



# Commodities Daily

The Best Commodities Coverage in India

## SPICES DAILY

September 02, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices traded slightly firm in Erode market on steady demand for the commodity from local and other domestic markets. However Nizamabad market witnessed decline in prices on slightly reduced demand as against Thursday. Turmeric prices declined as the demand for the commodity reduced slightly as the prices surged earlier. However, fresh demand might emerge once again if the prices decline slightly. According to latest estimates from trading sources Erode and Nizamabad markets have a stock of around 6 lakh bags and 2.25 lakh bags of turmeric respectively. The prices are most likely to continue steady to range bound.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX September futures contract traded mostly bearish today. The contract opened low at Rs. 2660 a quintal and declined to a low of Rs. 2615 a quintal. The days trading ended in red at Rs. 2627 per quintal. The total number of volumes traded declined to 8210 MT's.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock
2. Steady to slightly reduced demand
3. Weather conducive for growth of crop

##### Bullish:

1. Domestic demand likely to improve

#### Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at a few places over coastal Karnataka, Kerala, Lakshadweep and Tamil Nadu and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

#### TECHNICALS

Candlesticks are reflecting bearish sentiments in the market. Stochastic is bullish in neutral region and MACD is turning flat after a bullish crossover in negative zone. Open interest and volume numbers both declined therefore the contract is most likely to see some further decline in prices.



#### SUPPORT / RESISTANCES:

| Contract        | S1   | S2   | R1   | R2   |
|-----------------|------|------|------|------|
| NCDEX September | 2608 | 2585 | 2660 | 2683 |

#### TRADE RECOMMENDATION:

Sell below 2635 with a target of Rs. 2612 with a strict stop loss at Rs.2652. Trade cautiously with intra day outlook.

| Centers   | Prices/Qtls. |           | Arrivals (Bags) one bag = 90 Kgs. |
|-----------|--------------|-----------|-----------------------------------|
| Nizamabad | Finger       | 2375-2400 | 1500                              |
|           | Gattah       | 2125-2175 |                                   |
| Erode     | Finger       | 2400-2525 | 4000                              |
|           | Gattah       | 2400-2450 |                                   |

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices continued to remain steady in Kochi market on almost similar S&D position. Indonesia has raised price of its pepper and is quoting at higher price than India. Harvesting has nearly ended in Indonesia bringing bright chances for Indian pepper. However Brazil has declined its prices slightly. The domestic demand for Indian pepper is likely to improve in coming days from both domestic and international markets. The prices are expected to remain steady to slightly firm for a few days.

### FUTURES MARKETS:

NCDEX September futures contract saw fresh high today as the prices opened firm at Rs. 11728 a quintal and surged in the later trading hours highest up to Rs. 11925 a quintal. The prices however declined to Rs. 11600 on profit taking and the days trading ended firm at Rs. 11818 a quintal. The total volume numbers increased slightly to 5991 MT's as against previous days 5680 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Indonesia increases price
2. Indonesia harvesting nearly ends
3. High demand
4. Favorable export scenario

#### Bearish:

1. Brazil decreases price

### Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at a few places over coastal Karnataka, Kerala, Lakshadweep and Tamil Nadu and isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are indicating indecision in the market. MACD is bullish in positive territory; Stochastic is bearish in overbought region. Prices closed above Moving averages indicating bullish market. The contract is most likely to witness volatility in prices.



### SUPPORT / RESISTANCES:

| Contract        | S1    | S2    | R1    | R2    |
|-----------------|-------|-------|-------|-------|
| NCDEX September | 11550 | 11317 | 11929 | 12184 |

### TRADE RECOMMENDATION:

Buy above Rs. 11770 with a target at Rs. 11850 and then 11960 with a strict stop loss at Rs. 11705. Trade cautiously with intra day outlook.

| Centers | Prices/Qtls. |       | Arrivals (Tonnes) |
|---------|--------------|-------|-------------------|
| Kochi   | Garbled      | 10900 | 30                |
|         | Ungarbled    | 10500 |                   |

## RED CHILLIES

### SPOT MARKETS

Red chillies prices in Guntur market continued to increase despite increased arrivals and slightly reduced sales. The off take was low due to higher price levels as the traders might wait prices to reduce. Trading sources revealed Guntur market has a stock of around 22 - 23 lakh bags of chilli that might hold good for the consumption of around 4 months. The demand might once again pick up as the prices decline slightly. The domestic demand is likely to improve due to upcoming festivals and end of monsoon season. The prices are expected to remain range bound for few days.

### FUTURES MARKETS:

Chilli prices at the NCDEX September futures contract traded firm today. The contract opened firm at Rs. 5848 a quintal and hovered between Rs. 5791 - 5890 per quintal. The trading for the day settled indecisive at Rs. 5828 a quintal. The total volumes traded during the session declined to 9690 MT's of chilli.

### PRICE DRIVERS:

#### Bullish:

1. High domestic demand on upcoming festival season
2. Chilli crop might arrive late

#### Bearish:

1. Demand decreasing at higher prices
2. Sowing near completion with expectation of increased acreage

### Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at a few places over coastal Karnataka, Kerala, Lakshadweep and Tamil Nadu and isolated over the rest region. Rains will be beneficial for rain fed chilli crop.

### TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is turning bearish in overbought region. MACD is bullish in positive zone. Prices closed above moving averages indicating bullishness in the market. Volumes and open interest are both declining. The prices are most likely to remain volatile.



### SUPPORT / RESISTANCES:

| Contract        | S1   | S2   | R1   | R2   |
|-----------------|------|------|------|------|
| NCDEX September | 5756 | 5698 | 5874 | 5961 |

### TRADE RECOMMENDATION:

Sell below 5850 targeting 5795 with a strict stop loss at 5808. Trade cautiously with intra day outlook.

| Centers | Prices/Qtl.                              | Arrivals (Bags) 1 bag = 40 to 45 Kgs. |
|---------|--|---------------------------------------|
| Guntur  | LCA 334 (loose) Cold Storage 5800 - 6200 | 20000 - 25000                         |
|         | LCA 334 (Bilty) 6100 - 6500              |                                       |

## JEERA (Cumin)

### SPOT MARKETS

Jeera in Unjha market traded at high prices today on high demand from domestic and international markets. India is exporting its jeera to Europe, Gulf countries and Singapore. The domestic demand for jeera is high on upcoming festive demand. The off take increased to around 25000 bags of jeera that was again five times the inflow of jeera. The export scenario for Indian jeera is favourable as it is better in terms of quality and price when compared with competitors. Syria has increased price of its jeera from \$ 1850 to \$ 2200. The market has a stock of around 7 lakh bags of jeera of 60 Kgs. each. Traders are expecting some fresh export orders of jeera in coming days on better position of India in international market followed by upcoming festival season in Gulf countries and in India. The prices might continue to remain firm for few days.

### FUTURES MARKETS:

Jeera prices spurt at the NCDEX September futures contract and made a fresh high of Rs. 8491.40 a quintal after opening firm at Rs. 8395. The days trading ended in green at Rs. 8411 a quintal. The total volumes traded increased to 6420 MT's as against 5793 MT's yesterday.

### PRICE DRIVERS:

#### Bullish:

1. Favorable Position of Indian Jeera in International market
2. Competitors offer inferior quality jeera at higher prices
3. Domestic & international demand high ,expected to improve on upcoming festivals

#### Bearish:

1. Jeera contains slight moisture

### Weather:

Rain/thundershowers are likely at most places over East Rajasthan; at many places over West Rajasthan and at a few places over the rest region. Decrease in rainfall activity likely over Rajasthan from 3<sup>rd</sup> onwards. 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 bullish in positive zone indicating firm sentiments in the market. Prices closed below EMA's indicating prices might continue firm. The prices might continue to be volatile.



### SUPPORT / RESISTANCES:

| Contract       | S1   | S2   | R1   | R2   |
|----------------|------|------|------|------|
| NCDEXSeptember | 8359 | 8300 | 8496 | 8543 |

### TRADE RECOMMENDATION:

Buy above 8360 with a target of 8412 and then 8440 with a strict stop loss at 8322. Trade cautiously with intra day outlook.

| Centers | Prices/20 Kgs.  | Arrivals (Bags) |
|---------|-----------------|-----------------|
| Unjha   | F.A.Q           | 5000            |
|         | Ganesh          |                 |
|         | Machine Cleaned |                 |
|         | 1530- 1630      |                 |
|         | 1610- 1670      |                 |
|         | 1700- 1760      |                 |

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2005 Indian Agribusiness Systems Pvt Ltd.