

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets remained steady on Wednesday as demand remained weak at highs.
- Sentiments remained firm as fresh arrivals declined in Guntur.
- Sources also added that domestic, stockists and export demand remained weak.
- 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.

In the short term red chilli prices may move higher supported by lower arrivals in the markets. 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 flat supports sideways market.
- RSI is moving up supports bullish sentiments.
- 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	Fresh arrivals	Bears
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	02-02-11	01-02-11	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)

	02-02-11	01-02-11
Arrivals-New	25000	25000
Arrivals-Old	20000	40000
Offtake	45000	65000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	9300-9305	9398	9421	9239	8852	9102	9358	9480	9608

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets moved higher on Wednesday as market started buying as they expect shortage till Vietnamese crop hits the market.
- Arrivals remained higher and may increase as farmers brought more seeing higher markets.
- Black pepper market sentiments remain bullish as production estimates remain lower.
- However sentiments lower due to lackluster trades and lower demand in the market.
- Sources added that all market participants are waiting for the Vietnam crop which may start in late February.
- IPC says that India may produce 48,000 tonnes lower by 2,000 tonnes compared to last year at 50,000.
- IPC also added that global production is expected to be lower at 309,952 tonnes lower by 6,428 tonnes compared to last year at 316,380 tonnes.

Pepper prices may trade range bound to firm in the short term on shortage of crop this year. In the medium and long term price trend will depend on the availability and production estimates globally.

Technical Analysis:

- Candlestick formation reveals bullish sentiments.
- Prices closed below 9 and 18-day EMA's thus supporting the bearish 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 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	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	02-02-11	01-02-11	Change
Ungarbled	Kochi	21400	21300	+100
Garbled		22200	22100	+100

Arrivals and Offtake in Tonnes:

	02-02-11	01-02-11
Arrivals	30	20
Offtake	30	20

Pepper 1102(NCPEPG1)2011/02/02 - Daily B:22551.00 A:22560.00
O 22477.00 H 22666.00 L 22454.00 C 22560.00 V 4,509 I 8,340 +111
EMA(9) 22578 (18) 22686



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	22500-22510	22735	22791	22354	22242	22348	22560	22802	22878

TURMERIC

Market Analysis:

- Erode gained on Wednesday amid higher arrivals in the market.
- Nizam markets remained closed on account of Amavasya.
- Sources however say that demand remained weak and continue to weaken the markets.
- Market activity remained low as upcountry demand remained weak and is expected to be weak till February.
- Arrivals could increase and could however weaken the markets.
- 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 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 indecision.
- Prices closed above 9-day EMAs thus supporting the bullish momentum in short term.
- MACD is moving down supports bearish sentiments.
- RSI is moving up supports bullish sentiments.
- Turmeric 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 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	02-02-11	01-02-11	Change
Finger-New	Erode	12400-	12200-	+200
Gattah-New		13400	13200	
		11900-	11700-	+200
		12900	12700	
Nizam-New	Nizamabad	Closed	14200	-

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

	Centre	02-02-11	01-02-11
Arrivals	Erode	4000-4500	2000-3000
Offtake		3500-4000	2400
Arrivals	Nizamabad	Closed	3000
Offtake		Closed	3000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	9700-9705	9802	9826	9637	9557	9600	9810	9917	10023

CARDAMOM

Market Analysis:

- Cardamom markets moved higher on Wednesday as arrivals declined.
- Domestic and export demand continue to be weak and continue to add bearish sentiments in the markets.
- Sentiments also remained firm as arrivals have declined in Kerala and Tamil Nadu.
- Sources however added that the 3rd harvest is over however arrivals could slow down due to low production estimates.
- 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 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 indecision.
- 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:

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	02-02-11	01-02-11	Change
Small	Max Auction Price	1453.5	1452.5	+1.00
	Average Auction Price	1247.9	1204.69	+43.21

Arrivals and Offtake in Kgs:

	02-02-11	01-02-11
Arrivals	27595	39060
Offtake	27595	38808



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1377-1379	1394	1399	1366	1340	1364	1387	1412	1436

SPICES

DATE: 03-02-2011

CUMIN SEED

Market Analysis:

- Unjha cash markets remained steady amid higher arrivals.
- Markets sentiments remained bearish on Wednesday as fresh arrivals have started.
- 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.
- However sources add that this year Rajasthan could make for the loss in Gujarat and produce between 3-4 lakh bags.
- Carryover stocks are low about 6-8 lakh bags and this may push the markets higher.

We expect Cumin seed prices to trade range bound to on weak demand and fresh arrival expectations. 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 bearish 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 weak bias in next trading session.

Weather:

Dry weather conditions in Gujarat and Rajasthan may assist in further development of the crop.

Price Drivers:

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

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	02-02-11	01-02-11	Change
Loose		12125	12125	-
Machine Cut	Unjha	13600	13600	-
NCDEX		13075-	13075-	-
Quality		13100	13100	-

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

	02-02-11	01-02-11
Arrivals-Old	2500-3000	2000
Arrivals-New	40-50	-
Offtake	3000	3000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	15220-15225	15068	15038	15318	14762	14970	15178	15388	15596

SPICES

DATE: 03-02-2011

CORIANDER SEED

Market Analysis:

- Coriander cash markets remained steady on Wednesday as arrivals declined in Ramganj.
- Markets sentiments remained weak as production estimates remain higher.
- Sources however 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 during sowing.
- Markets sentiments remained weak as stockists have offloaded more stocks in the market.
- Weak export and north Indian demand have also pulled the markets down.

We expect coriander prices to remain range bound to firm on lower arrivals. 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 below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD is moving down supports bearish markets.
- RSI is flat supports sideways 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	Favourable weather over Rajasthan	Bears
4	Crop losses expected	Bulls
5	Lower arrivals	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	02-02-11	01-02-11	Change
Badami	Ramganj	3400-3500	3400-3500	-
Eagle		3500-3600	3500-3600	-

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

	02-02-11	01-02-11
Arrivals	2000	2000-2500
Offtake	2000	2500



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5000-5010	4950	4937	5046	4608	4758	4907	5056	5206

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