

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets continue its uptrend on Monday amid higher arrivals in the market.
- Sources said that spot demand continues to be higher and will continue to support the current uptrend.
- Markets also moved higher partially influenced by firm futures counter on Monday.
- Sources added that markets remained higher as participants this year are expecting a shortage of stocks.
- 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	Lower fresh arrivals	Bulls
5	Favourable weather conditions	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	07-02-11	05-02-11	Change
Cold Storage		7650-8450	Closed	+200
LCA 334 New	Guntur	7900-8400	Closed	+200
Teja		8750-9050	Closed	+200
Bedki		9150-10050	Closed	+200

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

	07-02-11	05-02-11
Arrivals-New	70000	Closed
Arrivals-Old	30000	Closed
Offtake	100000	Closed



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	10250-10255	10358	10383	10183	9972	10148	10324	10412	10500

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical markets moved higher on Monday as spot demand continued to improve in the markets.
- Black pepper market sentiments remain bullish supported by tight stocks following poor supplies.
- Markets also moved higher partially influenced by firm futures counter on Monday.
- Sources added that all market participants are waiting for the Vietnam crop which may start in late February.
- 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 bullish sentiments.
- Prices closed above 9 and 18-day EMAs supporting the bullish momentum in short term.
- MACD and RSI are moving up supports be bullish 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	Lower arrivals	Bulls
3	Lower supplies	Bulls
4	Planters hoarding stocks	Bulls
5	Weak export demand	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	07-02-11	05-02-11	Change
Ungarbled	Kochi	22200	21700	+300
Garbled		22800	22500	+300

Arrivals and Offtake in Tonnes:

	07-02-11	05-02-11
Arrivals	30	20
Offtake	45	35



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Feb	BUY	23150-23155	23387	23417	23016	22586	22973	23360	23643	23926

TURMERIC

Market Analysis:

- Erode remained steady on Monday as arrivals decline, Nizam markets ended lower as arrivals improved significantly on Monday.
- Sentiments remained bearish as arrivals will improve in the coming weeks in both markets.
- However traders are waiting for the prices to dip further and this slowness in activity may take the markets lower.
- Demand remained weak and will continue to 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.
- 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 is flat supports sideways markets.
- RSI is moving down in the overbought region and is warranting caution to the bulls.
- 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	07-02-11	05-02-11	Change
Finger-New	Erode	12200-13200	Closed	-
Gattah-New		11700-12700	Closed	-
Nizam-New	Nizamabad	13700	Closed	-500

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

	Centre	07-02-11	05-02-11
Arrivals	Erode	3000-3500	Closed
Offtake		2500	Closed
Arrivals	Nizamabad	15000	Closed
Offtake		15000	Closed



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	9600-9605	9504	9480	9667	9215	9367	9520	9765	10010

CARDAMOM

Market Analysis:

- Cardamom markets remained steady on Monday amid lower arrivals.
- Export demand continues to be weak and continue to add bearish sentiments in the markets.
- Cardamom cash markets were influenced by firm futures counter which ended slightly higher on Monday.
- 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 overbought region and is warranting caution to the bulls.
- 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	07-02-11	05-02-11	Change
Small	Max Auction Price	Santhan para & Bodinay akanur	1236-1292	No Trade -
	Average Auction Price		1114.22-1160.08	No Trade -

Arrivals and Offtake in Kgs:

	07-02-11	05-02-11
Arrivals	10509	No Trade
Offtake	9590	No Trade



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Feb	BUY	1275-1277	1292	1297	1264	1236	1260	1284.8	1329	1374

CUMIN SEED

Market Analysis:

- Unjha cash markets moved higher on Monday amid higher arrivals.
- Markets moved higher as spot demand remained firm.
- 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.
- However sources added that 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.
- Unjha markets will remained closed on Tuesday-08th and Wednesday-09th due to Vasant Panchami and APMC elections respectively.

We expect Cumin seed prices to trade range bound to on firm on firm spot demand and lower fresh arrivals. Price trend in the medium to long term may depend on 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 is moving down supports bearish sentiments.
- RSI is moving up supports bullish sentiments.
- Cumin seed prices are likely to remain range bound with a firm 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	Favourable weather over Gujarat	Bears
2	Fresh arrivals	Bears
3	Lower carry over	Bulls
4	Firm spot demand	Bulls
5	Lower productions estimates	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	07-02-11	05-02-11	Change
Loose		12275	12125	+150
Machine Cut	Unjha	13750	13600	+150
NCDEX		13225-	13070-	
Quality		13250	13100	+150

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

	07-02-11	05-02-11
Arrivals-Old	4000	3000
Arrivals-New	150	200
Offtake	5000	3000-3500



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	15200-15210	15362	15390	15105	14897	15138	15380	15624	15869

CORIANDER SEED
Market Analysis:

- Coriander cash markets remained steady on Monday as arrivals were slightly higher in Ramganj.
- Markets sentiments remained weak as production estimates remain higher.
- Sources say that market participants are in a waiting and watch policy mode are waiting for fresh stocks which are expected to be come by late February.
- Sources however added 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.
- Sentiments remained weak as spot demand remained weak.

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 above 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 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 spot 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	07-02-11	05-02-11	Change
Badami	Ramganj	3400-3500	3400-3500	-
Eagle		3500-3600	3500-3600	-

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

	07-02-11	05-02-11
Arrivals	2000	1500
Offtake	2000	1500


Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	5105-5110	5161	5174	5070	4960	5055	5150	5251	5352

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