

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets remained steady to firm on firm spot demand Friday.
- Firm sentiments were also supported by on expected bad weather conditions in coastal A.P.
- 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 bearish sentiments.
- Prices closed below 9-day EMA's thus supporting the bearish momentum in the short term.
- MACD and RSI are moving down supports bearish sentiments.
- Red Chilli futures are likely to trade range bound with a weak bias in next trading session.

Weather:

Isolated thundershowers would occur over coastal Andhra Pradesh during next 24 hours and increase thereafter may disrupt harvesting of the crop.

Price Drivers:

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

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	18-02-11	17-02-11	Change
Cold Storage		-	-	-
LCA 334 New	Guntur	6500-8000	6500-8000	-
Teja		-	-	-
Bedki		8500-9000	8500-9000	-

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

	18-02-11	17-02-11
Arrivals-New	60000	60000
Arrivals-Old	-	-
Offtake	45000	40000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	10250-10260	10148	10122	10329	10062	10100	10198	10358	10386

SPICES

DATE: 19-02-2011

BLACK PEPPER:
Market Analysis:

- Kochi Black pepper physical markets remained steady on Friday amid some buying support at lower level.
- Demand in spot market at lower level restricted further loss.
- However, upcountry and export demand remained weak and can pull the markets further down for short term.
- Sources also added that arrivals will start in Vietnam in coming weeks and this may pull the markets lower in the long run.
- 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.

Pepper prices may trade steady to firm in the short term on buying support at lower level. 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-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:

Dry weather conditions will support 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	18-02-11	17-02-11	Change
Ungarbled	Kochi	22200	22200	-
Garbled		23000	23000	-

Arrivals and Offtake in Tonnes:

	18-02-11	17-02-11
Arrivals	10	05
Offtake	10	07

Pepper 1103(NCPEPH1)2011/02/18 - Daily B:23682.00 A:23733.00
O 23880.00 H 23980.00 L 23600.00 C 23733.00 V 6,578 I 9,640 -111
EMA(9) 23840 (18) 23667


Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	23850-23860	23612	23560	24010	23182	23391	23733	24151	24322

TURMERIC

Market Analysis:

- Nizam remained closed on Telengana and Andhra agitation on Friday.
- Erode remained steady as arrivals declined in the market.
- 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 selling pressure at highs.
- 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 down supports bearish markets.
- Turmeric futures are likely to trade range bound with a weak bias in next trading session.

Weather:

- Isolated thundershowers would occur over coastal Andhra Pradesh during next 24 hours and increase thereafter may disrupt harvesting of the crop.
- Dry weather conditions over Tamil Nadu may help harvest.

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	18-02-11	17-02-11	Change
Finger-New	Erode	11700-12700	11700-12700	-
Gattah-New		11200-12200	11200-12200	-
Nizam-New	Nizamabad	Closed	11200	-

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

	Centre	18-02-11	17-02-11
Arrivals	Erode	6000	10000
Offtake		4800	10000
Arrivals	Nizamabad	Closed	12000
Offtake		Closed	12000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	9885-9890	9786	9775	9947	9428	9614	9800	10468	10654

SPICES

DATE: 19-02-2011

CARDAMOM

Market Analysis:

- Cardamom markets fell on Friday as spot demand remained weak.
- Markets also fell as weak futures counter partially influenced Friday's weakness.
- However sources added that supplies remained weak and may support the bullish sentiments in the long run.
- 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 flat 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:

Dry weather conditions will support 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	18-02-11	17-02-11	Change
Small	Max Auction Price	1338	1298.5-1374	-36
	Average Auction Price	1154.24	1151.98-1175.36	-21.12

Arrivals and Offtake in Kgs:

	18-02-11	17-02-11
Arrivals	20270	29332
Offtake	20270	28880



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Mar	BUY	1242-1244	1259	1264	1231	1201	1228	1265.8	1320	1339

SPICES

DATE: 19-02-2011

CUMIN SEED

Market Analysis:

- Unjha cash markets remained steady on Friday as arrivals declined slightly in the market.
- However sources said that as lower availability of stocks will continue in the market.
- Markets sentiments in the short term are expected to remain weak as demand remains weak.
- 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 bullish sentiments.
- Prices have closed above the 9 and 18-day EMAs suggests bullish trend in short term.
- MACD and RSI are moving up supports bullish 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	18-02-11	17-02-11	Change
Loose		12975	12975	-
Machine Cut	Unjha	14450	14450	-
NCDEX		13925-	13925-	-
Quality		13950	13950	-

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

	18-02-11	17-02-11
Arrivals-Old	1500	2000
Arrivals-New	1500	2000
Offtake	4000	6000

JEERA 1103(NCJEEH1)2011/02/18 - Daily B:16190.00 A:16200.00
O 16056.00 H 16232.00 L 15816.00 C 16199.00 V 11,637 I 15,129 +161
EMA(9) 15967 (18) 15767



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	16220-16230	16058	16015	16337	15666	15932	16199	16348	16498

CORIANDER SEED

Market Analysis:

- Coriander cash markets cash markets fell on Friday as fresh arrivals have started in Ramganj and arrivals remained higher.
- Hailstorms in Rajasthan's Bundi district during last night have raised the prospects of crop damage.
- Markets also fell as prices over NCDEX have also partially supported bearish 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 upward 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 and 18-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	18-02-11	17-02-11	Change
Badami-Old	Ramganj	3550-3750	3650-3850	-100
Eagle-Old		3750-4000	3850-4100	-100
Badami-New		2900-3400	3000-3500	-100
Eagle-New		3400-4900	3500-5000	-100

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

	18-02-11	17-02-11
Arrivals-New	2000-2500	2000
Arrivals-Old	2000-2500	4000
Offtake	5000	6000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5185-5190	5133	5120	5225	4941	5032	5160	5342	5406

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