

RED CHILLIES

Market Analysis:

- Red chilli prices cash markets remained steady to firm on Tuesday as spot demand remained firm at lows in the markets.
- 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.
- Sources have reported crop losses upto 50% could be seen in A.P due to untimely rains during sowing.
- However short-term sentiments remained bearish as stockists continued to offload stocks at higher levels of the market.

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 negative trend.
- Prices closed above 9 and 18-day EMA's thus supporting the bullish 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 firm bias in next trading session.

Weather:

- Scattered rainfall would occur over Telengana, Coastal Andhra Pradesh, Rayalaseema and south interior Karnataka, Tamilnadu and Kerala during next 3 days.
- This may disrupt 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	Bulls
4	Firm spot demand	Bulls
5	Offloading of stocks	Bears

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	22-02-11	21-02-11	Change
LCA 334	Guntur	6500-8000	Closed	-
Bedki		8500-9000	Closed	-

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

	22-02-11	21-02-11
Arrivals-New	40000	Closed
Offtake	40000	Closed

CHILL334GTR 1104(NCGTRJ1)2011/02/22 - Daily B:10736.00 A:10750.00
O 11072.00 H 11074.00 L 10650.00 C 10740.00 V 3,365 I 7,190 -72

EMA(9) 10724 (18) 10535



DAV(9, 12, 12) 40.0347 MACD 94.9512 DIF -54.9165



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	10545-10550	10655	10682	10476	10144	10397	10740	10992	11245

BLACK PEPPER:

Market Analysis:

- Kochi Black pepper physical markets remained steady on Tuesday supported by firm spot demand in the market.
- Markets may move higher as arrivals may decline due to expected lower arrivals in local markets due to untimely rains expected this week.
- Sources added that depleting domestic stocks and lower availability in major producing countries may push the markets higher.
- However, 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.
- However long term sentiments remained firm as sources added 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 negative trend.
- 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:

- Scattered rainfall would occur over south interior Karnataka, Tamilnadu and Kerala during next 3 days.
- This may disrupt harvesting of the crop.

Price Drivers:

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

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	22-02-11	21-02-11	Change
Ungarbled	Kochi	22500	22500	-
Garbled		23300	23300	-

Arrivals and Offtake in Tonnes:

	22-02-11	21-02-11
Arrivals	20	20
Offtake	30	25



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	23695-23700	23458	23428	23836	23155	23370	23585	23995	24210

TURMERIC

Market Analysis:

- Nizam remained closed due to the Telengana and Andhra agitation and is expected to re-open on 24th February 2011.
- Erode surged higher as demand improved in the markets.
- Sources added that firm spot demand for the commodity will continue the current uptrend in the markets.
- Markets may move higher as arrivals may decline due to expected lower arrivals in local markets due to untimely rains expected this week.
- Sources added that lack of arrivals in the domestic markets in Nizam and lower arrivals in Erode will continue to push the markets higher.
- 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 firm on lower fresh arrivals and firm spot demand 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:

- Scattered rainfall would occur over Telengana, Coastal Andhra Pradesh, Rayalaseema and south interior Karnataka, during next 3 days.
- This may disrupt harvesting of the crop.

Price Drivers:

No.	Pressure Point	Favours
1	Higher output estimation	Bears
2	Higher acreage estimates	Bears
4	Firm spot demand	Bulls
2	Lower fresh arrivals	Bulls
5	Untimely rains may disrupt harvest	Bulls

SPOT MARKET PRICES: (Rs/Qtl)

Grade	Centre	22-02-11	21-02-11	Change
Finger-New	Erode	12000-13000	11700-12700	+300
Gattah-New		11500-12500	11200-12200	+300
Nizam-New	Nizamabad	Closed	Closed	-

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

	Centre	22-02-11	21-02-11
Arrivals	Erode	6000	6000
Offtake		5700	5400
Arrivals	Nizamabad	Closed	Closed
Offtake		Closed	Closed



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Apr	BUY	10150-10155	10257	10282	10084	9867	10018	10170	10292	10395

CARDAMOM

Market Analysis:

- Cardamom markets fell on Tuesday as spot demand remained weak at highs of the market.
- Markets sentiments remained weak as weak futures counter on Tuesday partially influenced Tuesday's selling.
- Markets may move higher as arrivals may decline due to expected lower arrivals in local markets due to untimely rains expected this week.
- 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 hints negative trend.
- Prices are below 9 and 18-day EMAs supporting bearish momentum in the short term.
- MACD is flat and support sideways markets.
- RSI is moving down in the oversold region and is warranting caution to the bears.
- Cardamom futures are likely to trade range-bound with a firm bias in next trading session.**

Weather:

- Scattered rainfall would occur over south interior Karnataka, Tamilnadu and Kerala during next 3 days.
- This may disrupt harvesting of the crop.

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	22-02-11	21-02-11	Change
Small	Max Auction Price	1198.5	1146-1233	-34.5
	Average Auction Price	1035.6	1013.06-1045.6	-10

Arrivals and Offtake in Kgs:

	22-02-11	21-02-11
Arrivals	29468	11903
Offtake	29319	10216



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
MCX-Mar	BUY	1150-1152	1167	1172	1139	1113	1132	1171.2	1190	1209

CUMIN SEED

Market Analysis:

- Unjha cash markets surged higher on Tuesday as sources say that arrivals are lower and may even go down and this may continue to support the uptrend.
- Markets also moved higher as sources say that traders and other market participants are buying hurriedly fearing a shortage of stocks.
- Markets were also higher supported by good demand 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 shortage of stocks and lower arrivals. Price trend in the medium to long term may depend on production estimates and export demand.

Technical Analysis:

- Cumin Seed chart is moving up into uncharted territories.
- Candlestick formation hints positive trend.
- 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 up in the overbought region and is warranting caution to the bulls.
- Cumin seed futures are likely to witness profit taking in next trading session.

Weather:

- Dry weather conditions in Gujarat may assist in further development of the crop and assist in harvest.
- Isolated thundershowers would occur over west Rajasthan in the next 24 hours and will increase thereafter in many parts of 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	22-02-11	21-02-11	Change
Loose	Unjha	13875	13375	+500
Machine Cut		15350	14850	+500
NCDEX		14825-	14325-	+500
Quality		14850	14350	

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

	22-02-11	21-02-11
Arrivals-Old	4000	4000
Arrivals-New	1000	1000
Offtake	8000	8000



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	BOOK PROFITS	-	-	-	-	16382	16765	17148	17340	17532

CORIANDER SEED

Market Analysis:

- Coriander cash markets cash continued its weakness on Tuesday on weak demand and higher fresh arrivals in Ramganj.
- However markets may move higher as arrivals may decline due to expected lower arrivals in local markets due to untimely rains expected this week.
- Sources added that arrivals are expected to remain on the higher side and this may pull the markets lower.
- However the stocks are still wet and traders may wait for the dry crop which may start in 2 weeks.
- 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 moving down supports bearish 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:

- Scattered rainfall would occur over south interior Karnataka, Tamilnadu and Kerala during next 3 days.
- Isolated thundershowers would occur over west Rajasthan in the next 24 hours and will increase thereafter in many parts of Rajasthan.
- This 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	22-02-11	21-02-11	Change
Badami-Old	Ramganj	3450-3550	3500-3600	-50
Eagle-Old		3650	3700	-50
Badami-New		2500-3000	2800-3300	-300
Eagle-New		3000-4500	3300-4800	-300

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

	22-02-11	21-02-11
Arrivals-New	4000-4500	3000-3500
Arrivals-Old	1000-1500	2000-2500
Offtake	5000-6000	5500



Trade Recommendation

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-Mar	SELL	5150-5155	5099	5086	5189	4871	4926	5044	5194	5213

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