

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets moved higher on Friday as spot demand continued to be higher.
- Sources added that markets also moved higher 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 bearish 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 flat 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	Lower fresh arrivals	Bulls
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	04-02-11	03-02-11	Change
Cold Storage		7450-8250	7250-8050	+200
LCA 334 New	Guntur	7700-8200	7500-8000	+200
Teja		8550-8750	8350-8650	+200
Bedki		8950-9950	8750-9750	+200

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

	04-02-11	03-02-11
Arrivals-New	30000	40000
Arrivals-Old	30000	30000
Offtake	60000	70000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	9700-9705	9802	9826	9637	9341	9541	9740	9965	10189

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets moved lower on Friday as stockists offloaded stocks at high.
- Arrivals remained lower and may support the uptrend.
- Black pepper market sentiments remain bullish supported by tight stocks following poor supplies.
- 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.
- Planters also waiting for higher prices to bring in their stocks.
- 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 bearish sentiments.
- Prices closed above 9-day EMA supporting the bullish momentum in short term.
- MACD and RSI are moving down supports bearish sentiments.
- 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	04-02-11	03-02-11	Change
Ungarbled	Kochi	21600	21700	-100
Garbled		22400	22500	-100

Arrivals and Offtake in Tonnes:

	04-02-11	03-02-11
Arrivals	20	20
Offtake	20	20

Pepper 1102(NCPEPG1)2011/02/04 - Daily B:22680.00 A:22689.00
O 22835.00 H 22977.00 L 22610.00 C 22687.00 V 7,210 I 8,207 -73
EMA(9) 22629 (18) 22693



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	22560-22565	22791	22847	22416	22172	22391	22687	22906	23125

TURMERIC

Market Analysis:

- Erode fell as arrivals improved in Erode.
- Nizam remained sideways as arrivals declined in the markets.
- Sources however say that demand remained weak and continue to weaken the markets.
- 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.
- 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 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 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	04-02-11	03-02-11	Change
Finger-New	Erode	12200-	12400-	-200
Gattah-New		13200	13400	
	Erode	11700-	11900-	-200
		12700	12900	
Nizam-New	Nizamabad	14200	14200	-

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

	Centre	04-02-11	03-02-11
Arrivals	Erode	6000-7000	4000-4500
Offtake		4000-4500	3600
Arrivals	Nizamabad	5000	12000
Offtake		5000	12000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	9710-9715	9812	9836	9647	9553	9624	9796	9872	9948

CARDAMOM

Market Analysis:

- Cardamom markets moved lower on Friday amid lower arrivals.
- Export demand continues to be weak and continue to add bearish sentiments in the markets.
- Cardamom cash markets were influenced by weak futures counter which ended lower on Friday.
- However markets may move higher in the long run supported by strong demand in the spot market and lower production expected this year.
- 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 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 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	04-02-11	03-02-11	Change
Small	Max Auction Price	1349	1262-1362	-13
	Average Auction Price	1168.24	1165.15-1187.02	-18.78

Arrivals and Offtake in Kgs:

	04-02-11	03-02-11
Arrivals	22023	35165
Offtake	21927	32357



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1248-1250	1265	1270	1235.5	1155	1202	1278.5	1298	1317

CUMIN SEED

Market Analysis:

- Unjha cash markets on Friday fell amid lower arrivals.
- Markets fell as demand weakened at higher prices and fresh arrivals improved in the markets.
- This year's production in Gujarat is expected lower at 21 lakh bags compared to previous estimate at 25 lakh bags.
- However certain players say that Gujarat may produce 27 lakh bags higher than the earlier estimates.
- 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 bearish 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 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	04-02-11	03-02-11	Change
Loose		12125	12225	-100
Machine Cut	Unjha	13600	13700	-100
NCDEX		13070-	13175-	
Quality		13100	13200	-100

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

	04-02-11	03-02-11
Arrivals-Old	3000	4000
Arrivals-New	150	70-80
Offtake	4000	5000

JEERA 1103(NCJEEH1)2011/02/04 - Daily B:15154.00 A:15178.00
O 15214.00 H 15478.00 L 15061.00 C 15154.00 V 7,626 I 16,815 +4
EMA(9) 15214 (18) 15216



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	15260-15265	15107	15069	15363	14814	14984	15154	15401	15648

CORIANDER SEED

Market Analysis:

- Coriander cash markets remained steady on Friday as arrivals remained lower in Ramganj.
- Markets sentiments remained weak as production estimates remain higher.
- Sources added that markets are in a waiting and watch policy mode are waiting for fresh stocks which are expected to be come by late February.
- 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 and 18-day EMAs supporting bullish 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 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	04-02-11	03-02-11	Change
Badami	Ramganj	3400-3500	3400-3500	-
Eagle		3500-3600	3500-3600	-

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

	04-02-11	03-02-11
Arrivals	2200	3000
Offtake	2200	3000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5060-5065	5009	4997	5099	4703	4859	5014	5166	5317

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