

## SPICES DAILY

September 11, 2006

### TURMERIC

#### SPOT MARKETS

Nizamabad and Erode markets remained closed today. Turmeric prices are trading firm these days due to high domestic and export demand. Traders from West Bengal, Bihar, Delhi, Punjab Jammu Kerala and local markets of Tamil Nadu are buying from Erode market. Nizamabad market is catering to Uttar Pradesh and Madhya Pradesh. Gulf countries, Europe and Russia are the major buyers of Indian Turmeric these days. The markets have high stock of turmeric and the weather is conducive for the growth of crop. The domestic demand is likely to improve. The prices might remain range bound to slightly firm for few days.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract bounced back after witnessing some profit booking on Friday. The contract opened low at Rs. 2769 a quintal and thereafter prices increased to Rs. 2813 and thereafter declined to settle in green at Rs. 2785 a quintal. The total volumes traded during the day declined to 10480 MT's.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock
2. Weather suitable for growth of crop

##### Bullish:

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

#### Weather:

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

#### TECHNICALS

Candlesticks are reflecting indecision in the market. Stochastic is bearish in neutral region. MACD is rising in positive zone. Prices closed below EMA's. The contract is most likely to witness side ways movement with bullish bias.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2765	2742	2798	2823

#### TRADE RECOMMENDATION:

Buy above 2775 with a target of Rs. 2795 and then 2810 with a strict stop loss at Rs.2758. 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 in Kochi market quoted at higher prices however the market did not see any fresh selling as the sellers seem to be holding back in anticipation of rise in prices in the future. Fundamental for Indian pepper are still favorable as India is expected to remain as sole supplier of good quality of pepper as most of its competitors are offering at higher prices and are running short of their stocks that might be used for self consumption only. Brazil crop is expected to hit the market in October and it is offering at a lower price of \$ 2575 - 2600 (fob) and India is offering at \$ 2975 - 3000 (C&F). However Brazil has already sold most of its produce forward this might help Indian pepper to rule in international market. Indian pepper crop is expected to come in the market by mid November and Vietnam crop will arrive some time in February next year. The domestic demand and international demand is expected to improve on upcoming festival season. The prices are expected to remain firm for a few days.

### FUTURES MARKETS:

NCDEX Pepper most active October futures contract after previous day's downward movement following technical correction today opened low at Rs. 12500 a quintal. The prices thereafter increased to Rs. 13432 a quintal. The trading for the day culminated at Rs. 13355 a quintal and the total volumes traded during the session were 32708 MT's.

### PRICE DRIVERS:

#### Bullish:

1. India sole current supplier of Black Pepper on decreasing stocks with competitors
2. Vietnam not offering ASTA
3. Brazil sells its pepper forward
4. Favorable export scenario
5. Low crop estimates
6. High domestic and international demand

#### Bearish:

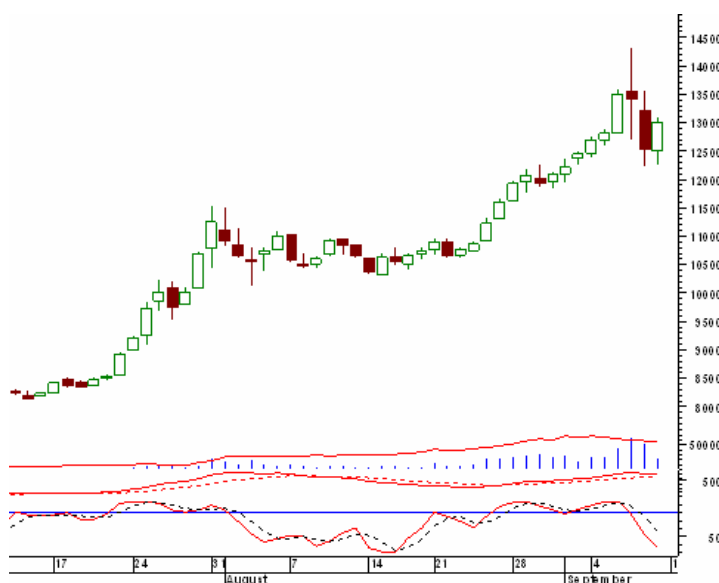
1. Brazil quotes lower than India

### Weather:

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

### TECHNICALS

Candlesticks are reflecting bullish sentiments in the market. MACD is bearish in positive territory; Stochastic is bearish in neutral region. Prices closed above moving averages and Open interest along with Volumes declined The contract is most likely to witness volatile price movement with bulls active participation in the market.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	12500	12088	13558	14299

### TRADE RECOMMENDATION:

Buy above Rs. 12880 with a target at Rs. 13230 and then 13500 with a strict stop loss at Rs. 12615. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	11900	Nil
	Ungarbled	11500	

## RED CHILLIES

### SPOT MARKETS

Guntur market for red chillies remained closed today. The scenario for Indian red chilli is favourable on high international and domestic demand for the commodity. The commodity is being exported to Bangladesh and Srilanka and Malaysia is catering to China these days. Chilli crop might delay this year on weather concerns and reseeded in some growing regions. The area covered has increased in Karnataka as against last year however shortage of rains in some areas is a matter of concern. Trading source revealed sowing of chillies is almost complete in Andhra Pradesh and the area sown has increased this year. The standing plants require water at current stage. The market has a stock of around 24 - 25 lakh bags of chilli. The 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 on the NCDEX October futures contract after two days of profit taking bounce back on bullish cues from physical markets. The contract opened the day on a firm note at Rs 6370 a quintal and thereafter prices surged to the highs of Rs 6520. The days trading ended firm at Rs. 6503 a quintal. The total volumes numbers were 24530 MT's as against Fridays 36670 MT's.

### PRICE DRIVERS:

#### Bullish:

1. High domestic and international demand
2. Reducing stock position
3. Chilli crop might delay
4. Favourable export scenario

#### Bearish:

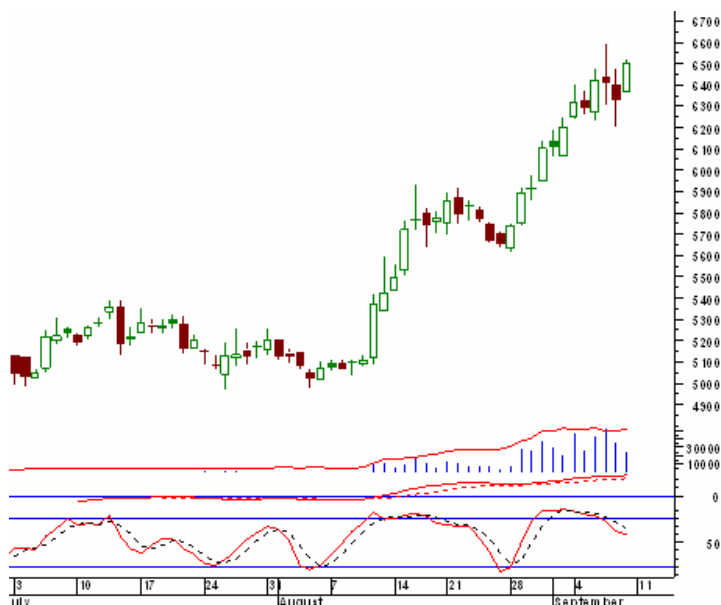
1. Sowing almost complete in AP with increased acreage
2. Karnataka acreage expanded

### Weather:

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

### TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic is bearish in neutral region. MACD is rising in positive zone. Prices closed above moving averages indicating bullishness in the market. The prices are most likely to remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6410	6330	6588	6770

### TRADE RECOMMENDATION:

Buy above 6470 targeting 6585 and then 6625 with a strict stop loss at 6384. 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 range bound today on almost similar S&D conditions. The demand is still high and offtake was near around 3 - 3.5 times the arrivals in the market. The demand for jeera from domestic as well as international markets is high and buyers are mostly from Gulf, Europe, Singapore and China. The export scenario for Indian jeera is favourable as it is better in terms of quality and price when compared with competitors also competitors do not have much quantity to offer. The domestic demand for jeera might rise in coming days thus helping the prices to push up in coming days.

### FUTURES MARKETS:

Jeera prices at the NCDEX October futures contract opened low following Fridays profit booking. The contract opened at Rs. 9191 a quintal and thereafter recovered upto Rs. 9311. The trading for the day culminated at Rs. 9260 a quintal. The total volumes traded were low of around 7146 MT's as against Fridays 27093 MT's.

### PRICE DRIVERS:

#### Bullish:

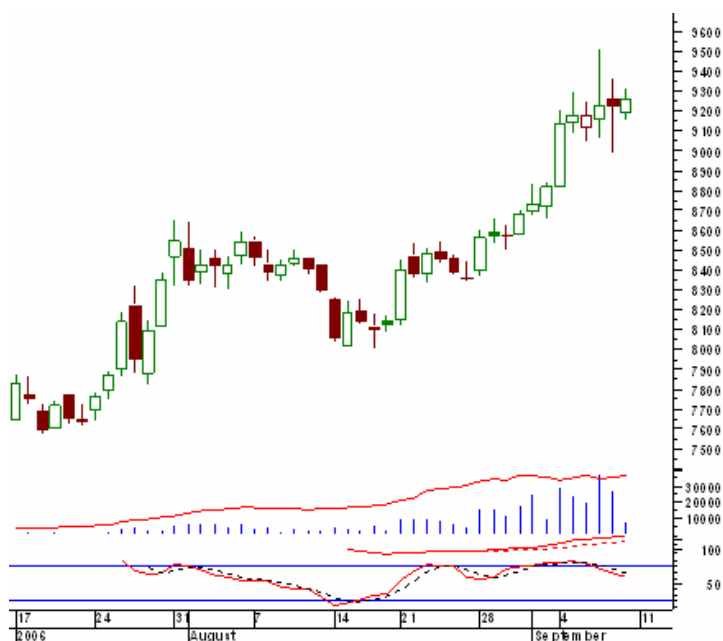
1. Competitors offer inferior quality jeera at higher prices
2. Demand expected to improve on upcoming festivals
3. Demand higher than inflow
4. Low stocks with Competitors

#### Weather:

Rain/thundershowers are likely at a few places over Kutch and southwest Rajasthan 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 bearish in neutral region. MACD is bullish in positive zone indicating firm sentiments in the market. Prices continued to close above EMA's indicating prices might rule firm. The prices might continue to trade volatile with bullish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	9142	9043	9361	9506

### TRADE RECOMMENDATION:

Buy above 9235 with a target of 9360 and then 9500 with a strict stop loss at 9134. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1720- 1780	4000 - 5000
	Ganesh	1760 - 1810	
	Machine Cleaned	1840- 1880	

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