

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets moved up on buying support Thursday.
- Short-term sentiments remained bearish as stockists continued to offload stocks at higher levels of the market.
- 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 fall on 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 side-ways move in the prices.
- Prices closed above 9 and 18-day EMA's thus supporting the bullish momentum in the short term.
- MACD is flattering.
- RSI is flat and stochastic is easing neutral zone.
- Red Chilli futures are likely witnesses side-ways move 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	Decline of fresh arrivals	Bears
4	Weak spot demand	Bears
5	Offloading of stocks	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	17-02-11	16-02-11	Change
Cold Storage		-	6250-7050	-
LCA 334 New	Guntur	6500-8000	6500-7000	+1000
Teja		-	7350-7650	-
Bedki		8500-9000	7750-8650	+250

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

	17-02-11	16-02-11
Arrivals-New	60000	40000
Arrivals-Old	-	5000
Offtake	-	40000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	Wait	-	-	-	-	9758	9936	10320	10596	10774

BLACK PEPPER:

Market Analysis:

- Kochi Black pepper physical markets ruled steady on Thursday amid some buying support at lower level.
- Demand in spot market at lower level restricted further loss.
- However, upcountry demand remained weak and can pull the markets further down for short term.
- Arrival pressure will continue to build up in weeks ahead.
- Arrivals over the last few days had improved as planters brought in more stocks in the market.
- However long term sentiments remained firm on IPC reports of lower stocks available this year due to lower production in India and Indonesia.
- Sources added that wet weather could disrupt arrivals and may take the markets higher in the long run.

Pepper prices may trade steady 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 bearish sentiments.
- Prices closed below 9 and 18-day EMAs supporting the bearish momentum in short term.
- MACD is moving up supports the bullish sentiments.
- RSI is moving down supports the bearish 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	17-02-11	16-02-11	Change
Ungarbled	Kochi	22200	22200	-
Garbled		23000	23000	-

Arrivals and Offtake in Tonnes:

	17-02-11	16-02-11
Arrivals	10	10
Offtake	10	05



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	24100-24110	23825	23700	24300	22902	23200	23499	24021	24544

TURMERIC

Market Analysis:

- Mostly weak sentiments witnessed in Turmeric prices.
- Arrival of new crop has started in Nizamabad market and is reported higher by around 5000-6000 bags against previous day's arrivals.
- Firm demand of the commodity has further supported bullish sentiments.
- Higher moisture level is reported in new arrival and this has forced buyers to ask for old crop.
- But lower carry-in stock position has put the sellers in a dominating position.
- 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 bullish sentiments.
- Prices closed above 9 and 18-day EMAs thus supporting the bullish momentum in short term.
- MACD is moving up supports firm markets.
- RSI is moving up supports bullish 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
4	Wet stock	Bulls
2	Lower arrivals	Bulls
5	Lower carry-over stocks	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	17-02-11	16-02-11	Change
Finger-New	Erode	11700-12700	Closed	-
Gattah-New		11200-12200	Closed	-
Nizam-New	Nizamabad	11200	13700	2500

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

	Centre	17-02-11	16-02-11
Arrivals	Erode	10000	Closed
Offtake		10000	Closed
Arrivals	Nizamabad	12000	6000
Offtake		12000	6000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	<10100	10200	10280	9960	9403	9651	10158	10300	10402

CARDAMOM

Market Analysis:

- Cardamom markets remained mixed on Wednesday amid weak spot demand.
- Consistent improvement in its prices at NCDEX from last couple of days has also forced spot buyers to enter in the market.
- Improved demand amid limited availability of the commodity also supported bullish sentiments.
- Projections of lower output in India and Guatemala have raised the concerns of supply crunch in the domestic markets in near term and this might further support bullish momentum.
- India and Guatemala (jointly) are expected to produce 30,000 tonnes compared to 33,000 tonnes producing during last year.

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 up in negative zone and support improvement in market.
- RSI is moving down support bearish market.
- Cardamom 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	Weak spot demand	Bears
2	Lower export demand	Bears
3	Lower arrivals	Bulls
4	Firm futures counter	Bulls
5	Lower production from India and Guatemala	Bulls

SPOT MARKET PRICES: (Rs/Kg)

Grade	Centre	17-02-11	16-02-11	Change
Small	Max Auction Price	1298.5	1309.5	11.00
	Average Auction Price	1151.98	1142.99	8.99

Arrivals and Offtake in Kgs:

	17-02-11	16-02-11
Arrivals	9723	20521
Offtake	9723	20521



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Mar	SELL	<1317	1295	1285	1330	1268	1280	1305	1353	1377

SPICES

DATE: 18-02-2011

CUMIN SEED

Market Analysis:

- Unjha cash markets fell slightly today as stockists offloaded stocks at high.
- However sources said that as lower availability of stocks will continue in the market.
- Markets sentiments remained weak as demand weakened at high's of the market.
- Markets also fell today as fresh arrivals improved and planters brought in more stocks seeing higher prices.
- However production estimates in Gujarat is expected lower at 21 lakh bags compared to previous estimate at 25 lakh bags.
- Sources add that this year Rajasthan could produce between 3-4 lakh bags lower compared to previous year production at 7-8 lakh bags.

We expect Cumin seed prices to trade steady to weak on weak demand and higher fresh arrivals. Price trend in the medium to long term may depend on production estimates and export demand.

Technical Analysis:

- Candlestick formation reveals indecision.
- 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 flat supports sideways 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	16-02-11	15-02-11	Change
Loose		12975	13075	-100
Machine Cut	Unjha	14450	14550	-100
NCDEX		13925-	14025-	-100
Quality		13950	14050	

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

	16-02-11	15-02-11
Arrivals-Old	2000	1800
Arrivals-New	2000	1200
Offtake	6000	5000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	16100-16110	15900	15875	16185	15602	15776	16038	16232	16406



SPICES

DATE: 18-02-2011

CORIANDER SEED

Market Analysis:

- Coriander cash markets cash markets fell on Wednesday as fresh arrivals have started in Ramganj.
- Hailstorms in Rajasthan's Bundi district during last night have raised the prospects of crop damage.
- Slight improvement in its prices over NCDEX has also supported bullish sentiments.
- Earlier projections of better output kept weighing on its prices but heavy rainfall and hailstorms in Rajasthan during last couple of days have given a chance to the speculators to move the market in northward direction.
- 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 flat supports sideways 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	17-02-11	16-02-11	Change
Badami-Old	Ramganj	3650-3850	3850-3875	25
Eagle-Old		3850-4100	4000-4025	75
Badami-New		3000-3500	3000-4000	500
Eagle-New		3500-5000	4000-5000	-

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

	17-02-11	16-02-11
Arrivals-New	2000	2000
Arrivals-Old	4000	3000
Offtake	6000	5000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	<5250	5200	5185	5280	5015	5228	5228	5401	5488

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