

## SPICES DAILY

September 19, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices in Erode market remained at their earlier levels on almost similar S&D situation. The off take is of around 70 - 80% of arrivals. The domestic demand for turmeric is high however export demand is still low. The buyers are from local markets of south India as well as from markets of North India. Nizamabad market did not see any activity due to heavy rains in the area keeping off buyers from the market. Most of the turmeric markets have hefty stocks. Recent rains are beneficial for the growth of turmeric crop. The market is expecting the domestic demand to increase on upcoming festivals. The prices might remain steady to range bound for few days.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract continued to trade firm today. The contract opened low at Rs. 2685 a quintal and traded volatile with some smart recovery on speculative buying in last few minutes of trading. The prices were highest at Rs. 2725 a quintal. The trading for the day finally culminated in green at Rs. 2714 a quintal. The total volumes traded during the day were 8880 MT's as against last days 4980 MT's.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock
2. Increasing arrivals
3. Rains in the region favorable for growth of crop.

##### Bullish:

1. Moderate export demand
2. Expectation of increase in domestic demand on upcoming festivals
3. No fresh arrivals in Nizamabad market due to rains

#### Weather:

Rain/thundershowers are likely at most places over north Coastal Andhra Pradesh and Telangana; at many places over south Coastal Andhra Pradesh, Coastal Karnataka, and at a few places over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

#### TECHNICALS

Candlesticks are reflecting bullish sentiments in the market. Stochastic has made a bullish crossover in oversold region. MACD is bearish in positive zone. Prices closed below EMA's indicating bearishness in the market. Volumes and open interest both increased. The contract may see volatile price movements during the day.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2695	2676	2732	2745

#### TRADE RECOMMENDATION:

Buy above 2704 with a target of Rs. 2720 and then 2732 with a strict stop loss at Rs.2692. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2450	-
	Gattah 2225	
Erode	Finger 2450-2550	6000
	Gattah 2500	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market continued to increase today on good buying support. Then market saw arrival and offtake of 35 MT's of pepper. The demand for pepper is from overseas markets as well as in domestic markets on promising scenario for Indian pepper on reduced supplies and growing world demand. The market is getting strength on IPC's announcement of reduced World pepper production this year. The demand is likely to pick up fast in the beginning of October on demand from UK and Europe. The domestic demand and international demand is expected to improve on upcoming festival season. The prices are expected to remain firm for a few days.

### FUTURES MARKETS:

NCDEX October futures contract continued to see new high on bullish cues from domestic and international markets. The contract opened firm at Rs. 14644 and thereafter the prices went up to make a fresh high of Rs. 14990 per quintal. The trading for the day settled at higher levels at Rs. 14954 a quintal and the total number of volumes traded during the day were 35162 MT's as against 23623 MT's.

### PRICE DRIVERS:

#### Bullish:

1. High demand
2. Reducing supplies
3. Favorable export scenario
4. IPC estimates reduced world pepper production for the year 2006-07.
5. India sole current supplier of Black Pepper on decreasing stocks with competitors

#### Bearish:

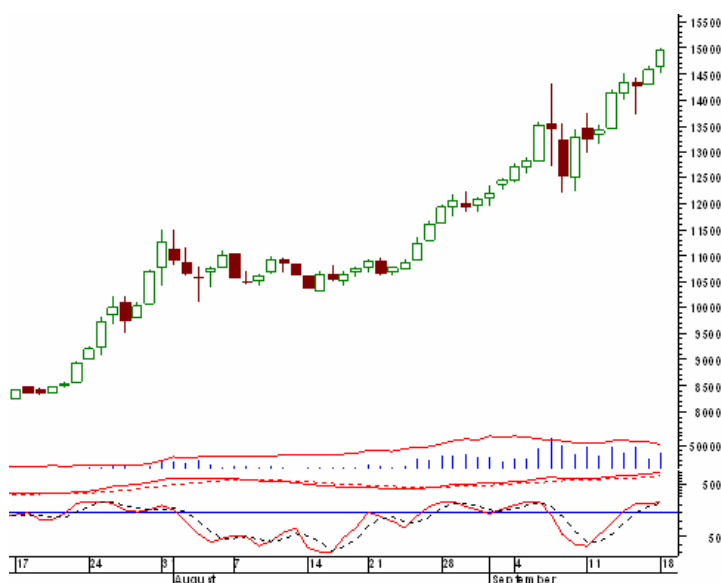
1. Brazil crop to arrive in October

### Weather:

Rain/thundershowers are likely at most places over north Coastal Andhra Pradesh and Telangana; at many places over south Coastal Andhra Pradesh, Coastal Karnataka, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region.

### TECHNICALS

Candlesticks are indicating bullish sentiments in the market. MACD is firm in positive territory; Stochastic is bullish in overbought region. Prices closed above moving averages indicating bullishness in prices. The contract is most likely to witness volatile price movement.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	14639	14489	15228	15520

### TRADE RECOMMENDATION:

Buy above Rs. 14805 with a target at Rs.15115 and then 15280 with a strict stop loss at Rs. 14570. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	13200	35
	Ungarbled	12900	

## RED CHILLIES

### SPOT MARKETS

Guntur market for red chillies saw slightly improved demand today as the arrivals decreased to 15000 bags and the offtake improved to 80 percent of the day inflow. The export demand for red chillies is from Malaysia and Srilanka and domestic demand is likely to pick up pace in coming days. According to market sources the stock of red chillies in the market is around 15 lakh bags. Trading sources believe the export demand as well as domestic demand might improve in coming days. Recent rains have helped in better growth of crop. The prices are expected to remain range bound to slightly firm in coming days.

### FUTURES MARKETS:

Chilli prices on the NCDEX October futures contract traded bearish today. However prices failed to sustain lower levels on bullish signals from spot. The contract opened low at Rs 6200 a quintal and thereafter the prices continued to slip and dropped down lowest to Rs 5985 a quintal. The days trading culminated in red at Rs. 6153 a quintal. The total volumes numbers increased to 35140 MT's as against 14755 MT's on Saturday.

### PRICE DRIVERS:

#### Bullish:

1. Improving export and domestic demand
2. Reducing stock position
3. Crop arrivals might delay

#### Bearish:

1. Sowing complete with increased acreage
2. Recent rains prove helpful in cultivation.

### Weather:

Rain/thundershowers are likely at most places over north Coastal Andhra Pradesh and Telangana; at many places over south Coastal Andhra Pradesh, Coastal Karnataka, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region. Rains might prove beneficial for the crop at this stage.

### TECHNICALS

Candlesticks are indicating possibility of likely reversal. Stochastic is bullish in neutral region. MACD is bearish in positive zone. Prices closed below moving averages indicating bearishness in the market. Volume numbers and open interest both increased. The prices are most likely to remain volatile with recovery in prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6073	5988	6232	6298

### TRADE RECOMMENDATION:

Buy above 6130 targeting 6210 and then 6260 with a strict stop loss at 6050. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 5900-6300	15000
	LCA 334 (Bilty) 6100-6900	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market traded at improved prices in the absence of selling pressure in the market. The demand for commodity is moderate and is likely to improve in near future. The traders are holding back with an intention to sell later at higher prices. Market is expecting to see some fresh buying from Europe might shortly. Traders estimate stock of jeera to be of around 13-14 lakh bags out of which 8.5 lakh bags is in Unjha market. Trading sources informed the sowing might delay this year and the acreage might reduce due to presence of high moisture in soil from recent heavy rains. The domestic demand might increase on upcoming festivals. The prices might remain firm for few days.

### FUTURES MARKETS:

Jeera prices continued firm following last day's recovery. The NCDEX October futures contract saw some good gains as the prices increased up to 9022 a quintal. The contract opened the day on a bullish note at Rs. 8900 a quintal and thereafter prices crossed 9000 level and reached to 9022 during the day. The days trading settled with bullish sentiments at Rs. 8996 a quintal. The total volumes traded increased to 11808 MT's of jeera.

### PRICE DRIVERS:

#### Bullish:

1. Absence of supply pressure
2. Competitors offer inferior quality jeera at higher prices
3. Domestic and export demand expected to improve on upcoming festivals
4. Expectation of delay in sowing with reduced acreage

#### Bearish:

1. Reasonable stock of jeera

### Weather:

Rain/thundershowers are likely at most places over Konkan & Goa and Madhya Maharashtra; at many places over Marathwada and south Gujarat and at a few places over the rest region outside Rajasthan where it may be isolated. Rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic has made a bullish crossover in neutral region. However MACD is bearish in positive zone. Volumes and open interest both increased. Prices closed below EMA's. The contract might see active participation of bulls.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8900	8819	9092	9175

### TRADE RECOMMENDATION:

Buy above 8985 with a target of 9078 and then 9135 with a strict stop loss at 8920. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	NA
	1680- 1740	
	Ganesh	
	1750	
	Machine Cleaned	
	1800- 1860	

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