

SPICES DAILY

October 03, 2006

TURMERIC

SPOT MARKETS:

Most of the major turmeric markets remained closed today and will reopen on Tuesday. The demand for turmeric in most of the major markets is low however the same is likely to increase in coming days. In Erode market has a stock of around 5-6 lakh bags of turmeric that is supposed to be sufficient to meet consumption demand of the market. Nizamabad market saw reduced demand for turmeric. Traders are expecting demand for turmeric might improve after Dusshera. The prices might remain range bound for a few days.

FUTURES MARKETS:

Turmeric October delivery on the NCDEX tried to recover today. The contract opened slightly bearish at Rs. 2547 and thereafter prices recovered highest up to Rs. 2575 however the prices could not sustain higher levels and declined to end at Rs. 2556 a quintal. Volume numbers dropped down to 2280 MT as against previous 8170 MT.

PRICE DRIVERS:

Bearish:

1. Comfortable stock position
2. Lack luster demand

Bullish:

1. Off season premiums

Weather:

Rain/thundershowers are likely at most places over north Coastal Andhra Pradesh, and Telangana; at many places over Andaman & Nicobar Islands and at a few places over the rest region. Weather is suitable for the vegetative growth of the turmeric crop in major growing belts of Andhra Pradesh and Maharashtra.

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic is bearish in oversold region indicating possibility of bounce back in prices. MACD is bearish in negative zone. Volume numbers and open interest both declined. Prices closed below EMAs indicating weakness in the market. The contract might see recovery in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2523	2501	2570	2587

TRADE RECOMMENDATION:

Buy above 2552 with a target of Rs. 2572 and then 2586 with a strict stop loss at Rs. 2536. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market improved marginally on fresh enquiries from foreign markets and lack of selling interest. Brazil crop harvesting is in progress and it has increased the price of its produce on increased demand from US. Further local farmers and sellers are not willing to sell at current prices. The demand from markets of UK and US is expected to improve in the near future. Vietnam and Indonesia have low stocks. The domestic demand is low at present. The prices are expected to remain steady to range bound for a few days.

FUTURES MARKETS:

Pepper October delivery on NCDEX traded bullish as the contract opened firm by Rs. 28 at Rs. 13443, thereafter the prices did not look back and surged highest to Rs. 13810 a quintal. The trading for the day culminated at Rs. 13732 a quintal. The volumes traded during the session were 7879 MT.

PRICE DRIVERS:

Bullish:

1. Fresh enquiries from foreign markets
2. Brazil sold most of its pepper forward
3. Brazil increases price of its pepper
4. Low stocks with Vietnam and Indonesia
5. Sellers Unwilling to sell at current prices

Bearish:

1. Brazil crop arrives
2. Low domestic demand

Weather:

Rain/thundershowers are likely at most places over north Coastal Andhra Pradesh, and Telangana; at many places over Andaman & Nicobar Islands and at a few places over the rest region. Pepper vines are bearing fruits and weather is conducive for the crop at the stage.

TECHNICALS

Candlesticks are indicating bullish sentiments. Close above 9-day EMA shows bearish trend has possibly reversed. MACD continue to run down in the positive region. Stochastics are about to enter overbought zone. The contract is most likely to witness volatile price movements with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13263	13554	14008	14315

TRADE RECOMMENDATION:

Buy above Rs.13695 with a target at Rs.13890 and then 13935 with a strict stop loss at Rs.13545. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 12800	10
	Ungarbled 12400	

RED CHILLIES

SPOT MARKETS

Guntur market for red chillies remained closed today. The arrivals increase at higher prices and the daily off take is around 50 percent of daily inflow. The demand for chilli is expected to improve in coming days. The crop has delayed due to rains and is expected to arrive in the markets by February month next year. Delayed crop along with depleting stocks are making chilli a premium commodity in the near future. According to market sources the stock of red chillies in the market is around 15 lakh bags. The prices are expected to remain range bound for a few days.

FUTURES MARKETS:

Chilli traded firm on the last trading day of the week in conjunction with the other spices. Wide gap between spot and futures prices induced the buyers to grab the opportunity. October Chilli opened the session gap up Saturday and then it traded mostly positive. However, the contract retreated from the earlier highs to close the session with moderate gains. The contract traded in the range of Rs 5780-5980.

PRICE DRIVERS:

Bullish:

1. Depleting stocks
2. Moderate Exports
3. Delayed Crop

Bearish:

1. Inferior Quality stock in exchange
2. Forthcoming crop is expected good due to higher acreage

Weather:

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

TECHNICALS

Chilli charts continue to show weakness in the market; however, today's bounce has some positive impact on the outlook. MACD is showing slight decrease in bearish momentum, whereas stochastic are about to give bullish signal in oversold region. However, EMA pattern continue to support bears. The prices are most likely to be volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	5784	5714	5998	5920

TRADE RECOMMENDATION:

Buy above 5828 targeting 5916 and then 5975 with a strict stop loss at 5764. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market continued to trade at their earlier levels on somewhat similar S&D situation in the market. The market saw arrivals of 1500 bags of jeera and offtake is of near around 3500-4000 bags of jeera. However demand is still low particularly when compared with last week. The domestic demand and demand from export front is low. The arrivals reduced due to celebration of Navratri festival in the area. The arrivals and domestic demand might increase in the near term. Jeera crop might delay this year on account of higher ground moisture levels and any rains might further delay sowing. The prices might trade range to slightly firm in coming days.

FUTURES MARKETS:

Jeera futures at NCDEX witnessed firmness for the second consecutive day after recent downward correction. Jeera for October delivery at NCDEX opened the session firm at Rs 8220 and thereafter traded mostly positive throughout the session. Meanwhile, the contract saw the highs of Rs 8338. The volumes traded in the short session were lower than the previous day.

PRICE DRIVERS:

Bullish:

1. Bargaining power of sellers is higher.
2. Reduced arrivals
3. Expectation of delay in sowing
4. Reducing stock of jeera

Bearish:

1. Sluggish domestic demand
2. Negligible exports

Weather:

Rain/thundershowers are likely at a few places over Madhya Maharashtra and Marathwada and south Gujarat region. Mainly dry weather is likely over the rest region. Increase in rainfall activity over Konkan & Goa, Marathwada, Madhya Maharashtra and south Gujarat Region from tomorrow onwards. Rains might increase the soil moisture only to delay sowing of the forth-coming crop.

TECHNICALS

Candlesticks have formed inverted hammer pattern showing possibility of reversal in the current bearish trend. Stochastics are in extremely overbought levels and seems about to give bullish signal. However, EMA pattern and MACD continue to support bears. The contract is most likely to witness volatile movements with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8092	8184	8338	8433

TRADE RECOMMENDATION:

Buy above 8265 with a target of 8342 and then 8390 with a strict stop loss at 8206. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1790- 1840
	Ganesh	1740
	Machine Cleaned	1815- 1880

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