

SPICES DAILY

September 25, 2006

TURMERIC

SPOT MARKETS:

Most of the major turmeric trading markets remained closed today. Turmeric prices in Erode market are trading bearish these days due to absence of demand from export front. The domestic demand for turmeric reduced particularly from the markets of Eastern India. Erode market has a hefty stock of around 6-7 lakh bags of turmeric and offtake has reduced to 60 - 70 percent of inflow. The buyers at present are from the local markets of Tamil Nadu and Karnataka. The prices in Nizamabad market improved on slightly better domestic demand and however market still lacks any fresh export demand. The stock in Nizamabad market is sufficient. The prices might remain range bound to slightly bearish for a few days.

FUTURES MARKETS:

Turmeric futures consolidated Saturday following huge gains on the previous session. Turmeric for October delivery on NCDEX opened the day on a weaker note at Rs. 2728. The contract then tried to test the highs of previous session but prices couldn't sustain those higher levels and closed finally in red at Rs. 2718 a quintal. Volume numbers declined to 6440 MT.

PRICE DRIVERS:

Bearish:

1. Comfortable stock position
2. Increasing arrivals in Erode
3. Absence of Export demand
4. Crop is healthy

Bullish:

1. Expectation of increase in domestic demand on upcoming festivals
2. Off season premiums

Weather:

Rain/thundershowers are likely at a few places over the region outside Tamil Nadu where it may be isolated. Weather is suitable for the vegetative growth of the turmeric crop in major growing belts of Andhra Pradesh and Maharashtra.

TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is bullish in neutral region. MACD has bounced back and rising in negative zone. Open interest and Volumes declined. Prices closed above EMAs indicating strength in the market. The contract may see volatile price movements during the day.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2705	2685	2740	2758

TRADE RECOMMENDATION:

Sell below 2722 with a target of Rs. 2705 and then 2688 with a strict stop loss at Rs.2738. 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 continued to decline today on increased selling as Brazil is selling at lower price and China is reported to have announced its expectation of increased production of white pepper this year. However competitors do not have much to offer and strong fundamentals as to global supply crunch of the commodity might not let the prices fall steeply. Fresh enquiries are flowing from international markets. The domestic market has expectation of increased demand on upcoming festivals in India. The prices are expected to remain steady to range bound for a few days.

FUTURES MARKETS:

Pepper futures extended its losses of the previous two sessions Saturday. The October pepper opened gap down today at Rs 14310 and it then never looked back and closed the session with huge losses at Rs 14004 per quintal. Meanwhile the contract saw the lows of Rs 13935 during the session. The volumes traded were low at 13400 MT in the short session of Saturday.

PRICE DRIVERS:

Bullish:

1. Buyers from Europe and US making fresh enquiries
2. IPC estimates reduced world pepper production for the year 2006-07.
3. India sole current supplier of Black Pepper on decreasing stocks with competitors

Bearish:

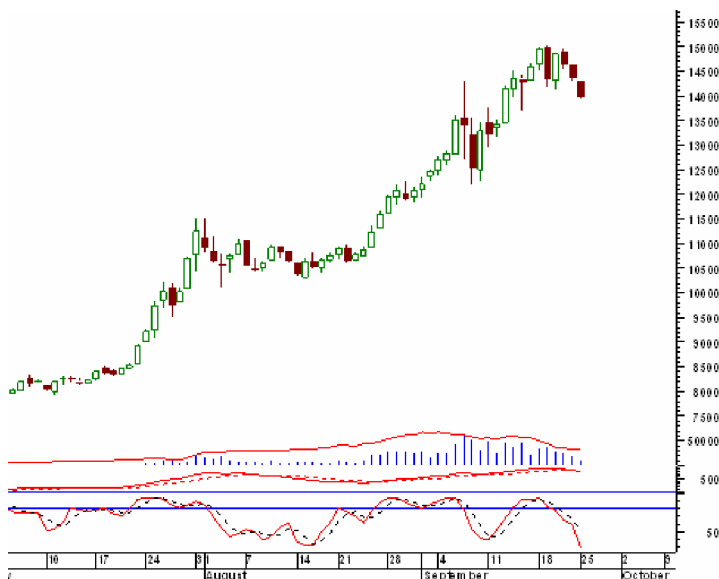
1. Brazil quotes lower than India
2. China selling white pepper at lower prices, declares possibility of increased production
3. Brazil crop to arrive in October

Weather:

Rain/thundershowers are likely at a few places over the region outside Tamil Nadu where it may be isolated. Pepper vines are bearing fruits and weather is conducive for the crop at the stage.

TECHNICALS

Candlesticks are indicating bearish sentiments. MACD is bearish in the positive territory; stochastic is bearish in neutral region. Prices closed below moving averages indicating bearishness in prices. Volume numbers and open interest both declined. The contract is most likely to witness volatile price movements with bearishness on profit taking.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13749	13552	14143	14355

TRADE RECOMMENDATION:

Sell below Rs.14052 with a target at Rs.13750 and then 13592 with a strict stop loss at Rs. 14275. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	13000	25
	Ungarbled	12600	

RED CHILLIES

SPOT MARKETS

Guntur market for red chillies remained closed today. The market is witnessing reduced arrivals of around 10000 bags daily due to rains in the region and offtake was near around 50 percent of the inflow. The domestic demand is low and 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. Recent rains have helped in better growth of crop however chilli crop arrivals might delay. The prices are expected to remain range bound to slightly firm in coming days.

FUTURES MARKETS:

Chilli prices on the NCDEX dipped today on FMC's norms to control volatility. The contract opened on a bearish note at Rs. 6210 continued to trade lower levels and dropped down to Rs 6040 a quintal. The days trading closed in red with falls at Rs. 6070 a quintal. Volumes numbers augmented to 13650 MT's as against previous days 11915 MTs.

PRICE DRIVERS:

Bullish:

1. Low arrivals
2. Depleting stocks

Bearish:

1. Low domestic demand
2. Forthcoming crop is expected good due to higher acreage

Weather:

Rain/thundershowers are likely at a few places over the region outside Tamil Nadu where it may be isolated. Rains might prove beneficial for the crop at this stage.

TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is bearish in neutral region. MACD is showing declining and is far away from its signal line. Prices closed below moving averages indicating bearishness in the market. The prices are most likely to remain volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	5987	5918	6139	6211

TRADE RECOMMENDATION:

Sell below 6085 targeting 5998 with a strict stop loss at 6152. 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 traded at similar levels on strong bullish fundamentals. The arrivals today were of around 3500 bags and offtake was more than double the inflow reflecting persistent high demand for the commodity. Sellers are dominant players in the Jeera market at the stage and are holding the stocks in anticipation of more lucrative prices. Export demand is likely to increase and domestic demand is increasing these days. Bangladesh, Dubai and Singapore are buying Indian jeera. The domestic demand is expected to increase on upcoming festivals. Jeera crop is feared to be late this year on account of higher ground moisture levels and any rains might further delay sowing. The prices might continue to increase for a few days.

FUTURES MARKETS:

Jeera futures at NCDEX showed tentativeness at higher levels on last trading day of the week. The prices in NCDEX October futures contract opened the day slightly weak at Rs. 9100. The prices then traverse between Rs. 9050 - 9139 before finally closing at Rs. 9076.50. The volumes traded were 4128 MT's of Jeera as against Fridays 7404 MT.

PRICE DRIVERS:

Bullish:

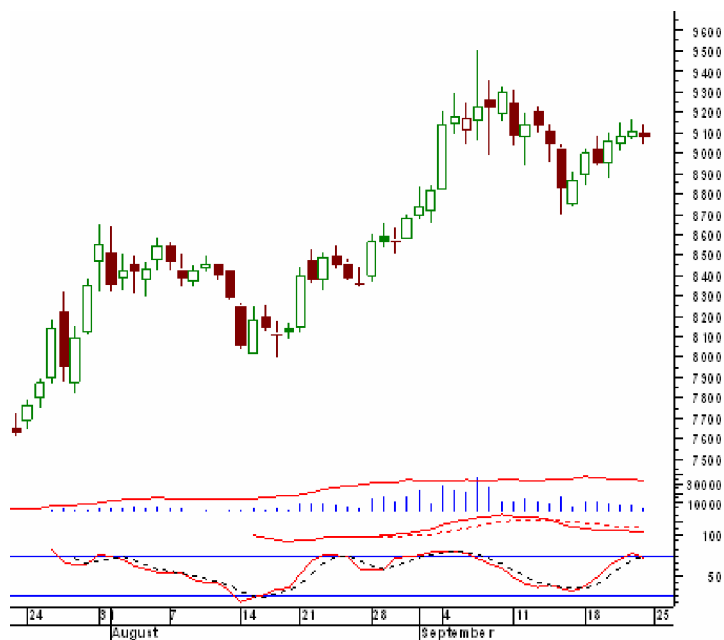
1. Bargaining power of sellers is higher.
2. Export demand expected to improve
3. High domestic demand particularly from traders
4. Expectation of delay in sowing
5. Reducing stock of jeera

Weather:

Rain/thundershowers are likely at most places over Saurashtra & Kutch; at many places over south Gujarat; at a few places over Konkan & Goa Marathwada, Madhya Maharashtra and north Gujarat and isolated over the rest region. Increase in rainfall activity over Gujarat during next 24 hours. Rains might increase the soil moisture only to delay sowing of the forth-coming crop.

TECHNICALS

Candlesticks are showing indecision in the market sentiments. Stochastic has made a bearish crossover in overbought region. However MACD is bearish in positive territory. Volumes and open interest both continued to decline. Prices closed above EMA's, showing bullishness in prices. The contract might see volatile price movements with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	9022	8935	9138	9203

TRADE RECOMMENDATION:

Buy near 9020 - 9025 with a target of 9092 and then 9114 with a strict stop loss at 8970. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1840- 1890	3500
	Ganesh 1790	
	Machine Cleaned 1865- 1925	

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