

## SPICES DAILY

September 14, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices in Erode market declined slightly on increased arrivals and almost similar demand for the commodity. The traders in Erode market are expecting arrivals to increase in coming days and the demand might also recover. The buyers are from local markets of south India as well as from markets of North India. Turmeric price in Nizamabad market remained at similar levels on nearly same S&D position. Most of the turmeric markets have hefty stocks. The market has high domestic demand and is expecting the demand to increase on upcoming festivals. Weather is suitable for growth of turmeric crop. The prices might remain range bound for few days.

#### FUTURES MARKETS:

Turmeric NCDEX October futures contract traded firm initially and thereafter declined. The session started on a bearish note as the contract opened low at Rs. 2768 a quintal thereafter the prices tried to recover and reached upto Rs. 2784 a quintal and then dropped to the low of Rs. 2723 during the day. The trading ended in red at Rs. 2740 a quintal. The total volumes traded during the day increased to 11420 MT's.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock
2. Possibility of increase in arrivals
3. Weather suitable for growth of crop

##### Bullish:

1. Moderate export demand
2. Improving domestic demand on upcoming festivals

#### Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region. Increase in rainfall activity over Andhra Pradesh, interior Karnataka and Tamil Nadu during next 2-3 days. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

#### TECHNICALS

Candlesticks are reflecting bearish sentiments in the market. Stochastic has just entered oversold region. MACD has made a bearish crossover in positive zone. Prices closed below EMA's. Open interest and Volume numbers both increased therefore the contract may continue to see bearish sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2712	2685	2769	2795

#### TRADE RECOMMENDATION:

Sell below 2748 with a target of Rs. 2720 and then 2705 with a strict stop loss at Rs.2770. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2475	2500
	Gattah 2275	
Erode	Finger 2500	6000-7000
	Gattah 2450	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market increased today on news of fresh enquiries from international markets. The demand for the commodity is high on global supply crunch. The market saw increased activity as around 135 MT's of pepper got traded today. IPC's estimates for the year 2006-07 hinted 4% less world pepper production this also helped the prices to remain firm. India's chances of exports are still bright as it is considered to be the sole supplier of good quality pepper. 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 traded bullish today on speculative buying along with bullish cues from domestic and international markets. The contract opened firm at Rs. 13456 as against previous day's close of Rs. 13418 a quintal. The prices did not look back and surged highest at Rs. 14204 a quintal. The trading for the day culminated around higher levels at Rs. 14143 a quintal. The volumes traded during the day were 46302 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Fresh Export enquiries from international buyers
2. IPC estimates around 4% less pepper production in the world
3. India sole current supplier of Black Pepper on decreasing stocks with competitors
4. Brazil sells its pepper forward

#### Bearish:

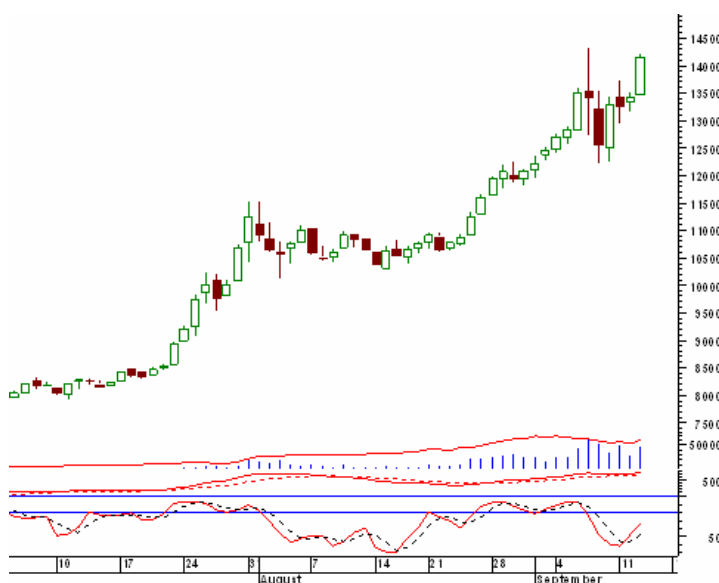
1. Recently held Marketfed Auction fails to find buyers

### Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region. Increase in rainfall activity over Andhra Pradesh, interior Karnataka and Tamil Nadu during next 2-3 days. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are reflecting bullish sentiments in the market. MACD is firm in positive territory; Stochastic is bullish in neutral region. Prices closed above moving averages and Open interest along with Volumes both increased. The contract is most likely to witness volatile price movement with bullish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13740	13432	14579	14986

### TRADE RECOMMENDATION:

Buy above Rs. 14005 with a target at Rs. 14340 and then 14770 with a strict stop loss at Rs. 13748. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	12400	135
	Ungarbled	12000	

## RED CHILLIES

### SPOT MARKETS

Red Chilli prices in Guntur market remained steady to slightly firm. The arrivals increased today and offtake was near around 80 percent of the total inflow. The demand for chillies is high from domestic markets particularly from south India however export demand at present is not too high and Srilanka is buying from the market. The export demand as well as domestic demand might improve in coming days. The market has a stock of around 24 - 25 lakh bags of chillies. According to the sources weather is hot and dry and the crop at this stage requires water. The prices are expected to remain slightly firm for few days.

### FUTURES MARKETS:

Chilli prices on the NCDEX October futures contract traded slightly firm today. The contract opened slightly low at Rs 6405 a quintal and thereafter the prices dropped to Rs 6350 a quintal and then recovered highest up to Rs. 6465. The days trading culminated in green at Rs. 6419 a quintal. The total volumes numbers declined to 19415 MT's as against previous 21790 MT's.

### PRICE DRIVERS:

#### Bullish:

1. High domestic demand
2. Moderate exports
3. Reducing stock position
4. Chilli crop might delay
5. Rainfed crop waiting for irrigation

#### Bearish:

1. Sowing complete with increased acreage

### Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region. Increase in rainfall activity over Andhra Pradesh, interior Karnataka and Tamil Nadu during next 2-3 days. Rain fed chilli crop requires rains at the current stage.

### TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic has made a bearish crossover in neutral region. MACD is falling in positive zone. Prices closed above moving averages indicating bullishness in the market. Open interest and volumes are decreasing. The prices are most likely to remain volatile.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6352	6248	6491	6590

### TRADE RECOMMENDATION:

Buy above 6406 targeting 6465 and then 6502 with a strict stop loss at 6362. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 6000-6400	30000-35000
	LCA 334 (Bilty) 6600-7000	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market after small dip observed increase today on improved export demand and high domestic demand for the commodity. The market saw reduced fresh arrivals of around 4000 bags as against previous few days 8000 bags, as sellers are not selling their produce at lower prices and seem to be expecting the prices to recover in near future. The offtake was of around 10000 bags comprising of exports of 4000 - 5000 bags of jeera. Trading sources informed market is expecting export demand for jeera to increase gradually and domestic demand might continue to be high on upcoming festival season. Indian jeera is better in terms of quality and price as against that of competitors, who do not have much quantity to offer. The prices might remain range bound to slightly firm for few days.

### FUTURES MARKETS:

Jeera at the NCDEX October futures contract traded mostly sideways today. The contract opened the day on a firm note at Rs. 9200 a quintal and then the prices hovered between Rs. 9100 - 9229.70 a quintal. The trading for the day settled in red at Rs. 9133.70 a quintal. The total volumes traded declined to 12360 MT's of jeera.

### PRICE DRIVERS:

#### Bullish:

1. Competitors offer inferior quality jeera at higher prices
2. Domestic demand expected to improve on upcoming festivals
3. Low stocks with Competitors
4. Sellers holding in anticipation of price rise in near future

#### Bearish:

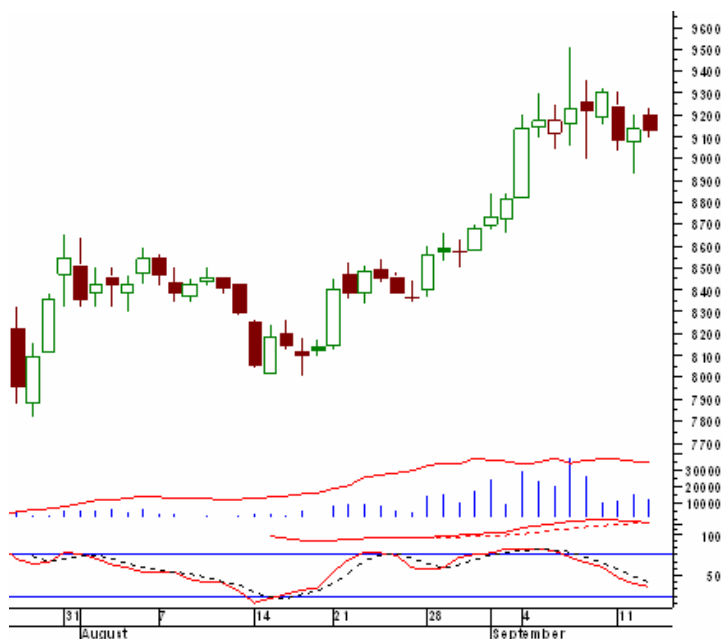
1. Moderate export demand

### Weather:

Isolated rain/thundershowers are likely over Chhattisgarh and Vidarbha. Weather may be mainly dry over Madhya Pradesh. Rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is bearish in neutral region. MACD is bearish in positive zone. Prices closed below EMA's. The prices might continue to trade volatile.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8989	8842	9243	9362

### TRADE RECOMMENDATION:

Buy near 9032 - 9038 with a target of 9116 and then 9154 with a strict stop loss at 8980. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1700- 1760	4000
	Ganesh 1760	
	Machine Cleaned 1820- 1900	

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