

## SPICES DAILY

September 15, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices in Nizamabad market remained slightly less on reduced demand for the commodity. Turmeric finger grade could not attract buyers today however demand for Gattah grade was high that kept the prices almost range bound today. The market saw higher arrivals and the demand reduced slightly. The traders in Erode market are expecting arrivals to increase in coming days and the demand might also recover. The buyers are from local markets of south India as well as from markets of North India. Most of the turmeric markets have hefty stocks. The market is expecting the demand to increase on upcoming festivals. Weather is suitable for growth of turmeric crop. The prices might remain steady to range bound for few days.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract traded bearish today. The contract opened Rs. 9 up at Rs. 2749 a quintal thereafter the prices slipped to the low of Rs. 2706 a quintal during the day. The trading for the day ended in red at Rs. 2717 a quintal. The total volumes traded during the day increased to 8660 MT's.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock
2. Increasing arrivals
3. Weather suitable for growth of crop

##### Bullish:

1. Low export demand
2. Expectation of increase in domestic demand on upcoming festivals

#### Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Coastal Karnataka and Andaman & Nicobar Islands and at a few places 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 has in oversold region. MACD is bearish in positive zone. Prices closed below EMA's indicating bearishness in the market. The contract may continue to see bearish sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2705	2681	2741	2758

#### TRADE RECOMMENDATION:

Sell below 2726 with a target of Rs. 2705 and then 2695 with a strict stop loss at Rs.2742. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2450	1500
	Gattah 2250	
Erode	Finger 2450-2500	8000-9000
	Gattah 2450-2500	

## BLACK PEPPER

### SPOT MARKETS

Black pepper market in Kochi remained closed in celebration of Krishan Jayanti festival. Pepper prices in Kochi market are trading firm these days on fresh export enquiries coupled with some demand from overseas markets. The IPC has announced World pepper production to be low this year. The hot commodity is turning sizzling hot these days as the chances for India's exports are bright as it is considered to be the sole supplier of good quality pepper. 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 October futures contract continued to trade bullish today on bullish cues from domestic and international markets. The contract opened firm at Rs. 14140. The prices increased to the high of Rs. 14499 a quintal on bullish sentiments prevailing in the market. The trading for the day culminated at Rs. 14335 a quintal and the total volumes traded were 37959 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Fresh Export enquiries from international buyers
2. Export demand
3. IPC estimates reduced world pepper production for the year 2006-07.
4. India sole current supplier of Black Pepper on decreasing stocks with competitors

#### Bearish:

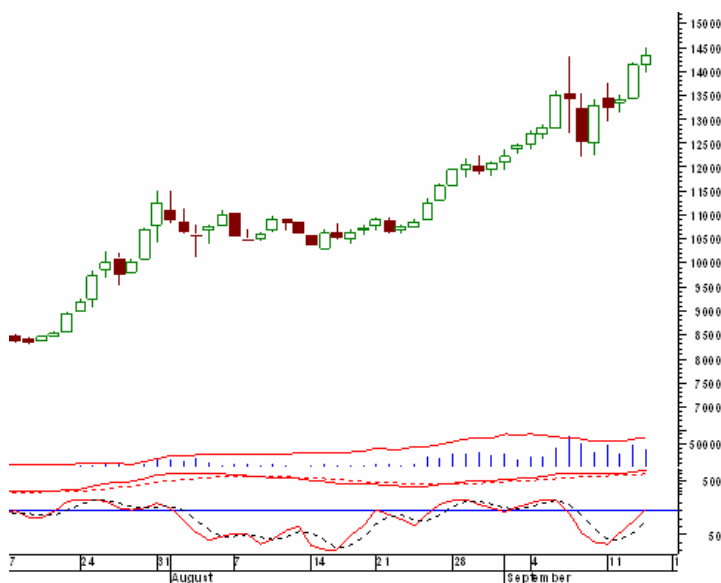
1. Brazil crop to arrive in October

#### Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Coastal Karnataka and Andaman & Nicobar Islands and at a few places over the rest region.

### TECHNICALS

Candlesticks are reflecting indecision in the market. MACD is firm in positive territory; Stochastic is bullish in overbought region. Prices closed above moving averages. The contract is most likely to witness volatile price movement.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	14142	13750	14500	14651

### TRADE RECOMMENDATION:

Buy above Rs. 14258 with a target at Rs. 14490 and then 14640 with a strict stop loss at Rs. 14080. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	Closed	-
	Ungarbled	Closed	

## RED CHILLIES

### SPOT MARKETS

Guntur market saw sluggish trading of Red Chillies due to rains in the area. Trading sources informed the market did not witness any fresh arrivals however offtake was of around 2000 - 3000 bags of chillies. The prices maintained their previous levels. The demand for red chillies these days is high from domestic markets particularly from south India however export demand at present is not too high and Trading sources believe the export demand as well as domestic demand might improve in coming days. The market has a stock of around 24 - 25 lakh bags of chillies. The prices are expected to remain slightly firm for few days.

### FUTURES MARKETS:

Chilli prices on the NCDEX October futures contract traded slightly bearish today. The contract opened slightly low at Rs 6400 a quintal and thereafter the prices did not look back and dropped to Rs 6323 a quintal. The days trading culminated in red at Rs. 6353 a quintal. The total volumes numbers declined to 10565 MT's.

### PRICE DRIVERS:

#### Bullish:

1. High domestic demand
2. Reducing stock position
3. Chilli crop might delay

#### Bearish:

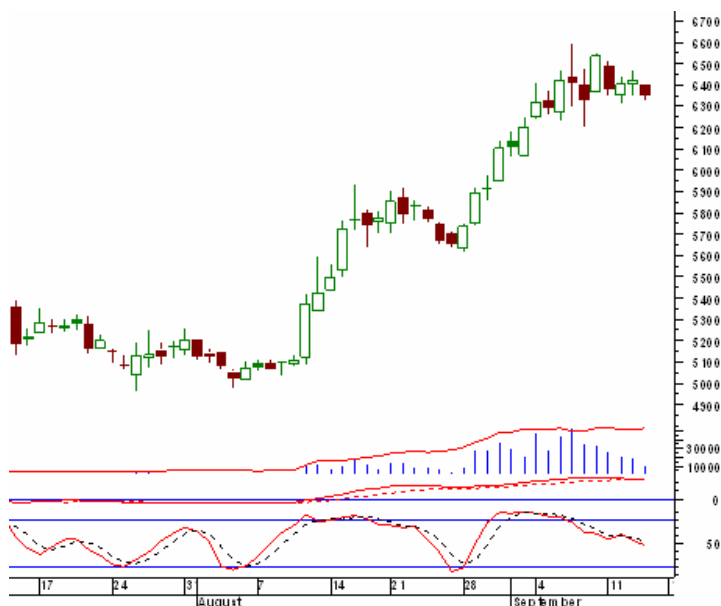
1. Sowing complete with increased acreage
2. Reducing export demand

### Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Coastal Karnataka and 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 bearish sentiments in the market. Stochastic is bearish in neutral region. MACD has made a bearish crossover in positive zone. Prices closed below moving averages indicating bearishness in the market. The prices are most likely to remain bearish.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6298	6204	6406	6489

### TRADE RECOMMENDATION:

Sell below 6365 targeting 6316 and then 6265 with a strict stop loss at 6402. 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	-
	LCA 334 (Bilty) 6600-7000	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market declined on increased arrivals and similar demand in the market. The offtake continued to be of around 10000 bags. Trading sources informed market is expecting export demand for jeera to increase gradually and domestic demand might be high on upcoming festival season. Indian jeera is better in terms of quality and price as against that of competitors, who do not have much quantity to offer. The prices might remain range bound for few days.

### FUTURES MARKETS:

Jeera prices at the NCDEX October futures contract traded bearish today. The contract opened the day on a bearish note at Rs. 9107 a quintal and thereafter prices declined lowest to Rs. 8953 a quintal. The days trading settled at Rs. 9049 quintals. The total volumes traded declined to 9663 MT's as against previous 12360 MT's of jeera.

### PRICE DRIVERS:

#### Bullish:

1. Competitors offer inferior quality jeera at higher prices
2. Domestic demand expected to improve on upcoming festivals
3. Low stocks with Competitors

#### Bearish:

1. Moderate export demand
2. Increasing arrivals

### Weather:

Rain/thundershowers are likely at a few places over north Konkan, Marathwada and Madhya Maharashtra and isolated over south Gujarat region. Mainly dry weather is likely over rest Gujarat and Rajasthan. Rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is made a bullish crossover in neutral region. However MACD has made a bearish crossover in positive zone. Prices closed below EMA's. The contract might continue to trade volatile.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8938	8821	9136	9230

### TRADE RECOMMENDATION:

Sell below 9060 with a target of 8954 with a strict stop loss at 9140. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1680- 1740
	Ganesh	1740
	Machine Cleaned	1800- 1880

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