

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets remained closed on Monday due to labour problems in the markets.
- Markets will re-open on 22nd February 2011.
- However sources added that sentiments are expected to remain firm as production estimates this year is expected to be well below earlier estimates of 1.5 crore bags.
- Last year production was 1.5 crore bags and this year production could decline to lower than 1 crore bags.
- However short-term sentiments remained bearish as stockists continued to offload stocks at higher levels of the market.
- Sources have reported crop losses and upto 50% in A.P due to untimely rains.

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 hints positive trend.
- Prices closed above 9 and 18-day EMA's thus supporting the bullish momentum in the short term.
- MACD is moving down supports bearish sentiments.
- RSI is moving up supports bullish sentiments.
- Red Chilli futures are likely to trade range bound with a firm 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	21-02-11	19-02-11	Change
LCA 334	Guntur	Closed	Closed	-
Bedki		Closed	Closed	-

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

	21-02-11	19-02-11
Arrivals-New	Closed	Closed
Offtake	Closed	Closed

CHLL334GTR 1104(NCGTRJ1)2011/02/21 - Daily B:10856.00 A:10856.00
O 10500.00 H 10856.00 L 10500.00 C 10856.00 V 2,880 I 7,710 +406



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	10800-10810	10918	10945	10727	10381	10618	10856	10974	11093

BLACK PEPPER:

Market Analysis:

- Kochi Black pepper physical markets moved higher on Monday as spot demand improved slightly in the market.
- Weak export demand may pull markets lower as Vietnam is offering lower rates than India.
- Sources also added that arrivals will start in Vietnam and in the domestic markets in coming weeks and this may pull the markets lower in the long run.
- However sources added that depleting domestic stocks and lower availability in major producing countries may push the markets higher.
- However long term sentiments remained firm as traders say that almost nil carry forward in Indonesia very low carry forward in Brazil till harvest of new crop in August/September in 2011 will push the markets higher.

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 hints positive trend.
- Prices closed below 9-day EMAs supporting the bearish momentum in short term.
- MACD is moving down supports the bearish sentiments.
- RSI is moving up supports bullish 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	21-02-11	19-02-11	Change
Ungarbled	Kochi	22500	22200	+100
Garbled		23300	23000	+100

Arrivals and Offtake in Tonnes:

	21-02-11	19-02-11
Arrivals	20	04
Offtake	25	05

Pepper 1103(NCPEPH1)2011/02/21 - Daily B:23690.00 A:23740.00
O 23550.00 H 23940.00 L 23530.00 C 23700.00 V 6,775 I 9,889 +165
EMA(9) 23764 (18) 23659



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	23800-23810	23562	23537	23946	23096	23313	23700	24133	24326

TURMERIC

Market Analysis:

- Nizam closed due to the Telengana and Andhra agitation and is expected to re-open on 24th February 2011.
- Erode remained steady amid higher arrivals.
- However, firm spot demand of the commodity has supported the current uptrend in markets.
- Higher moisture level is reported in new arrival and this has forced buyers to buy 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 hints positive trend.
- Prices closed above 9 and 18-day EMAs thus supporting the bullish momentum in short term.
- MACD and RSI are moving up supports firm markets.
- **Turmeric futures are likely to trade range bound with a firm 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	21-02-11	19-02-11	Change
Finger-New	Erode	11700-12700	Closed	-
Gattah-New		11200-12200	Closed	-
Nizam-New	Nizamabad	Closed	Closed	-

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

	Centre	21-02-11	19-02-11
Arrivals	Erode	6000	Closed
Offtake		5400	Closed
Arrivals	Nizamabad	Closed	Closed
Offtake		Closed	Closed



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	9945-9950	10049	10074	9880	9683	9867	10052	10179	10306

CARDAMOM

Market Analysis:

- Cardamom markets fell marginally on Monday as spot demand remained weak at highs of the market.
- Markets sentiments remained weak as weak futures counter over the last week partially influenced Monday'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 indecision in the markets.
- Prices are below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD and RSI are flat and support sideways markets.
- 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	21-02-11	19-02-11	Change
Small	Max Auction Price	Santhan para & Bodinay akanur 1146-1233	1244.5	-11.5
	Average Auction Price	1013.06-1045.6	1050	-4.4

Arrivals and Offtake in Kgs:

	21-02-11	19-02-11
Arrivals	11903	15180
Offtake	10216	14570



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Mar	SELL	1250-1252	1235	1230	1263	1155	1189	1222	1267	1297

SPICES

DATE: 22-02-2011

CUMIN SEED

Market Analysis:

- Unjha cash markets moved higher on Monday supported by good demand in the market.
- Markets moved higher 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 firm on firm demand and lower production estimates. Price trend in the medium to long term may depend on production estimates and export demand.

Technical Analysis:

- Candlestick formation hints positive trend.
- 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 firm 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	21-02-11	19-02-11	Change
Loose	Unjha	13375	13075	+300
Machine Cut		14850	14550	+300
NCDEX Quality		14325-	14025-	+300
		14350	14050	

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

	21-02-11	19-02-11
Arrivals-Old	4000	4000
Arrivals-New	1000	1000
Offtake	8000	5000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BUY	16345-16350	16515	16554	16240	15910	16224	16539	16726	16914

CORIANDER SEED

Market Analysis:

- Coriander cash markets cash fell heavily on Monday on weak demand and higher fresh arrivals in Ramganj.
- Sources added that arrivals are expected to remain on the higher side.
- However the stocks are still wet and traders may wait for the dry crop which may start in 2 weeks.
- Markets sentiments remained weak as prices over NCDEX have remained weak over the last week.
- 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 up supports bullish 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	21-02-11	19-02-11	Change
Badami-Old	Ramganj	3500-3600	3550-3750	-150
Eagle-Old		3700	3750-4000	-300
Badami-New		2800-3300	2900-3400	-100
Eagle-New		3300-4800	3400-4900	-100

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

	21-02-11	19-02-11
Arrivals-New	3000-3500	3000
Arrivals-Old	2000-2500	2500
Offtake	5500	4500



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5085-5090	5034	5021	5124	4854	4941	5028	5195	5266

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