

## SPICES DAILY

September 28, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric in Erode market traded range bound on almost similar S& D conditions. The market saw slightly reduced arrivals and low demand for the commodity particularly from eastern India due to Navratri festival. The market has a hefty stock of around 5-6 lakh bags of turmeric. The buyers at present are from the local markets of Tamil Nadu and Karnataka. The prices might remain steady to range bound for a few days.

#### FUTURES MARKETS:

Turmeric futures continued to move downwards on bearish cues from spot markets. Turmeric October futures on NCDEX opened the day slightly firm at Rs. 2660 a quintal as against previous days close. The prices thereafter continued to decline and dropped down to the low of Rs. 2625. The days trading ended in Red at Rs. 2636 a quintal. Volume numbers declined to 5830 MT as against previous 8810 MT.

#### PRICE DRIVERS:

##### Bearish:

1. Comfortable stock position
2. Lack luster demand

##### Bullish:

1. Sellers hesitating to sell at present levels
2. Off season premiums

#### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar; at a few places over Coastal Karnataka, Kerala and Lakshadweep and isolated over rest region. Increase in rainfall activity over Andhra Pradesh from 28<sup>th</sup>. Weather is suitable for the vegetative growth of the turmeric crop in major growing belts of Andhra Pradesh and Maharashtra.

#### TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is bearish in oversold region indicating possibility of bounce back in prices. MACD is bearish in negative zone. Prices closed below EMAs indicating weakness in the market. The contract might see some further bearishness in prices.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2621	2601	2660	2685

#### TRADE RECOMMENDATION:

Sell below 2640 with a target of Rs. 2624 and then 2616 with a strict stop loss at Rs. 2653. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	NA	1200
	Gattah	NA	
Erode	Finger	2350-2425	3000-3500
	Gattah	2350-2400	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market slipped further on reports of fresh crop arrivals in Brazil. The market saw reduced arrivals of 30 tonnes and off take was of similar quantity. Brazil is offering its pepper at lower prices when compared to India. However Brazil has already sold most of its produce forward at lower prices and the exporters recently raised prices for the remaining fresh produce. Vietnam and Indonesia have low stocks. Export demand is visible however domestic demand is low. The prices are expected to remain steady to slightly bearish for a few days.

### FUTURES MARKETS:

Pepper futures traded bearish today. NCDEX October futures contract traded bearish today as the contract opened slightly firm at Rs. 14100 a quintal as against Mondays close of Rs. 14092 a quintal. The prices did not look back and dropped to Rs. 13580 a quintal on profit booking amid Tuesdays surge in prices. The trading for the day culminated at Rs. 13642 a quintal and the total volumes traded during the day were 21567 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:

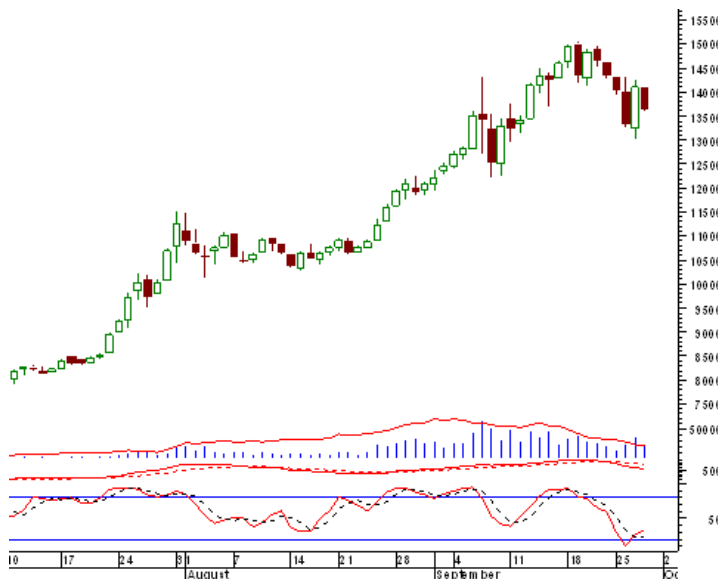
1. Brazil crop arrives
2. China selling white pepper at lower prices, declares possibility of increased production

### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar; at a few places over Coastal Karnataka, Kerala and Lakshadweep and isolated over rest region. Increase in rainfall activity over Andhra Pradesh from 28<sup>th</sup>. Pepper vines are bearing fruits and weather is conducive for the crop at the stage.

### TECHNICALS

Candlesticks have formed a pattern similar to stick sandwich indicating possibility of continuation of current prices. MACD is declining in the positive territory; stochastic is bullish in neutral region. Prices closed below moving averages indicating bearishness in prices. The contract is most likely to witness bearish sentiments.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13433	12973	14004	14295

### TRADE RECOMMENDATION:

Sell below Rs.13695 with a target at Rs.13452 and then 13265 with a strict stop loss at Rs. 13880. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 12700	30
	Ungarbled 12300	

## RED CHILLIES

### SPOT MARKETS

Red chillies in Guntur market traded at similar prices as the arrivals increased today due to yesterday's increase in prices. The off take was of around 20000 - 25000 bags of red chillies. The crop has delayed 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. However, the current arrivals are good enough to keep the prices under controlled levels. Indian Chilli has demand from overseas and the same is likely to pick up in the coming days. According to market sources the stock of red chillies in the market is around 15 lakh bags. The prices are expected to recover in coming days.

### FUTURES MARKETS:

Chilli prices on the NCDEX failed to sustain Tuesday's higher levels as the prices declined today. NCDEX Chilli October delivery opened slightly up at Rs. 6055 and thereafter declined to the low of Rs. 5966 a quintal. The trading in the session culminated at Rs. 5988 a quintal. The total volumes traded during the day dipped to 10625 MT as against previous days 12600 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 many places over Andaman & Nicobar; at a few places over Coastal Karnataka, Kerala and Lakshadweep and isolated over rest region. Increase in rainfall activity over Andhra Pradesh from 28<sup>th</sup>. 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 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 bearish.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	5948	5861	6052	6102

### TRADE RECOMMENDATION:

Sell below 5985 targeting 5950 and then 5915 with a strict stop loss at 6012. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	6500-6900
	LCA 334 (Bilty)	7000-7500
		35000-40000

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market declined today on slightly increased arrivals and reduced demand from domestic markets. The arrivals increased to 3000 bags as against Mondays 2500 bags and the off take was around 6000 bags of jeera. Export demand for jeera is still moderate and India these days is selling to Gulf nations and Singapore. The 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.

### FUTURES MARKETS:

Jeera prices continued its southward journey as the October contract on the NCDEX opened at Rs. 8706 and thereafter declined to the low of Rs. 8551 a quintal. The highest price during the day was of Rs. 8725 quintals and the days trading ended in red at Rs 8576. The volumes numbers declined to 3465 MT as against previous trading days 7365 MT.

### PRICE DRIVERS:

#### Bullish:

1. Bargaining power of sellers is higher.
2. Expectation of delay in sowing
3. Reducing stock of jeera
4. Improved demand

#### Bearish:

1. Turkey quotes lower than India for US markets.

### Weather:

Rain/thundershowers are likely at a few places over Konkan & Goa and isolated over Madhya Maharashtra and south Gujarat. Mainly dry weather over the rest region. Rains might increase the soil moisture only to delay sowing of the forth-coming crop.

### TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is bearish in neutral region. MACD is bearish in positive territory and far away from its signal line. Volume nos. and open interest declined. Prices closed below EMA's, showing bearishness in prices. The contract might see volatile price movements with possibility of bounce back in prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8477	8362	8681	8817

### TRADE RECOMMENDATION:

Sell below 8595 with a target of 8510 with a strict stop loss at 8660. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1810- 1860
	Ganesh	1760
	Machine Cleaned	1835- 1900

### 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.