

## SPICES DAILY

September 06, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices in Erode market remained steady today on almost similar S&D conditions. The domestic demand is from West Bengal, Bihar, Delhi, Punjab Jammu Kerala and local markets of Tamil Nadu. In Nizamabad market turmeric prices increased slightly on good demand and reduced arrivals. 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. The markets have good stock of turmeric in and the prices might remain range bound.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract declined today. The contract opened low at Rs. 2775 a quintal and thereafter declined to Rs. 2712 a quintal. The days trading ended in red at Rs. 2732 a quintal. The volumes traded during the day decreased to 10620 MT's as against 20740 MT's on previous trading day.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock
2. Prices at Higher levels

##### Bullish:

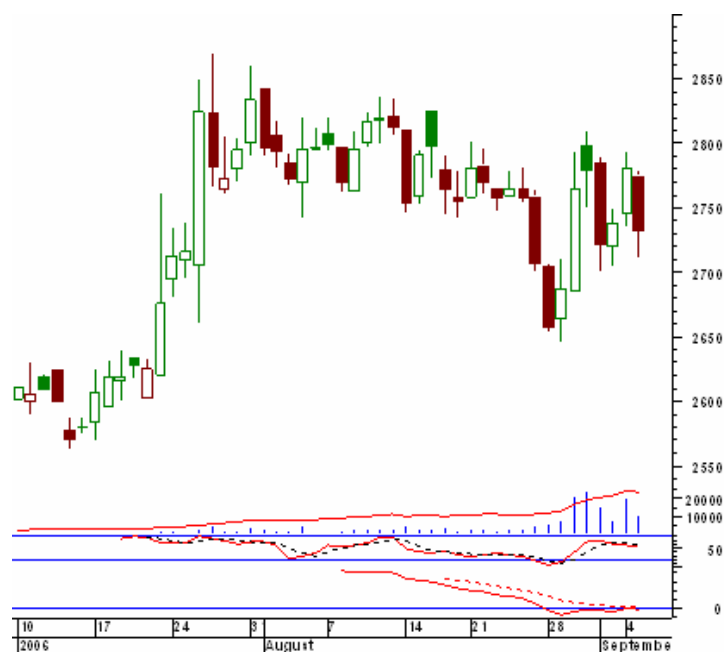
1. High domestic and export demand
2. Domestic demand likely to improve on upcoming festivals

#### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands; at a few places over Coastal Andhra Pradesh, Telangana, Rayalaseema and Tamil Nadu & Pondicherry and isolated 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 is bearish in neutral region and MACD is bearish in negative zone. The contract is most likely to see decline in prices.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2706	2676	2759	2785

#### TRADE RECOMMENDATION:

Sell below 2738 with a target of Rs. 2720 and then 2712 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 2400 - 2425	1000-1200
	Gattah 2200	
Erode	Finger 2400-2425	4000 - 4500
	Gattah 2450-2475	

## BLACK PEPPER

### SPOT MARKETS

Kochi market for Black pepper did not see any activity today as the market remained closed today in celebration of Onam Festival. Indian pepper is in a favorable condition on world supply crunch and high demand for pepper. Most of the competitors have raised the price of their pepper and their stocks are low. Harvesting is complete in Indonesia and that of Brazil is expected to gain pace in October. The operators and traders are buying from spot as well as commodity exchanges to reap profits later. The demand for pepper will increase further in the months of October and November due to Christmas and New Year celebrations. 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 made another new high as it continued to surge following its long term bull rally. Pepper prices at the October futures contract on NCDEX continued with its previous bull rally. The contract opened slightly low at Rs. 12699 a quintal as against previous day's close of Rs. 12706 a quintal thereafter the prices recovered up to the fresh high of Rs.12885 a quintal. The trading for the day settled in green at Rs. 12824 per quintal and the total volumes traded during the day increased to 25540 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 many places over Andaman & Nicobar Islands; at a few places over Coastal Andhra Pradesh, Telangana, Rayalaseema and Tamil Nadu & Pondicherry 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 bullish in positive territory; Stochastic is bullish in overbought region. Prices closed above Moving averages indicating bullish market. The contract is most likely to witness volatile price movement.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	12698	12541	12999	13151

### TRADE RECOMMENDATION:

Buy above Rs. 12768 with a target at Rs. 12885 and then 12990 with a strict stop loss at Rs. 12680. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red chili prices at Guntur market remained range bound to slightly firm on high international and domestic demand for the commodity. However arrivals increased and demand was steady. Bangladesh and Srilanka are buying chillies and the stock is depleting, particularly of superior quality and the crop is expected to delay due to weather concerns and reseeded in some growing regions. 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 declined slightly on profit booking getting some relief from its bull run. The contract opened firm at Rs. 6329 a quintal and traded in the band of Rs. 6263 - 6374 a quintal. The day's trading settled in green at Rs. 6298 a quintal. The total volumes traded during the session declined to 28230 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:

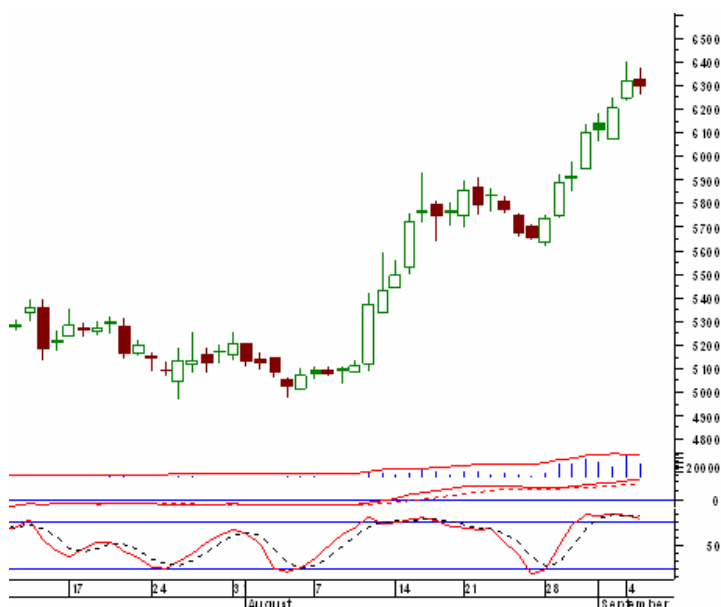
1. Sowing near completion with expectation of increased acreage

### Weather:

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

### TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is bearish 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	6249	6185	6406	6499

### TRADE RECOMMENDATION:

Buy near 6248 - 6252 targeting 6320 and then 6335 with a strict stop loss at 6202. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 6200-6400	50000 - 60000
	LCA 334 (Bilty) 6600-7000	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market increased slightly on slightly reduced demand due to higher prices prevailing in the market. According to market sources buyers are a bit hesitant in purchasing the commodity at the present prices. The off take was nearly three times the arrivals in the market reflecting presence of persistent demand for jeera. The offtake was of 15000 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. The prices might continue to remain range bound to slightly firm for few days.

### FUTURES MARKETS:

Jeera prices continued to rule firm and made a fresh high in October contract on the NCDEX. The prices however did not sustain higher level and ended moderately firm. October futures contract on the NCDEX opened firm at Rs. 9144 a quintal and increased to a high of Rs. 9294 per quintal. The days trading ended in green at Rs. 9177.50 a quintal. The total volumes traded during the day were of 24084 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Competitors offer inferior quality jeera at higher prices
2. Demand expected to improve on upcoming festivals

#### Bearish:

1. Buyers a bit reluctant to buy at higher levels

### Weather:

Rain/thundershowers are likely at a few places over Konkan & Goa, Madhya Maharashtra, Marathwada, Gujarat region and southeast Rajasthan and isolated over the rest region. Increase in rainfall activity over Gujarat Region and East Rajasthan from tomorrow. Rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is 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 trade volatile and might witness slight fall on technical correction in prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	9094	9019	9211	9297

### TRADE RECOMMENDATION:

Sell below 9210 with a target of 9140 and then 9095 with a strict stop loss at 9264. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1640- 1740	5000
	Ganesh	1720- 1780	
	Machine Cleaned	1810- 1850	

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