the crop.
- Spices Board said Chilli export was higher by 22% during the period of April-December 2010 at 179,500 tonnes compared 147,250 tonnes shipped out during the period of April-December 2009.

In the short term red chilli prices may show weakness on fresh 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 in the markets.
- 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 firm bias in next trading session.

Weather:

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

Price Drivers:

No.	Pressure Point	Favours
1	Lower production estimates	Bulls
2	Crop losses expected	Bulls
3	Firm export demand	Bulls
4	Anticipation of fresh arrivals	Bears
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	27-01-11	25-01-11	Change
Cold Storage		6950-7750	6950-7750	-
LCA 334 New	Guntur	7000-7500	7000-7500	-
Teja		8050-8350	8050-8350	-
Bedki		8450-9450	8450-9450	-

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

	27-01-11	25-01-11
Arrivals-New	25000	25000
Arrivals-Old	25000	25000
Offtake	50000	50000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	8350-8355	8439	8459	8295	8221	8393	8566	8711	8857

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets ends lower on Thursday as demand continues to be weak.
- Markets also improved as arrivals improved slightly in Kochi.
- Pepper market sentiments remain bearish as reports that globally buyers are not showing much interest.
- Upcountry demand is also slow and may remain so till February.
- However 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.
- Spices Board Pepper exports were down by 9% at 14,000 tonnes compared 15,425 tonnes during the period of April-December 2009.

Pepper prices may trade range bound to weak in the short term on 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 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	Firm domestic demand	Bulls
2	Higher arrivals	Bears
3	Weak international interest	Bears
4	Favorable weather for harvests	Bears
5	Weak export demand	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	27-01-11	25-01-11	Change
Ungarbled	Kochi	21200	21300	-100
Garbled		22000	22100	-100

Arrivals and Offtake in Tonnes:

	27-01-11	25-01-11
Arrivals	25	20
Offtake	20	10



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	SELL	22380-22385	22156	22100	22527	21765	21970	22360	22770	22965

TURMERIC

Market Analysis:

- Erode and Nizam ended lower on Thursday on higher arrivals in both markets.
- Sources say that demand also remained weak pulling the markets lower.
- Market activity remained low as upcountry demand remained weak and is expected to be weak till February.
- 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.
- Spices Board said that Turmeric exports were down by 13% at 35,500 tonnes declined during the period of April-December 2010 compared 40,825 tonnes during the period of April-December 2009.

In the short-term turmeric prices may trade range bound to weak on lower demand and fresh arrivals 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 export demand	Bears
4	Weak upcountry demand	Bears
5	Lower carry-over stocks	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	27-01-11	25-01-11	Change
Finger-Old	Erode	15200-	15250-	-50
Gattah-Old		15100-	15150-	-50
Finger-New		12700-	13000-	-300
Gattah-New		12200-	12500-	-300
Nizam-New	Nizamabad	14200	15000	-800

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

	Centre	27-01-11	25-01-11
Arrivals-Old	Erode	1000	1000
Arrivals-New		4000	3000
Offtake- Old		700	700
Offtake- New		2800	2100
Arrivals	Nizamabad	10000	3000
Offtake		10000	3000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	9895-9900	9796	9771	9964	9603	9705	9850	10052	10125

CARDAMOM

Market Analysis:

- Cardamom markets remained firm on Thursday amid higher arrivals in the markets.
- Sources however added that sentiments remained firm as arrivals from the 3rd harvest are lower than anticipated.
- Sources added that the 3rd harvest is over however arrivals could slow down due to low production estimates.
- Sources also added that markets sentiments may remain bullish in the longer run due to bad weather which may hinder arrivals in the local markets.
- However sources added that weak domestic and export demand may pull the markets lower.
- 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.
- Spices Board said that Cardamom Small exports were down by 41% at 700 tonnes compared 1,190 tonnes during the period of April-December 2009.
- They also added that Cardamom Large exports were down by 40% at 400 tonnes compared 670 tonnes during the period of April-December 2009.

We believe that cash markets may move higher following lower production estimates. 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 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	Weak domestic and export demand	Bears
2	Anticipation of fresh arrivals	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	27-01-11	25-01-11	Change
Small	Max Auction Price	1464.5-1587.5	1477.5	+110
	Average Auction Price	1321.38-1358.56	1352.62	+5.94

Arrivals and Offtake in Kgs:

	27-01-11	25-01-11
Arrivals	34164	27133
Offtake	33586	27133



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	SELL	1496-1498	1481	1477	1508.5	1432	1463	1493	1527	1560

CUMIN SEED

Market Analysis:

- Unjha cash markets ends lower on Thursday as hedgers were less active in the markets.
- Markets also moved lower due to higher arrivals in the markets.
- Weak futures on Thursday also partially influenced the selling in the cash markets.
- Carryover stocks are low about 6-8 lakh bags and this may continue to push the markets higher.
- 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.
- This year Rajasthan could make for the loss in Gujarat and produce between 3-4 lakh bags.
- Spices Board said Cumin Seed exports were down by 37% at 24,250 tonnes declined during the period of April-December 2010 compared 38,300 tonnes during the period of April-December 2009.

We expect Cumin seed prices to trade range bound to weak demand remains weak. 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 profit taking in the markets.
- Prices have closed below the 9 and 18-day EMAs suggests bearish trend in short term.
- MACD is moving up supports bullish sentiments.
- RSI is moving down supports bearish 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 export demand	Bears
2	Favourable weather over Gujarat	Bears
3	Low hedgers buying activity	Bears
4	Lower carry over	Bulls
5	Lower productions estimates	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	27-01-11	25-01-11	Change
Loose		12275	12425	-150
Machine Cut	Unjha	13750	13900	-150
NCDEX		13225-	13375-	
Quality		13250	13400	-150

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

	27-01-11	25-01-11
Arrivals	4000-4500	4000-4500
Offtake	3000-4000	4000

JEERA 1103(NCJEEH1)2011/01/27 - Daily B:15131.00 A:15180.00
O 15700.00 H 15791.00 L 15072.00 C 15130.00 V 9,081 I 15,846 -620
EMA(9) 15456 (18) 15284



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	15195-15200	15043	15005	15297	14612	14871	15130	15590	15785

CORIANDER SEED
Market Analysis:

- Coriander cash markets ended lower on Thursday as demand remained weak.
- Markets sentiments remained weak amid production estimates being higher.
- Markets sentiments remain weak as arrivals remained consistently higher in the markets.
- However planters seeing weak markets may hesitate to bring in stocks which may slowdown the downtrend.
- 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.
- Spices Board said Coriander Seed exports were down by 2% at 32,500 tonnes declined during the period of April-December 2010 compared 33,000 tonnes during the period of April-December 2009.

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 selling pressure in the markets.
- Prices are below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD and RSI are moving down supports bearish markets.
- 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 export 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	27-01-11	25-01-11	Change
Badami	Ramganj	3500	3600-3700	-200
Eagle		3600	3600-3700	-100

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

	27-01-11	25-01-11
Arrivals	2500	2500
Offtake	2500	2500

CORIANDER 1103(NCCODH1)2011/01/27 - Daily B:4713.00 A:4728.00
O 4832.00 H 4898.00 L 4713.00 C 4713.00 V 12,470 I 10,090 -268
EMA(9) 5168.9 (18) 5137.3


Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	4725-4730	4678	4666	4762	4590	4651	4713	4836	4960

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