

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets remained closed on Tuesday due to Id-E-Milad festival.
- However sentiments remained weak as well as fresh arrivals were higher in Guntur.
- Short-term sentiments remained bearish as stockists continued to offload stocks at higher levels of the market.
- Sources added the weak futures counter on Tuesday also partially influenced the weakness in the cash markets.
- Markets also fell as spot demand remained weak at higher levels.
- However long-term sentiments remained firm as participants this year are expecting a shortage of stocks due to lower production.
- Last year production was 1.5 crore bags and this year production could decline to lower than 1 crore bags.
- Sources have reported crop losses and upto 50-60% in A.P due to untimely weather.

In the short term red chilli prices may move lower supported by higher fresh crop arrivals in the markets and weak spot demand. In the long term market trend may depend on weather conditions, export demand and production of the crop.

Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- Prices closed below 9-day EMA's thus supporting the bearish momentum in the short term.
- MACD is moving up supports bullish market.
- RSI is moving down supports bearish market.
- Red Chilli 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 harvesting of the crop.

Price Drivers:

No.	Pressure Point	Favours
1	Lower production estimates	Bulls
2	Crop losses expected	Bulls
3	Weak spot demand	Bears
4	Offloading of stocks	Bears
5	Increase of fresh arrivals	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	15-02-11	14-02-11	Change
Cold Storage		Closed	6250-7050	-
LCA 334 New	Guntur	Closed	6500-7000	-
Teja		Closed	7350-7650	-
Bedki		Closed	7750-8650	-

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

	15-02-11	14-02-11
Arrivals-New	Closed	50000
Arrivals-Old	Closed	10000
Offtake	Closed	40000

CHLL334GTR 1103(NCGTRH1)2011/02/15 - Daily B:10060.00 A:10130.00
O 10280.00 H 10452.00 L 9926.00 C 10100.00 V 5,765 I 6,755 -168
EMA(9) 10234 (18) 9903.3



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	10255-10260	10152	10125	10327	9633	9867	10100	10392	10685

BLACK PEPPER

Market Analysis:

- Kochi Black pepper physical remained steady on Tuesday as stockists continued to offload stocks at high.
- Markets fell as spot demand remained weak at higher levels.
- Upcountry demand also remained weak and can pull the markets lower.
- Steady to firm sentiments in the cash markets were also influenced by firm futures counter which ended higher.
- However long term sentiments remained firm on reports of lower stocks available this year due to lower production in India and Indonesia.
- Sentiments also remained bullish as arrivals continued to be on the lower side in the domestic markets.
- Sources added that wet weather could disrupt arrivals and may take the markets higher in the long run.

Pepper prices may trade range bound to weak in the short term on lower demand and offloading of stocks. In the medium and long term price trend will depend on the availability of stocks and global production estimates.

Technical Analysis:

- Candlestick formation reveals buying support at lows.
- Prices closed above 9 and 18-day EMAs supporting the bullish momentum in short term.
- MACD and RSI are moving up supports the bullish sentiments.
- Black Pepper futures are likely to trade range bound with a weak bias in next trading session.

Weather:

- Scattered thundershowers would occur over Tamil Nadu and Kerala.
- This may disrupt harvest.

Price Drivers:

No.	Pressure Point	Favours
1	Harvesting delayed due to untimely rains	Bulls
2	Lower supplies	Bulls
3	Weak spot demand supplies	Bears
4	Stockists offloaded stocks	Bears
5	Higher production from Vietnam	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	15-02-11	14-02-11	Change
Ungarbled	Kochi	22800	22800	-
Garbled		23600	23600	-

Arrivals and Offtake in Tonnes:

	15-02-11	14-02-11
Arrivals	20	20
Offtake	30	20



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	24000-24010	23760	23700	24165	23355	23605	24245	24495	24745

TURMERIC

Market Analysis:

- Nizam remained steady on Tuesday as arrivals declined.
- Erode saw a rebound on Tuesday due to lower arrivals in the market.
- Sentiments remained bearish as spot demand remained weak and arrivals remained on the higher side.
- However stocks which are coming in wet and traders are not interested in buying the wet stock.
- So this may slow down arrivals and start to take the markets up.
- Production estimates for this year ranges from 50-60 lakh bags all over India compared to 40-45 lakh bags during the previous year.
- On the other hand this year about 5-10% losses could be seen due to bad weather conditions in the initial sowing period.

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 markets.
- RSI is flat supports sideways markets.
- Turmeric futures are likely to trade range bound with a firm bias in next trading session.

Weather:

- Dry weather conditions over A.P could increase the chances of arrivals in the markets and assist the harvesting of crop.
- Scattered thundershowers would occur over Tamil Nadu and may disrupt chances of arrivals.

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	15-02-11	14-02-11	Change
Finger-New	Erode	11900-	11700-	+300
Gattah-New		13000	12700	
Nizam-New		11400-	11200-	
		12500	12200	+300
Nizam-New	Nizamabad	13700	13700	-

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

	Centre	15-02-11	14-02-11
Arrivals	Erode	6000	7000
Offtake		5400	6300
Arrivals	Nizamabad	10000	28000
Offtake		10000	28000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	9550-9560	9656	9679	9485	9314	9478	9642	9744	9846

CARDAMOM

Market Analysis:

- Cardamom markets moved higher on Tuesday amid weak spot demand and higher arrivals.
- Markets sentiments remained weak as favorable weather for the harvest of the last crop which may increase the arrivals.
- Weak sentiments in the cash markets were also influenced by weak futures counter which ended lower.
- However, sources added that markets are also expected to move higher as supplies are expected to remain tight in the domestic market in the longer run.
- Lower production in India and Guatemala may also push the markets higher in the longer run.
- 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 bullish sentiments.
- Prices are below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD and RSI are flat and support sideways market.
- Cardamom futures are likely to trade range-bound with a firm bias in next trading session.

Weather:

- Scattered thundershowers would occur over Tamil Nadu and Kerala.
- This may disrupt harvest.

Price Drivers:

No.	Pressure Point	Favours
1	Weak spot demand	Bears
2	Higher arrivals	Bears
3	favorable weather for last harvest	Bears
4	Lower export demand	Bears
5	Lower production from India and Guatemala	Bulls

SPOT MARKET PRICES: (Rs/Kg)

Grade	Centre	15-02-11	14-02-11	Change
Small	Max Auction Price	1315.5	1108.5-1180	+135.5
	Average Auction Price	1138.69	1072.47-1073.05	+65.64

Arrivals and Offtake in Kgs:

	15-02-11	14-02-11
Arrivals	24641	13976
Offtake	24641	12245



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Mar	BUY	1290-1292	1307	1312	1279	1241	1267	1294	1318	1343

SPICES

DATE: 16-02-2011

CUMIN SEED

Market Analysis:

- Unjha cash markets remained steady on Tuesday as reports continued about lower stocks.
- Markets sentiments remained firm as spot demand remained firm.
- However fresh arrivals improved and may continue to do so and this may put pressure on the markets.
- However production estimates in Gujarat is expected lower at 21 lakh bags compared to previous estimate at 25 lakh bags.
- Sentiments also remained bullish after 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.

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 bearish sentiments.
- Prices have closed above the 9 and 18-day EMAs suggests bullish trend in short term.
- MACD is moving up supports bullish markets.
- RSI is moving down supports bearish markets.
- Cumin seed futures are likely to trade range bound with a weak bias in next trading session.

Weather:

- Dry weather conditions in Gujarat may assist in further development of the crop and assist in harvest.
- Fairly widespread thundershowers would occur over Rajasthan and may disrupt harvest.

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	15-02-11	14-02-11	Change
Loose		13075	13075	-
Machine Cut	Unjha	14550	14550	-
NCDEX		14025-	14025-	-
Quality		14050	14050	-

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

	15-02-11	14-02-11
Arrivals-Old	1800	4000
Arrivals-New	1200	1000
Offtake	5000	10000

JEERA 1103(NCJEEH1)2011/02/15 - Daily B:15900.00 A:15910.00

O 15999.00 H 16305.00 L 15601.00 C 15910.00 V 20,007 I 15,450 -50

EMA(9) 15858 (18) 15647



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	16050-16055	15889	15849	16158	15234	15572	15910	16276	16642

CORIANDER SEED

Market Analysis:

- Coriander cash markets cash markets fell on Tuesday as fresh arrivals have started in Ramganj.
- However sources say that the stock is little wet.
- Sentiments remained weak partially influenced by weak futures counter on Tuesday.
- Sources added that speculation is still continuing in the futures counter and may do so till the fresh crop starts coming in.
- Spot demand remains weak as market participants are waiting for the fresh crop.
- Markets sentiments in the longer run are expected to remain weak as production estimates remain higher.

We expect coriander prices to remain range bound to weak on weak demand and fresh crop arrivals. In the medium to long term price trend may depend on production estimates and demand in the market.

Technical Analysis:

- Candlestick formation reveals bearish sentiments.
- Prices are below 9-day EMAs supporting bearish momentum in the short term.
- MACD is moving up supports bullish markets.
- RSI is moving down supports bearish markets.
- Coriander seed futures are likely to trade range-bound with weak bias in next trading session.

Weather:

Fairly widespread thundershowers would occur over Rajasthan and may disrupt harvest.

Price Drivers:

No.	Pressure Point	Favours
1	Weak spot demand	Bears
2	Higher production estimates	Bears
3	Fresh crop arrivals	Bears
4	Speculative buying in futures	Bulls
5	Lower arrivals	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	15-02-11	14-02-11	Change
Badami	Ramganj	3950-3975	4000-4050	-75
Eagle		4100-4125	4150-4200	-75

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

	15-02-11	14-02-11
Arrivals-New	1000	-
Arrivals-Old	3500-4000	4000-4500
Offtake	5000	4500



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5305-5310	5252	5239	5345	4922	5061	5200	5354	5508

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