

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets surged higher on Thursday as spot demand improves as traders are expecting a shortage of stocks.
- Sentiments remained firm as fresh arrivals remained on the lower side in Guntur.
- Sources however added that export demand remained weak and could drag the markets lower.
- Red chilli prices gained on fresh buying by stockists as well as exporters amid low stocks.
- 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 and firm demand. In the long term market trend may depend on weather conditions, export demand and production of the crop.

Technical Analysis:

- Red Chilli chart is moving up into uncharted territories.
- 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 in the overbought region and warranting caution to the bulls.
- 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 spot demand	Bulls
4	Fresh arrivals	Bears
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	03-02-11	02-02-11	Change
Cold Storage		7250-8050	6950-7750	+300
LCA 334 New	Guntur	7500-8000	7000-7500	+500
Teja		8350-8650	8050-8350	+300
Bedki		8750-9750	8450-9450	+300

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

	03-02-11	02-02-11
Arrivals-New	40000	25000
Arrivals-Old	30000	20000
Offtake	70000	45000

CHLL334GTR 1103(NCGTRH1)2011/02/03 - Daily B:9702.00 A:9702.00
O 9430.00 H 9702.00 L 9340.00 C 9702.00 V 6,165 I 5,845 +374
EMA(9) 9167.5 (18) 8939.8



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	9600-9610	9706	9730	9535	9219	9461	9702	9823	9943

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 lower and may support the uptrend.
- Black pepper market sentiments remain bullish supported by tight stocks following poor supplies.
- However sentiments may weaken as Vietnam will be closed till Tuesday next week due to New Year Celebrations.
- Sources added that all market participants are waiting for the Vietnam crop which may start in late February.
- However sources added that consumption is expected to decline as consumer cannot afford to pay such high price for Black pepper and may use other substitute or cheaper products.
- 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 above 9 and 18-day EMA's thus supporting the bullish 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	03-02-11	02-02-11	Change
Ungarbled	Kochi	21700	21400	+300
Garbled		22500	22200	+300

Arrivals and Offtake in Tonnes:

	03-02-11	02-02-11
Arrivals	20	30
Offtake	20	30



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	22700-22710	22937	22987	22556	22164	22352	22760	23136	23340

TURMERIC

Market Analysis:

- Erode and Nizam remained steady amid higher arrivals in both markets.
- 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 weaken the markets.
- However the quality of the stock coming in both markets is lower than expected and traders are waiting for the prices to dip.
- 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 bullish sentiments.
- 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 moving up 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 export demand	Bears
4	Weak upcountry demand	Bears
5	Lower carry-over stocks	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	03-02-11	02-02-11	Change
Finger-New	Erode	12400-	12400-	-
Gattah-New		13400	13400	-
		11900-	11900-	-
		12900	12900	-
Nizam-New	Nizamabad	14200	Closed	-

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

	Centre	03-02-11	02-02-11
Arrivals	Erode	4000-4500	4000-4500
Offtake		3600	3500-4000
Arrivals	Nizamabad	12000	Closed
Offtake		12000	Closed



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	9950-9955	9851	9826	10019	9572	9666	9850	10038	10130

CARDAMOM

Market Analysis:

- Cardamom markets moved lower on Thursday as arrivals improved in domestic markets.
- Export demand continues to be weak and continue to add bearish sentiments in the markets.
- However sources added that arrivals could decline in Kerala and Tamil Nadu due to lower production in India and Guatemala.
- Sources however added that the 3rd harvest is over however arrivals could slow down due to low production estimates.
- However markets may move higher supported by strong demand in the spot market.
- 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 bearish 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 down in the oversold region and warranting caution to the bears.
- 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 export demand	Bears
2	Anticipation of fresh arrivals	Bears
3	Firm domestic demand	Bulls
4	Lower arrivals	Bulls
5	Lower production from India and Guatemala	Bulls

SPOT MARKET PRICES: (Rs/Kg)

Grade	Centre	03-02-11	02-02-11	Change
Small	Max Auction Price	Nedumk andam 1262-1362	1453.5	-91.5
	Average Auction Price	Kumily 1165.15-1187.02	1247.9	-60.88

Arrivals and Offtake in Kgs:

	03-02-11	02-02-11
Arrivals	35165	27595
Offtake	32357	27595



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	SELL	1351-1353	1336	1331	1364	1294	1313	1331.8	1370	1408

CUMIN SEED

Market Analysis:

- Unjha cash markets moved higher amid higher arrivals.
- Markets sentiments remained bullish on Thursday amid higher fresh arrivals.
- This year's production in Gujarat is expected lower at 21 lakh bags compared to previous estimate at 25 lakh bags
- Adverse weather condition during the sowing period had considerably reduced the acreage under cultivation.
- Sources add that this year Rajasthan could produce between 3-4 lakh bags.
- However sources added that poor export demand is expected to weigh on sentiment after every rise.
- 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 indecision.
- 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 flat supports sideways 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	03-02-11	02-02-11	Change
Loose		12225	12125	+100
Machine Cut	Unjha	13700	13600	+100
NCDEX		13175-	13075-	
Quality		13200	13100	+100

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

	03-02-11	02-02-11
Arrivals-Old	4000	2500-3000
Arrivals-New	70-80	40-50
Offtake	5000	3000

JEERA 1103(NCJEEH1)2011/02/03 - Daily B:15144.00 A:15174.00
O 15140.00 H 15268.00 L 15036.00 C 15150.00 V 4,788 I 16,800 -28
EMA(9) 15228 (18) 15223



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	15200-15210	15048	15023	15303	14802	14919	15150	15383	15498

CORIANDER SEED

Market Analysis:

- Coriander cash markets remained steady on Thursday amid higher arrivals 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 bullish sentiments.
- Prices are below 9-day EMA supporting bearish momentum in the short term.
- MACD is moving down supports bearish markets.
- RSI is moving up supports bullish markets.
- Coriander seed 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 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	03-02-11	02-02-11	Change
Badami	Ramganj	3400-3500	3400-3500	-
Eagle		3500-3600	3500-3600	-

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

	03-02-11	02-02-11
Arrivals	3000	2000
Offtake	3000	2000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	4910-4915	4964	4976	4877	4774	4865	4955	5037	5118

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