

SPICES DAILY

September 30, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices in most of the major turmeric markets continued to decline on reduced demand for the commodity. In Erode market arrivals increased a bit and prices declined on less demand. The market will reopen on Tuesday. The 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. Turmeric prices in Nizamabad market declined today on no fresh arrivals due to lack of demand in the market. The off take was of only 200-300 bags as against previous day's 600-700 bags of turmeric. The market has no export demand at present. 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 continued with its previous bearish sentiments and made a new low of the contract. The contract opened low at Rs. 2551 a quintal and thereafter hovered between 2523 - 2570 a quintal. The contract saw a new low of Rs. 2523 and the days trading ended in Red near days opening at Rs. 2549 a quintal. Volume numbers increased to 11810 MT as against previous 5830 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

Doji formation in a declining trend is indicating a possibility of reversal. 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 bounce back in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2524	2500	2571	2596

TRADE RECOMMENDATION:

Buy above 2554 with a target of Rs. 2570 and then 2580 with a strict stop loss at Rs. 2542. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2425-2450	-
	Gattah 2275	
Erode	Finger 2350-2400	3500-4000
	Gattah 2350-2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market remained steady today and the off take was equal to the arrivals in the market. Brazil has reduced prices of its pepper due to harvesting of its crop and is offering its produce at prices lower India. Vietnam and Indonesia have low stocks and are selling at higher prices. However Brazil has already sold most of its produce forward at lower prices. Domestic demand is low at present. The prices are expected to remain steady to range bound for a few days.

FUTURES MARKETS:

Pepper price on the NCDEX bounced back today on technical recovery. NCDEX October futures contract traded firm today as the contract opened at Rs. 13110 a quintal and thereafter prices declined slightly to Rs. 13091 but could not stick at that level and rushed to make a high of Rs. 13554. The days trading settled in green at Rs. 13415 a quintal with volume numbers equal to 16502 MT.

PRICE DRIVERS:

Bullish:

1. IPC estimates reduced world pepper production for the year 2006-07.
2. Brazil sold most of its pepper forward
3. Low stocks with Vietnam and Indonesia

Bearish:

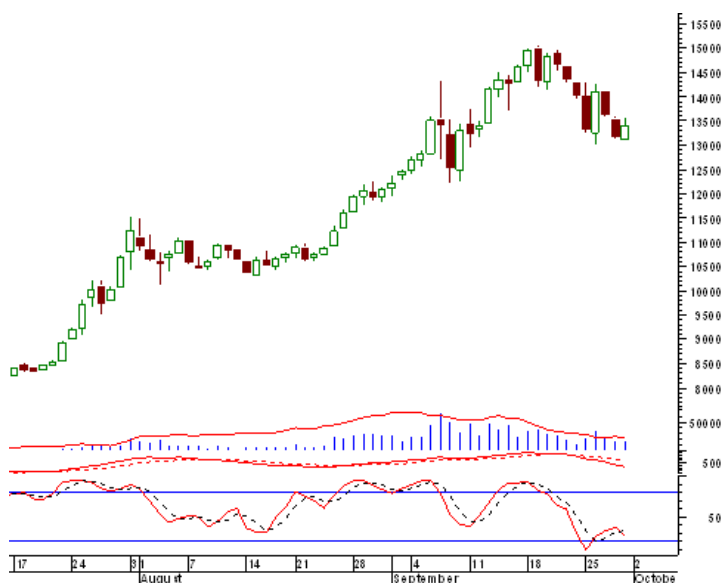
1. Brazil crop arrives
2. Brazil decreases price of it pepper

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. MACD is declining in the positive territory; stochastic has made a bearish crossover in neutral region. Prices closed below moving averages indicating bearishness. Volume number and open interest both declined. The contract is most likely to witness volatile price movement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13110	12825	13645	14005

TRADE RECOMMENDATION:

Buy above Rs.13415 with a target at Rs.13745 with a strict stop loss at Rs.13160. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 12600	30
	Ungarbled 12200	

RED CHILLIES

SPOT MARKETS

Red chilli prices in Guntur market remained mostly range bound on some what similar demand supply situation. The arrivals decreased and the off take was of around 50 percent of 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 prices on the NCDEX declined today and ended indecisive. NCDEX Chilli October delivery contract opened slightly up at Rs. 5765 a quintal and thereafter declined to the low of Rs. 5552 and was highest at Rs. 5870 a quintal during the day. The trading in the session culminated indecisive in red at Rs. 5729 a quintal. The total volumes traded during the day increased to 18960 MT as against previous days 17465 MT.

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

Candlesticks are indicating indecision in the market. Stochastic is moving up in oversold region. MACD is 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 with chances of some recovery.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	5634	5529	5835	5947

TRADE RECOMMENDATION:

Buy above 5705 targeting 5795 and then 5835 with a strict stop loss at 5636. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 6200-6900	20000
	LCA 334 (Bilty) 7100-7800	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market traded at their earlier levels and the market saw reduced arrivals with greater demand. However demand is lower than 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 as markets of Eastern India are expected to purchase after Dusshera. Jeera crop might be late 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 trading on NCDEX saw another day of bearish sentiments. NCDEX October contract slipped to open low at Rs. 8260 as against previous close of Rs. 8336 and thereafter prices declined to the low of Rs. 8025 a quintal. The prices failed to keep at lower levels and the days trading ended in red at Rs 8179. The volumes traded during the session increased to 8760 MT as against previous days 5754 MT.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Sluggish domestic demand
2. Negligible exports
3. Turkey quotes lower than India for US markets.

Weather:

Rain/thundershowers are likely at a few places over Madhya Maharashtra and Marathawada and south Gujarat region. Mainly dry weather is likely over the rest region. Increase in rainfall activity over Konkan & Goa, Marathawada, 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 are indicating bearish sentiments in the market with possibility of reversal. Stochastic is bearish in oversold region. MACD is bearish in positive territory and far away from its signal line indicating possibility of recovery. Prices closed below EMA's, showing bearishness in prices. The contract might see volatile price movements with chances of recovery in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8122	8000	8295	8382

TRADE RECOMMENDATION:

Buy above 8210 with a target of 8278 and then 8330 with a strict stop loss at 8156. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1500-2000
	Ganesh	
	Machine Cleaned	

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