

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets remained closed on Saturday on weekly close.
- Sources added that sentiments remained firm supported by on expected bad weather conditions in coastal A.P.
- However short-term sentiments remained bearish as stockists continued to offload stocks at higher levels of the market.
- In the longer run sentiments is expected to remain 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 and 18-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	19-02-2011	18-02-2011	Change
LCA 334				
New	Guntur	Closed	6500-8000	-
Bedki		Closed	8500-9000	-

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

	18-02-11	17-02-11
Arrivals-New	Closed	60000
Offtake	Closed	45000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	10495-10500	10390	10360	10570	10248	10343	10438	10627	10816

BLACK PEPPER:

Market Analysis:

- Kochi Black pepper physical markets remained steady on Saturday as upcountry demand remains weak.
- Weak demand in spot market may pull markets lower.
- 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 and 18-day EMAs supporting the bearish momentum in short term.
- MACD and RSI are 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	19-02-11	18-02-11	Change
Ungarbled	Kochi	22200	22200	-
Garbled		23000	23000	-

Arrivals and Offtake in Tonnes:

	19-02-11	18-02-11
Arrivals	04	10
Offtake	05	10

Pepper 1103(NCPEPH1)2011/02/19 - Daily B:23540.00 A:23544.00
 O 23683.00 H 23840.00 L 23375.00 C 23540.00 V 4,981 I 9,607 -193
 EMA(9) 23780 (18) 23654



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	23675-23680	23438	23413	23813	23120	23330	23540	23895	24160

TURMERIC

Market Analysis:

- Nizam and Erode remained closed on weekly close.
- However sources said that arrivals could improve which could pull the markets lower in the short run.
- 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	19-02-11	18-02-11	Change
Finger-New	Erode	Closed	11700-12700	-
Gattah-New		Closed	11200-12200	-
Nizam-New	Nizamabad	Closed	Closed	-

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

	Centre	19-02-11	18-02-11
Arrivals	Erode	Closed	6000
Offtake		Closed	4800
Arrivals	Nizamabad	Closed	Closed
Offtake		Closed	Closed



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	SELL	9800-9805	9702	9677	9869	9528	9624	9720	9878	10036

SPICES **DATE: 21-02-2011**

CARDAMOM

Market Analysis:

- Cardamom markets fell heavily on Saturday as spot demand remained weak.
- Markets sentiments remained weak as weak futures counter partially influenced Saturday’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 selling pressure at highs.
- 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 in the overbought region and is warranting caution to the bulls.
- 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	19-02-11	18-02-11	Change
Small	Max Auction Price	1244.5	1338	-93.5
	Average Auction Price	1050	1154.24	-104.25

Arrivals and Offtake in Kgs:

	19-02-11	18-02-11
Arrivals	15180	20270
Offtake	14570	20270



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Mar	SELL	1220-1222	1205	1200	1233	1178	1197	1216.8	1250	1284

CUMIN SEED

Market Analysis:

- Unjha cash markets moved higher on Saturday amid higher arrivals in the market.
- Sentiments remained firm as sources said that lower availability of stocks will continue in the market.
- The 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 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	19-02-11	18-02-11	Change
Loose		13075	12975	+100
Machine Cut	Unjha	14550	14450	+100
NCDEX		14025-	13925-	
Quality		14050	13950	+100

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

	19-02-11	18-02-11
Arrivals-Old	4000	1500
Arrivals-New	1000	1500
Offtake	5000	4000

JEERA 1103(NCJEEH1)2011/02/19 - Daily B:16085.00 A:16090.00
 O 16149.00 H 16300.00 L 16015.00 C 16090.00 V 8,484 I 14,040 -109
 EMA(9) 15991 (18) 15801



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	16150-16155	15989	15960	16252	15850	15950	16090	16255	16420

SPICES **DATE: 21-02-2011**

CORIANDER SEED

Market Analysis:

- Coriander cash markets cash remained steady on Saturday amid fresh arrivals have started in Ramganj and arrivals is expected to remain on the higher side.
- Sources however added that the real movement will start only after the dry arrivals start in the market.
- Markets sentiments remained weak as prices over NCDEX have remained weak over the 2 days.
- Sources added that production estimates remain high and this will bring markets down in the long run.
- India is expected to produce 1 crore bags this year.

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	19-02-11	18-02-11	Change
Badami-Old	Ramganj	3550-3750	3550-3750	-
Eagle-Old		3750-4000	3750-4000	-
Badami-New		2900-3400	2900-3400	-
Eagle-New		3400-4900	3400-4900	-

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

	19-02-11	18-02-11
Arrivals-New	3000	2000-2500
Arrivals-Old	2500	2000-2500
Offtake	4500	5000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5095-5100	5044	5031	5134	4824	4926	5028	5174	5320

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