



Technical Recommendations

Commodity	S3	S2	S1	Close	R1	R2	R3	Recommendation
Pepper Mar	21416	21801	22121	22421	22826	23211	23531	Sideways
Jeera Mar	14769	15555	15948	16341	17127	17913	18306	Sell in the range 17150-17200 TP 16800 then 16600 SL above 17400
TMC Apr	9514	9670	9886	10098	10258	10414	10630	Sideways
Chilli Mar	7773	8375	8691	9016	9609	10211	10527	Sideways
Cardamom Mar	893	977	1021	1066	1149	1233	1277	Sideways

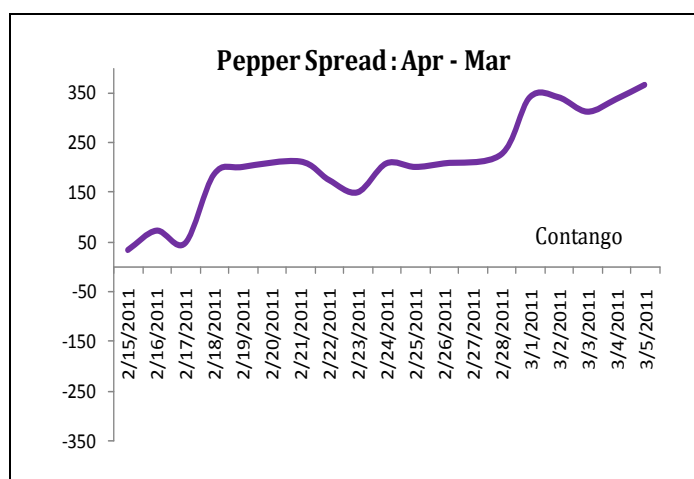
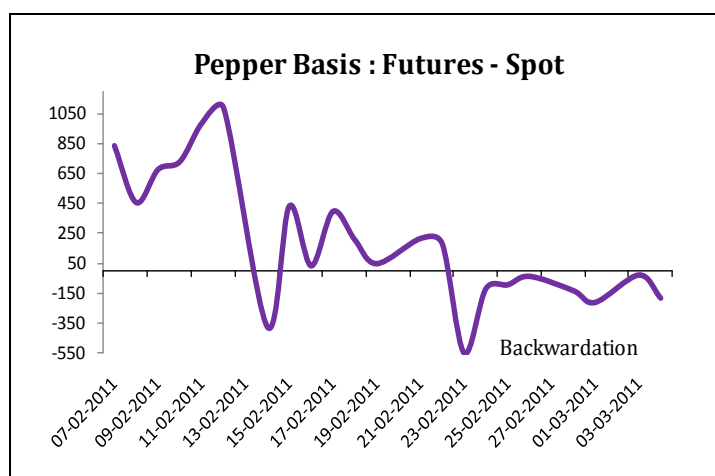


Pepper

Review

Pepper futures extended the bearish trend on strong selling pressure the week ended on March 5th, 2011. On opening itself prices started falling on extended selling pressure. Sluggish spot market activity amid lack of active buying interest pressurized the prices. Though Indian prices remained inline with other origins even then export demand did not pick up. Most of the investors from US and European countries remained silent in anticipation of further fall in prices. However, prices showed small recovery towards the end of the week on short covering but bearish reports from international market pull down the prices and futures ended on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Mar	22765	22890	22185	22421	-1.28	25081	-38.21	7881	-11.48
Apr	22885	23200	22449	22786	-0.58	13385	20.55	4718	73.07
May	23068	23622	22660	23024	-0.48	578	-32.87	574	36.02



Outlook

The NCDEX pepper expected to trade lower on extended selling pressure in coming week. Poor export demand seller's reluctance in buying might pressurize the prices. However, futures are likely to witness good recovery on short covering during next week. Limited arrivals at spot market might support the prices at lower levels. Nonetheless, any news from Vietnam might reverse the trend and prices might fall drastically.

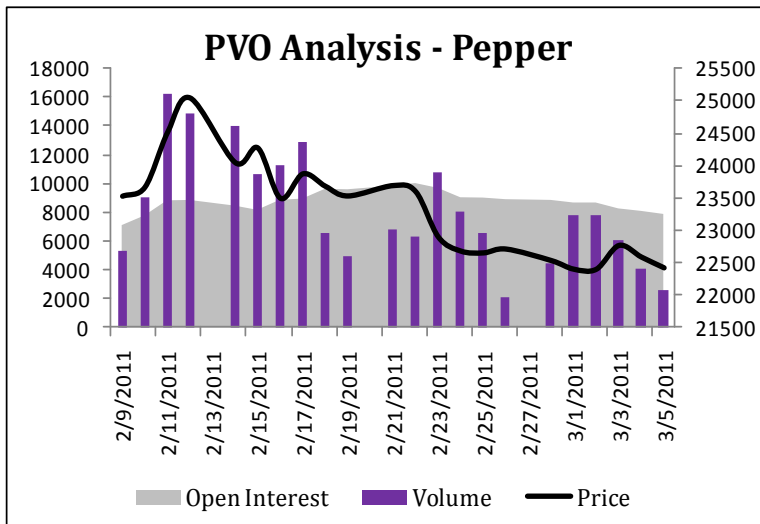
Factors to watch out

- ❖ Average daily prices at spot market of Kochi are for Ungarbled and MG-1 grade were come down by ₹300-500 to ₹21,800 and ₹22,600 per quintal respectively
- ❖ Indian pepper prices remained out priced in international market which might kept export orders away from India
- ❖ As per trade sources, prices in international market have shown positive move but Vietnam which is still quoting lower prices which is pressurizing the prices
- ❖ Stock positions at the NCDEX accredited warehouses are at 2747 tons as on 3rd March 2011
- ❖ As per Spices Board data, international price of pepper in New York market remained unchanged to \$5.51 per kg during the week ended February 25th against \$3.26 per kg quoted in the same period last year

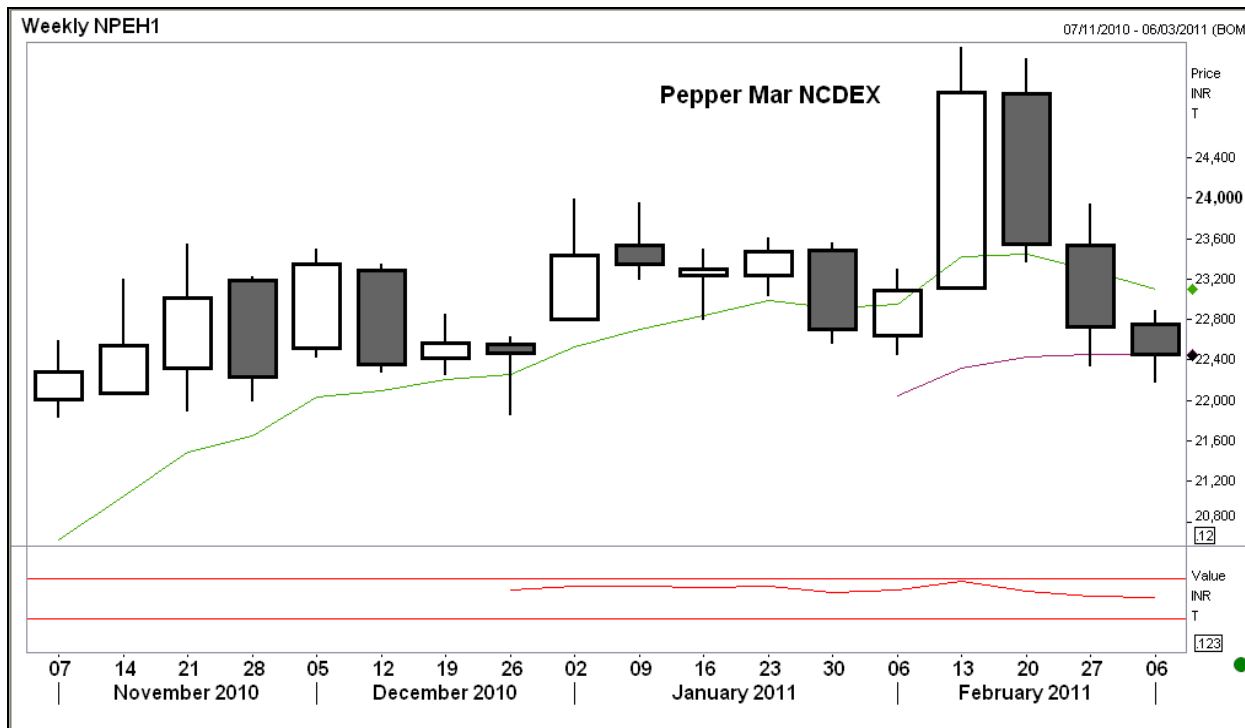


Derivative Analysis

The NCDEX Pepper March contract prices, volumes and open interest all are falling. If the total open interest is falling off and prices are declining, the price decline is being caused by disgruntled long position holders being forced to liquidate their positions. Technicians view this scenario as a strong position technically because the downtrend will end as all the sellers have sold their positions, creating fresh buying opportunity at lower levels.



Technical



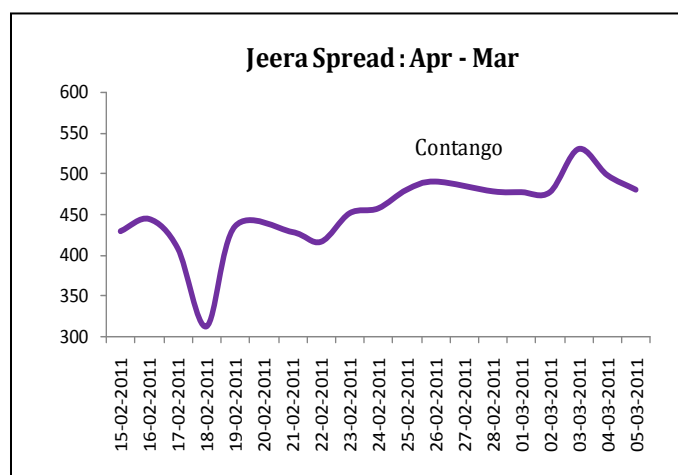
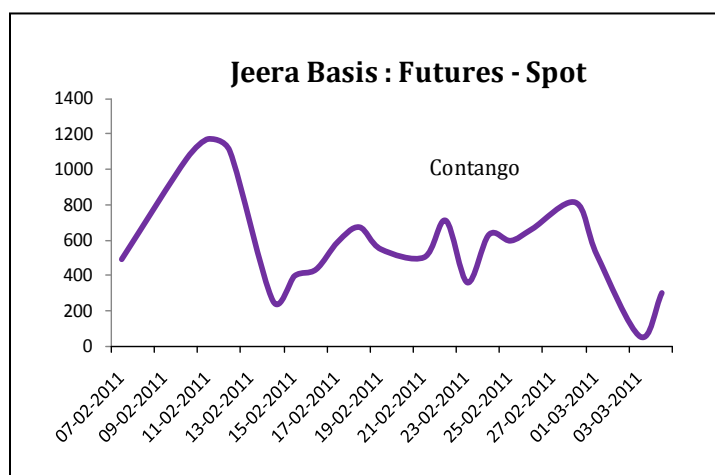


Jeera

Review

The jeera futures washed out all the gains made during last week on long liquidation. Futures started the week on positive note extending the previous week's gains and made a new all time high of 17520 levels. However, prices failed to sustain at higher levels and reversed the trend on profit selling. Huge fresh crop arrivals further pressurized the prices and futures fell drastically. However, on reports of rains in Rajasthan and Gujarat limited the losses and prices witnessed some short covering but overall bearish sentiments due to ongoing harvesting season. Taking cues from prevailing strong bearish sentiments prices at futures traded down and ended the week on negative note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Mar	17350	17520	16341	16341	-6.03	46881	-37.84	8409	-24.39
Apr	17665	18000	16829	16829	-5.88	45933	-2.09	17790	9.09
May	17694	17694	16324	16856	-5.16	1956	18.98	753	78.22



Outlook

Jeera prices are projected to trade slightly lower for next week on continued selling pressure. Jeera prices made there all time of ₹17520 at futures platform on March 1st, 2011. After that prices started declining on fresh selling on higher levels. Fresh crop arrivals are increasing at spot market which is creating a pressure on prices. Prices at spot market are also witnessing a fall from last 3-4 days. Prices at spot market of Unjha are now quoting around ₹16000-16300 per quintal against ₹16800-17000 earlier. Thus, increasing arrivals are pressurizing the prices at both spot and futures market. However, prevailing rainy conditions in major growing regions of Rajasthan may support the prices initially.

Factors to watch out

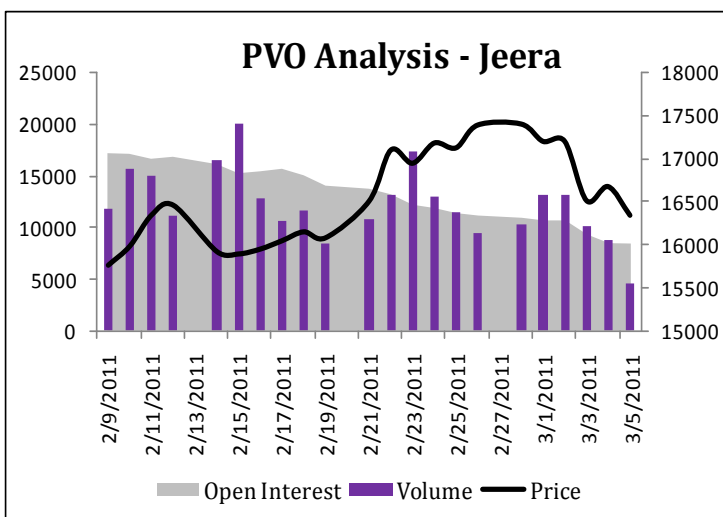
- ♣ Average daily prices at spot market of Unjha were in the range of ₹15,950-16,300 per quintal for NCDEX quality Jeera
- ♣ Fresh arrivals at spot market of Unjha were increased to 12000-14000 bags which might increase further in coming days
- ♣ Rains in Rajasthan and threat of ground frost might support the prices further in coming days
- ♣ NCDEX accredited warehouses are at 10136 tons as on 3rd March 2011



- As per Spices Board data, international price of jeera in New York market came up to \$3.84 per kg during the week ended February 25th 2011 higher against \$3.20 per kg quoted in the same period last year

Derivative Analysis

The NCDEX jeera March contract prices, volumes and open interest all are falling. If the total open interest is falling off and prices are declining, the price decline is being caused by disgruntled long position holders being forced to liquidate their positions. Technicians view this scenario as a strong position technically because the downtrend will end as all the sellers have sold their positions, creating fresh buying opportunity at lower levels.

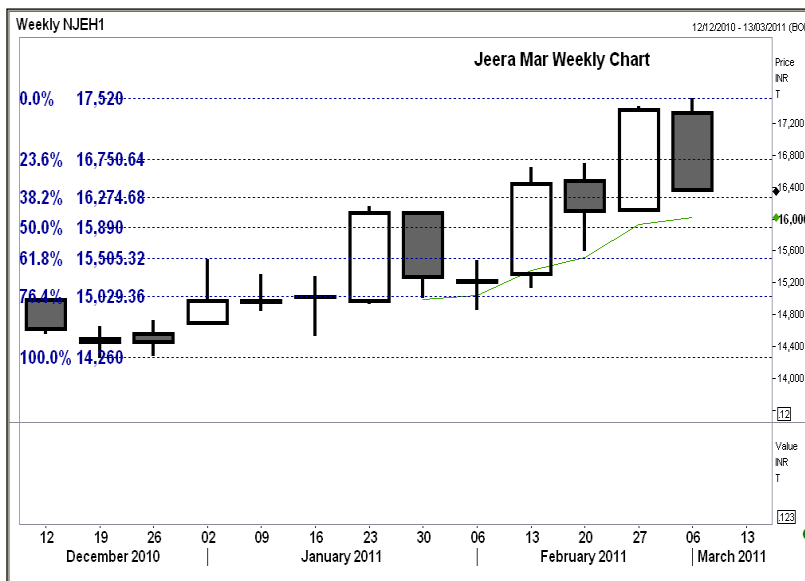


Technical

Jeera March futures in NCDEX Platform witnessed a correction this week and closed at 16341 after making all-time high of 17520.

A small black candle stick after a long white candle stick suggesting that the correction to be continued for the coming week. Prices closed below 16757 that is 23.6% correction till 16280 that is 38.2% natural retracement level of the range 14260-17520, as per Fibonacci principle. The technical indicator RSI (14) is trading at 0.68 after touching the high of 0.81 indicating down trend for coming week.

In the daily chart Jeera prices breached and sustaining below the short term trend line drawn by joining 3 well defined troughs of 14867-15601-15816 and therefore Jeera prices are expected to remain on the lower side for the coming few days. Overall, Jeera prices are expected to remain lower for the coming week and recommend going short.



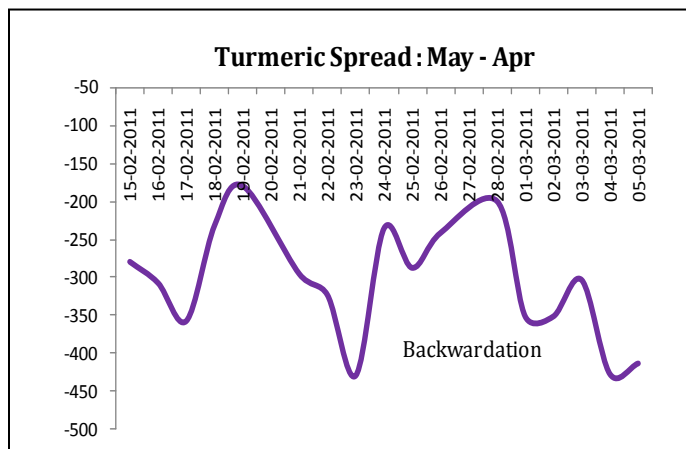
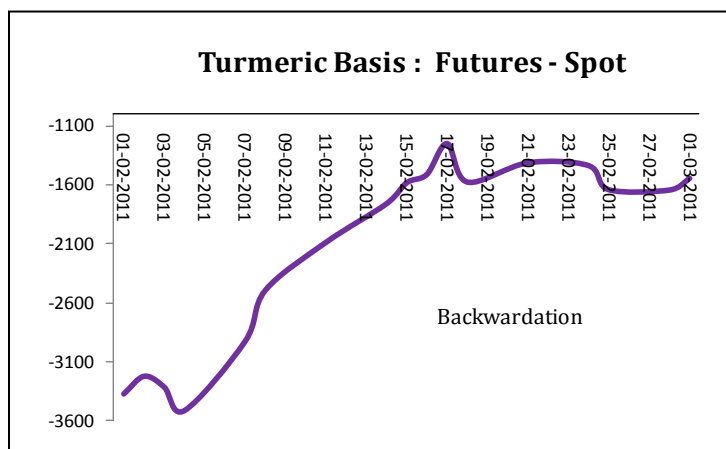


Turmeric

Review

The NCDEX turmeric futures extended the positive trend on active buying during the week ended on March, 5th. Futures started the week on lower note profit booking at higher levels. However, good demand from upcountry buyers supported the prices and futures resumed the uptrend. However, from Wednesday onwards all the spot market remained closed. Thus, there were no cues from spot market and futures also witnessed very choppy trade rest of the week. However, overall positive sentiments prevailing in market supported the prices. Thus, with some intermittent losses futures ended the week at higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr	9976	10198	9826	10086	1.16	10820	-43.76	6650	9.65
May	9660	10090	9600	9728	-0.58	3430	-41.98	3900	1.41
Jun	9660	9976	9514	9704	-0.04	550	194.55	1730	6.07



Outlook

Turmeric futures are expected to extend the positive trend on good buying interest in coming week. However, prices might witness decent corrections initially on profit booking on previous gains. Emerging upcountry demand for fresh crop might push the prices at spot market. Thus, spot is likely to witness active bulk buying which may support the prices at futures platform. Declining old crop stock amid good demand for old crop might further add to the upside. However, corrections on higher levels can not be over ruled.

Factors to watch out

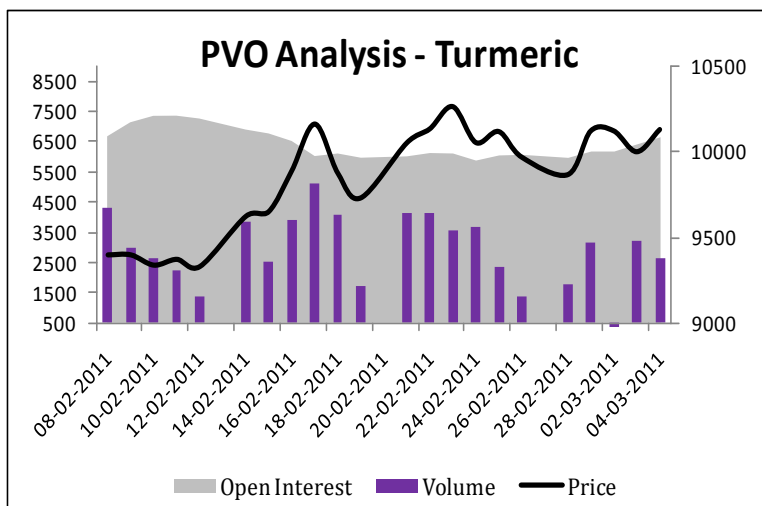
- ❖ Average daily prices at Nizamabad, Erode hovered in the range of ₹11,500-12,000 and ₹11,700-12,500 per quintal
- ❖ Arrivals at Nizamabad and Erode market were 8000-14,000 bags and 8000-10000 bags respectively (each bag=70 kg)
- ❖ All the spot market across country were closed from Wednesday and they are likely to resumed trade Monday onwards
- ❖ Good upcountry demand is supporting the prices and traders are expecting export inquires to start coming to the market by next week onwards
- ❖ As per trade sources, turmeric production in 2011 is estimated around 64 lakh bags against 45-48 lakh bags last year (Each bag=70Kg.)



- As per Spices Board data, international price of Turmeric in New York market were unchanged to \$5.29 per kg during the week ended February 25th against \$2.82 per kg quoted in the same period last year

Derivative Analysis

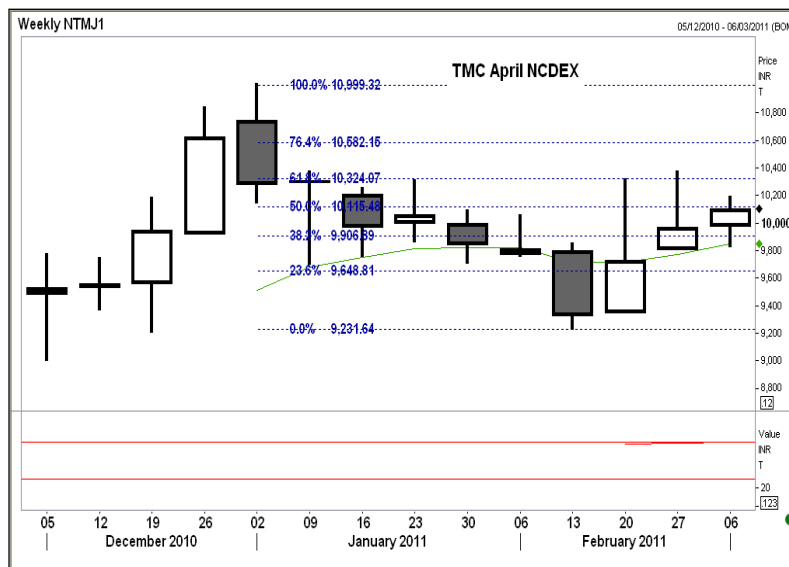
The NCDEX turmeric April contract prices and open interest are raising while volumes is falling. Market is attracting late buyers & early shorts; market is vulnerable to a sharp correction but likely that that correction will be bought creating a buy point for uptrend.



Technical

TMC April futures on NCDEX prices traded bullish for this week and settled at 10098; high 10198.

In the daily chart of TMC prices are currently trading on their consolidation mode on the higher side there is crucial resistances at 10320 (previous swing and 61.8% retracement level of the range 11000-9230, as per Fibonacci principle) levels on the breach of same, prices are expected to trade higher till 10600 that is 76.4% retracement of the given range. The Technical Indicator RSI (14) is at 0.54 suggesting upside potential for commodity. In weekly chart a Hammer and a small white candle stick suggests continuation



of the bullish mode for the coming week. Also prices are taking support of short term Weekly EMA (8) at 9846 level, suggesting bullish mode for coming week.

Overall we expect TMC prices to remain on the higher and recommend going long.

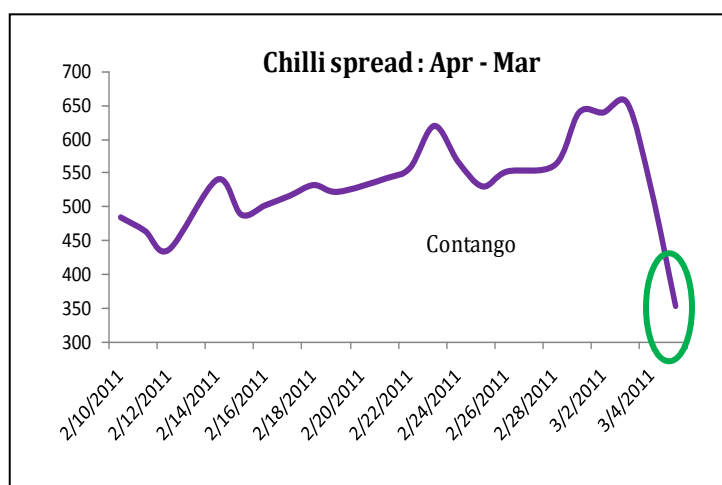
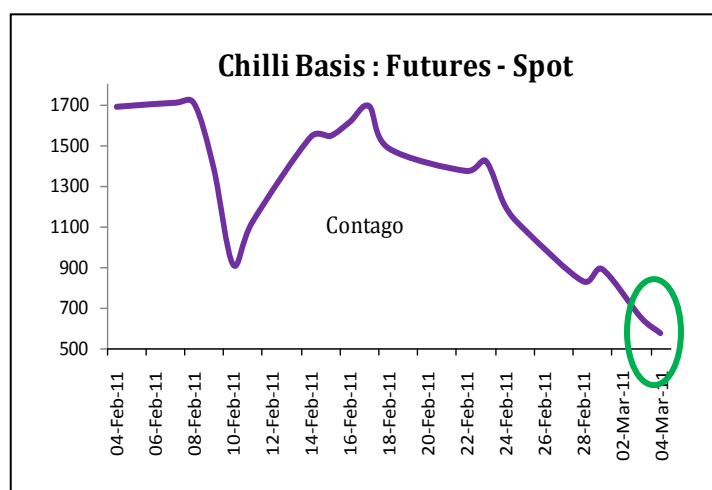


Chilli

Review

The Chilli futures traded on negative note on heavy selling pressure during last week. Futures started the week on lower note on extended selling pressure. However, prices witnessed smart recovery on short covering at lower levels but futures failed to sustain the gains. Huge arrivals at spot market of Guntur pressurized the prices at both spot and futures. Sluggish domestic and export demand further added to the down side and futures ended the week in red on futures plat form.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Mar	9896	9896	8978	9016	-9.26	16305	-28.72	6580	-0.83
Apr	10360	10418	9350	9368	-10.68	15695	0.22	7335	7.71
Jun	11600	11908	11184	11282	-10.58	2800	-21.06	1410	46.83



Outlook

The NCDEX Chilli futures are expected to continue the bearish trend. However, initially we can see some short covering in the week which is likely to create further selling in market. Sluggish spot market activity amid subdued demand may pressurize the prices. Increasing arrivals at spot market are likely to pressurize the prices. As per trade sources, Chinese chilli production is likely to improve by 10-15% this year which may also weigh on sentiments.

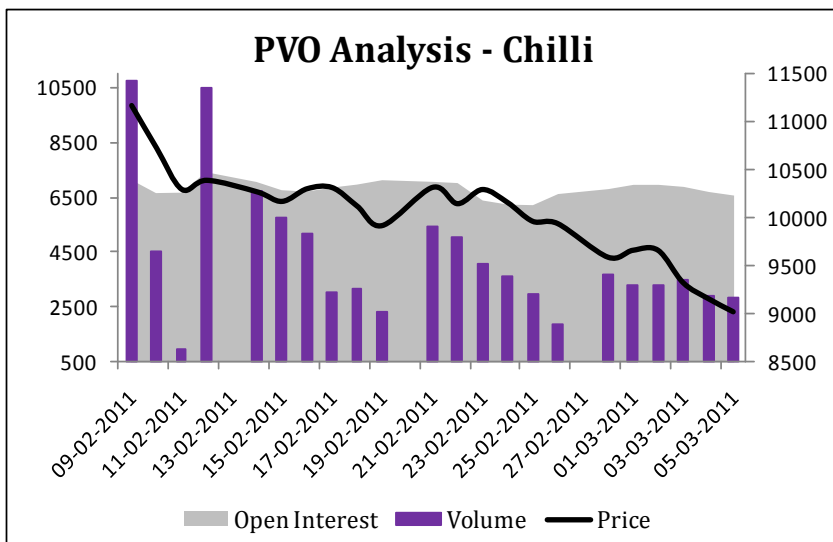
Factors to watch out

- ❖ Daily average arrivals at Guntur market were 35,000- 60,000 bags of new crop (each bag=40 kg)
- ❖ Daily Prices were came down to ₹7000-8000 per quintal for 334 variety and ₹8300-9200 per quintal for Teja variety
- ❖ As per trade sources, Chinese chilli crop has be improved by 10-15% this year from last year's losses
- ❖ Traders are expecting arrivals of 334 variety might increase from this week
- ❖ As per data released by Spices board, chilli exports during April- January 2010-11 stood around 2,00,000 tons up by 22% compared to same period last year
- ❖ NCDEX warehouse stock of Chilli as on 3rd March 2011 was 1459 tons
- ❖ As per Spices Board data, international price of chilli in New York market was unchanged to \$3.64 per kg during the week ended February 25th 2010 against \$2.54 per kg quoted in the same period last year

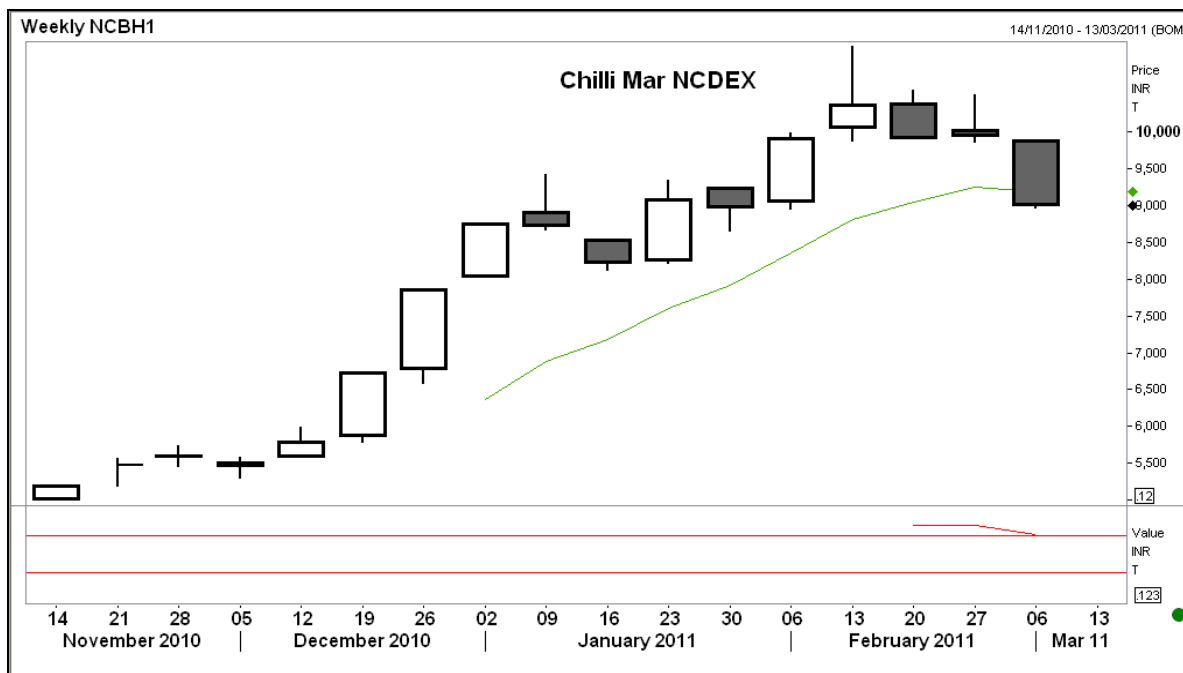


Derivative Analysis

The NCDEX chilli March contract prices are rising while volume and open interest are falling. Market is running out of traders willing to open or hold an open long/buy. Traders are liquidating both losing short positions & closing winning long positions. Should prices be falling when this scenario develops, the market has a higher probability of a price rise at some point forward.



Technical



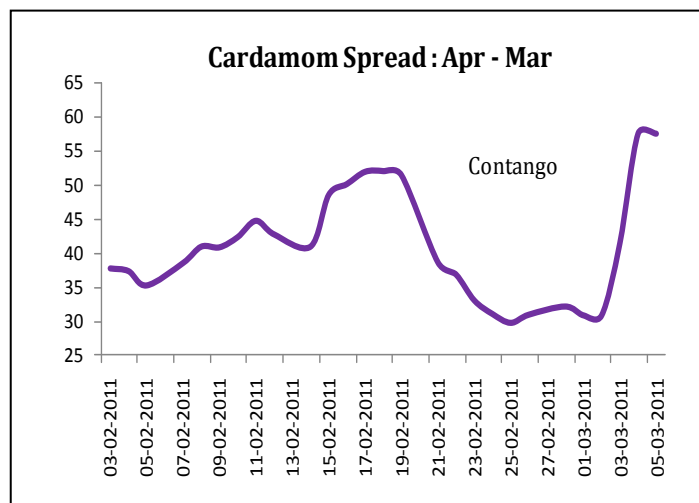
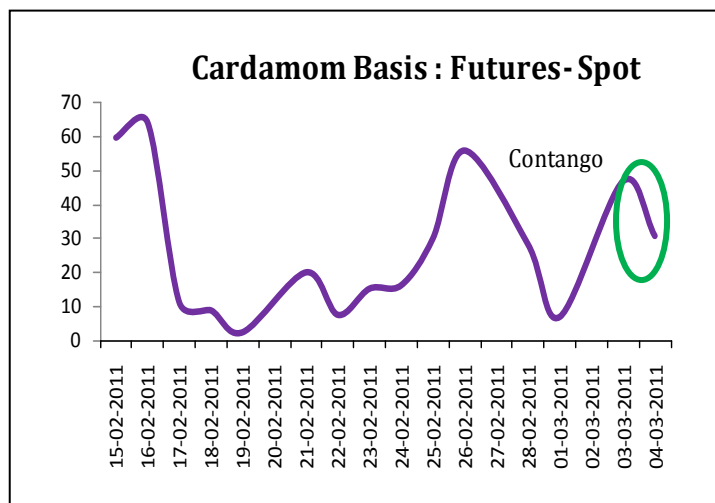


Cardamom

Review

The cardamom futures continued the down trend on strong selling interest during last week. Futures started the week on higher note on extended short covering on previous huge losses. Improvement in spot prices also supported the upside. However, prices failed to sustain the gains and resumed the bearish trend on active selling. Improved weather conditions also provoked the growers to bring more produce for auction. Thus, increased arrivals at spot auction amid weak domestic demand further added to the down side. Poor export demand also added to the down side. However, prices showed small recovery on short covering but recovery was not enough to reverse the trend and futures ended the week on lower note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Mar	1128	1188.7	1061	1066.1	-2.99	8363	-24.56	1552	12.63
Apr	1163.8	1222.1	1094.2	1120.8	-0.81	4625	-17.40	1230	0.65
May	1385.1	1431	1284.1	1286.6	0.74	1711	-27.04	888	-9.83



Outlook

Cardamom futures are projected to continue the bearish trend on strong selling pressure. However, we can see a smart recovery initially during the week on short covering but this recovery is likely to create selling opportunity for participants. Subdued domestic demand amid stable arrivals is likely to pressurize the prices. Favourable weather conditions for crop might prolong the harvesting. However, any fresh inquires from north India might reverse the trend on positive side.

Factors to watch out

- ❖ Daily average arrivals at auctions have started declining and average arrivals hovered in the range of 5-30 tons; average auction prices were hovering in the range of ₹925-999 per Kg.
- ❖ As per trade sources, Indian cardamom prices in international market is quoting around \$25-27 per Kg. while Guatemala is quoting \$20-21 per Kg. Prices difference in Two major producers is weighing on sentiments

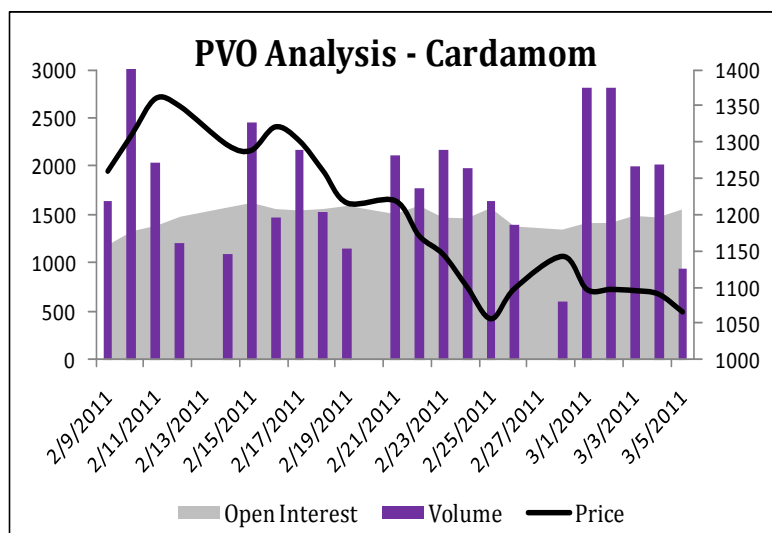


A weekly fundamental and technical report on spices

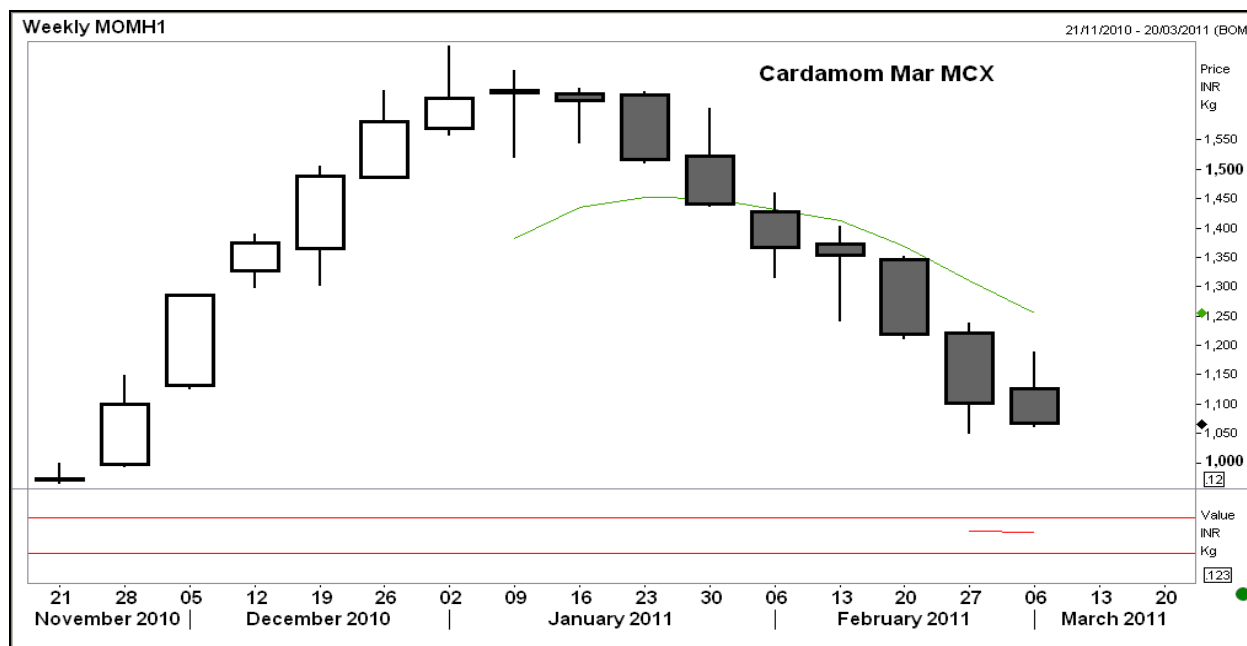
- As per data released by Spices board, cardamom exports during April- January 2010-11 stood around 780 tons up by 49% compared to same period last year
- Total arrivals during the current season from Aug 1 to Feb 27, stood at 7,201 tonnes. Of which 7,049 tonnes were sold. Arrivals in the same period last year was around 7,267 tons
- MCX warehouse stock of Cardamom as on 3rd March 2011 was 21.5 tons
- As per Spices Board data, international price of Cardamom in Saudi Arabia market came down to \$27.54 per kg during the week ended February 25th 2011 however, it was higher than \$28.05 per kg quoted in the same period last year

Derivative Analysis

The MCX cardamom March contract prices and volumes are falling while open interest is rising. It is a good indication that a sharp rally against downtrend will develop creating a sell point for downtrend.



Technical





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