

## SPICES DAILY

September 05, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices in Erode market recovered slightly today on improved demand for the commodity. The domestic demand is high and buyers are from West Bengal, Bihar, Delhi, Punjab Jammu Kerala and local markets of Tamil Nadu. In Nizamabad turmeric traded in similar price band on slightly increased arrivals and improved demand. Turmeric prices are trading firm these days due to high demand for the commodity from domestic as well as export front. The domestic demand is likely to continue to improve. According to latest estimates from trading sources the prices are most likely to recover on high demand despite good stock of turmeric in most of the markets.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract continued to surge today. The contract opened firm at Rs. 2745 a quintal and thereafter increased up to Rs. 2792 a quintal. The days trading ended in green at Rs. 2780 per quintal. The total number of volumes traded increased to 20740 MT's as against 7430 MT's on Saturday.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock

##### Bullish:

1. High domestic and export demand
2. Domestic demand likely to improve on upcoming festivals

#### Weather:

Rain/thundershowers are likely at most places over north Coastal Andhra Pradesh; at many places over Tamil Nadu & Pondicherry and Andaman & Nicobar Islands and at a few places over the rest region. Increase in rainfall activity over Telangana from tomorrow. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

#### TECHNICALS

Candlesticks are reflecting bullish sentiments in the market. Stochastic is bearish in neutral region and MACD is bullish in negative zone and is about to enter positive zone. Prices closed above moving averages indicating bullish sentiments in the market. The contract is most likely to see further rise in prices.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2758	2738	2800	2820

#### TRADE RECOMMENDATION:

Buy above 2770 with a target of Rs. 2795 and then 2810 with a strict stop loss at Rs.2752. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2375-2400	2000
	Gattah 2125-2175	
Erode	Finger 2400-2425	5000
	Gattah 2450-2500	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices remained steady today in Kochi market on no fresh arrivals in the market. Most of the competitors have raised the price of their pepper. Indonesia increased price of its pepper and is quoting at higher price than India. Harvesting has nearly ended in Indonesia bringing bright chances for Indian pepper. Brazil also increased price of its pepper and harvesting of its crop is expected to gain pace in October. The export demand and domestic demand for pepper is helping the prices along with scarcity of pepper world wide is helping the prices to jump. The demand for Indian pepper is likely to improve in coming days from both domestic and international markets. The prices are expected to remain slightly firm for a few days.

### FUTURES MARKETS:

Pepper prices at the October futures contract on NCDEX are continued with its previous bull rally. The contract-opened firm at Rs. 12474 a quintal as against previous days close of Rs. 12422 a quintal thereafter prices traded highest up to Rs. 12760 a quintal. The days trading finally settled at Rs. 12706 with 25537 MT's of volumes traded during the day. The open interest was of 17593 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Competitor increase price
2. Indonesia harvesting ends
3. High demand
4. Favorable export scenario

#### Bearish:

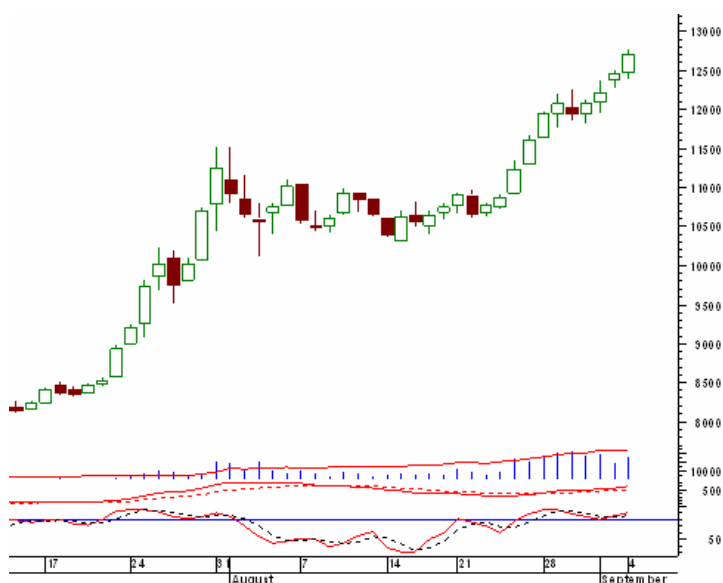
1. Brazil quotes lower than India

### Weather:

Rain/thundershowers are likely at most places over north Coastal Andhra Pradesh; at many places over Tamil Nadu & Pondicherry and Andaman & Nicobar Islands and at a few places over the rest region. Increase in rainfall activity over Telangana from tomorrow. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are reflecting bullish sentiments in the market. MACD is bullish in positive territory; Stochastic has made bullish crossover in overbought region. Prices closed above Moving averages indicating bullish market. The contract is most likely to witness bullish price movement.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	12504	12375	12842	13062

### TRADE RECOMMENDATION:

Buy above Rs. 12630 with a target at Rs. 12820 and then 12860 with a strict stop loss at Rs. 12490. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	11200	Nil
	Ungarbled	10800	

## RED CHILLIES

### SPOT MARKETS

Red chili prices at Guntur market remained high on high international and domestic demand for the commodity. Chilli stocks are depleting, particularly of superior quality and the crop is expected to delay due to weather concerns and reseeding in some growing regions. Rains in Madhya Pradesh might further give a boost to prices. Bangladesh is still buying Indian chilli and domestic demand is likely to improve due to upcoming festivals and end of monsoon season. The prices are expected to remain firm for few days.

### FUTURES MARKETS:

Chilli prices at the NCDEX October futures contract spurt as the contract witnessed another fresh high today. The contract opened firm at Rs. 6249 a quintal and surged high up to Rs. 6404 per quintal. The trading for the day settled in green at Rs. 6321 a quintal. The total volumes traded during the session nearly doubled as against previous trading session and the figures summed up as 47560 MT's.

### PRICE DRIVERS:

#### Bullish:

1. High Export demand
2. High domestic demand on upcoming festival season
3. Reducing stock position
4. Chilli crop might arrive late
5. Favourable export scenario

#### Bearish:

1. Sowing near completion with expectation of increased acreage

### Weather:

Rain/thundershowers are likely at most places over north Coastal Andhra Pradesh; at many places over Tamil Nadu & Pondicherry and Andaman & Nicobar Islands and at a few places over the rest region. Increase in rainfall activity over Telangana from tomorrow. Rains will be beneficial for rain fed chilli crop.

### TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic has made a bearish crossover in overbought region. MACD is bullish in positive zone. Prices closed above moving averages indicating bullishness in the market. The prices are most likely to remain volatile.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6321	6249	6405	6433

### TRADE RECOMMENDATION:

Buy above 6298 targeting 6380 and then 6405 with a strict stop loss at 5836. 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	20000
	LCA 334 (Bilty) 6500-7000	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices increased in Unjha market on high demand from export as well as domestic front. The offtake continued to be greater than arrivals in the market reflecting presence of persistent high demand for jeera. The offtake was of 25000 bags of jeera. India is exporting its jeera to Europe, Gulf countries and Singapore. The domestic demand for jeera is high on upcoming festive demand. The export scenario for Indian jeera is favourable as it is better in terms of quality and price when compared with competitors. Syria, Turkey and Iran have less stock of jeera and according to trading sources Unjha 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 kept rocking throughout the day as the prices gushed following its bull run on bullish cues from spot coupled with speculative buying. October futures contract on the NCDEX opened firm at Rs. 8821 and did not look back. The contract witnessed a new high of Rs. 9200 level and the days trading settled at Rs. 9139 a quintal. The total volumes traded augmented to 29823 MT's as against Saturdays 10197 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Favorable Position in International market
2. Competitors offer inferior quality jeera at higher prices
3. High demand, expected to improve on upcoming festivals

#### Weather:

Rain/thundershowers are likely at a few places over Konkan & Goa and south Gujarat region and isolated over the rest region. Rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic is flat in overbought 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 firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8995	8842	9231	9437

### TRADE RECOMMENDATION:

Buy above 9060 with a target of 9230 and then 9260 with a strict stop loss at 8935. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1620- 1720	8000
	Ganesh 1700- 1760	
	Machine Cleaned 1790- 1850	

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