

## SPICES DAILY

September 12, 2006

### TURMERIC

#### SPOT MARKETS

Erode market remained closed today due to elections in the region. Turmeric prices in Nizamabad market remained range bound today. Erode market has high domestic demand however there is no export demand in the market. Nizamabad has demand from international and domestic buyers. A couple of days back 500 MT's of turmeric Finger third grade was sold to Gulf countries. Buyers from Dubai are quoting fewer prices. Duggirala market also exported around 100 - 150 MT's of turmeric recently. Trading sources are expecting demand from export front might come up gradually however domestic demand might remain high in the near future. 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 steady to range bound.

#### FUTURES MARKETS:

Turmeric NCDEX October futures contract traded volatile today. The session started with firm sentiments as the contract opened high at Rs. 2795 a quintal and increased to Rs.2820 a quintal. Thereafter the prices declined to Rs. 2762 a quintal. The days trading settled in red at Rs. 2767 a quintal. The total volumes traded during the day increased to 14220 MT's.

#### PRICE DRIVERS:

##### Bearish:

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

##### Bullish:

1. Moderate export demand
2. Domestic demand likely to improve on upcoming festivals

#### Weather:

Rain/thundershowers are likely at many places over Kerala and Lakshadweep and at a few places over the rest region. Increase in rainfall activity over Andhra Pradesh from 13<sup>th</sup> onwards. 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 declining in positive zone. Prices closed below EMA's. The contract is most likely to see bearish sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2733	2712	2795	2821

#### TRADE RECOMMENDATION:

Sell below 2775 with a target of Rs. 2745 and then 2738 with a strict stop loss at Rs.2798. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2450	2000
	Gattah 2250	
Erode	Finger Closed	
	Gattah Closed	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market remained at earlier levels and the market saw trade of 33 MT's of pepper. According to sources Marketfed came up with fresh selling and offered 500 MT's of pepper at a minimum price of Rs.12000 a quintal however buyers quoted lower price that too for 200 MT's subsequently marketfed reduced the prices to Rs. 11800 a quintal but no sales took place at those levels. As a result of which Markfed has postponed the auction and might offer after 2 days. However in International markets India is still considered as the 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. The domestic demand and international demand is expected to improve on upcoming festival season. The prices are expected to remain range bound to slightly firm for a few days.

### FUTURES MARKETS:

NCDEX October futures contract traded volatile with bullish bias today. The contract jumped to open at Rs. 13450 that was Rs. 155 up than previous days close of Rs. 13295 a quintal. The prices thereafter increased to Rs. 13744 a quintal and were lowest at Rs. 12960. Trading for the day culminated in green at Rs. 13320.00 a quintal. The volumes traded during the day were 48669 MT's.

### PRICE DRIVERS:

#### Bullish:

1. India sole current supplier of Black Pepper on decreasing stocks with competitors
2. Brazil sells its pepper forward

#### Bearish:

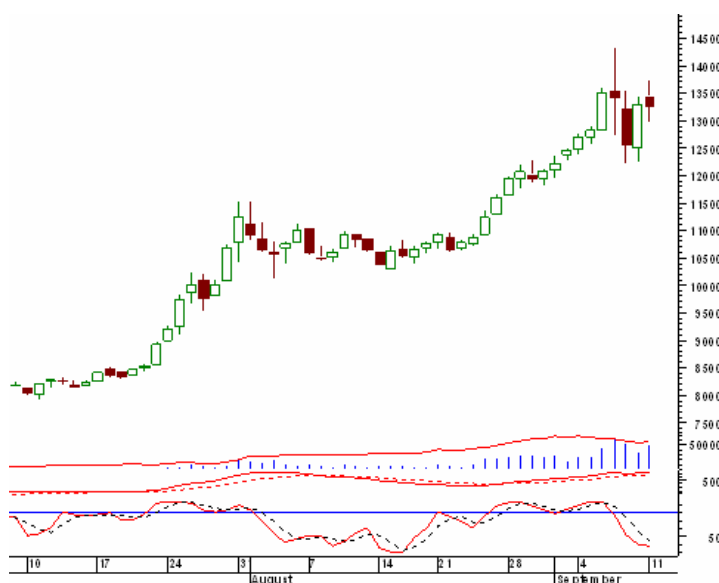
1. Marketfed Auction fails to find buyers
2. Brazil quotes lower than India

### Weather:

Rain/thundershowers are likely at many places over Kerala and Lakshadweep and at a few places over the rest region. Increase in rainfall activity over Andhra Pradesh from 13<sup>th</sup> onwards. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

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



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	12824	12472	13552	13931

### TRADE RECOMMENDATION:

Sell below Rs. 13295 with a target at Rs. 12985 and then 12895 with a strict stop loss at Rs. 13530. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 11900	33
	Ungarbled 11500	

## RED CHILLIES

### SPOT MARKETS

Guntur market for red chillies reopened today with heavy arrivals. The demand for red chillies from domestic markets is high however export demand particularly from Bangladesh is turning slightly sluggish. The demand for chillies might continue to remain high from Indian domestic markets. However export demand might recover a bit slowly. The scenario for Indian red chilli is favorable on high international and domestic demand for the commodity. The market has a stock of around 24 - 25 lakh bags of chillies. The prices are expected to remain steady to range bound for few days.

### FUTURES MARKETS:

Chilli prices on the NCDEX October futures contract declined today on profit taking. The contract opened the day on a bearish note at Rs 6490 a quintal and thereafter prices dropped to Rs 6350 a quintal. The days trading ended in red at Rs. 6382 a quintal. The total volumes numbers declined to 25745 MT's as against previous 33100 MT's.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

1. Reduced export demand
2. Sowing almost complete in AP with increased acreage
3. Karnataka acreage expanded

### Weather:

Rain/thundershowers are likely at many places over Kerala and Lakshadweep and at a few places over the rest region. Increase in rainfall activity over Andhra Pradesh from 13<sup>th</sup> onwards. Rains will be beneficial for rain fed chilli crop.

### TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is bearish in neutral region. MACD is in positive zone. Prices closed above moving averages indicating bullishness in the market. Open interest and volumes are decreasing. The prices are most likely to remain bearish.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6302	6204	6492	6551

### TRADE RECOMMENDATION:

Sell below 6410 targeting 6325 and then 6285 with a strict stop loss at 6480. Trade cautiously with intra day outlook.

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

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market declined today on reduced demand for the commodity. The demand reduced from the export front and domestic demand is still high. The export demand for jeera is expected to increase gradually and domestic demand might continue to be high. The market saw offtake of around 12000 - 12500 bags of jeera a against last weeks 20000 - 25000 bags daily. Indian jeera is better in terms of quality and price when compared with competitors also competitors do not have much quantity to offer. The prices might remain range bound or move sideways.

### FUTURES MARKETS:

Jeera prices at the NCDEX October futures contract declined today amid profit taking. The contract opened low at Rs. 9241 a quintal and thereafter traded bearish throughout the day and the prices declined to the lowest at Rs. 9035 a quintal. The trading for the day culminated at Rs. 9091 a quintal. The total volumes traded increased to 11751 MT's.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

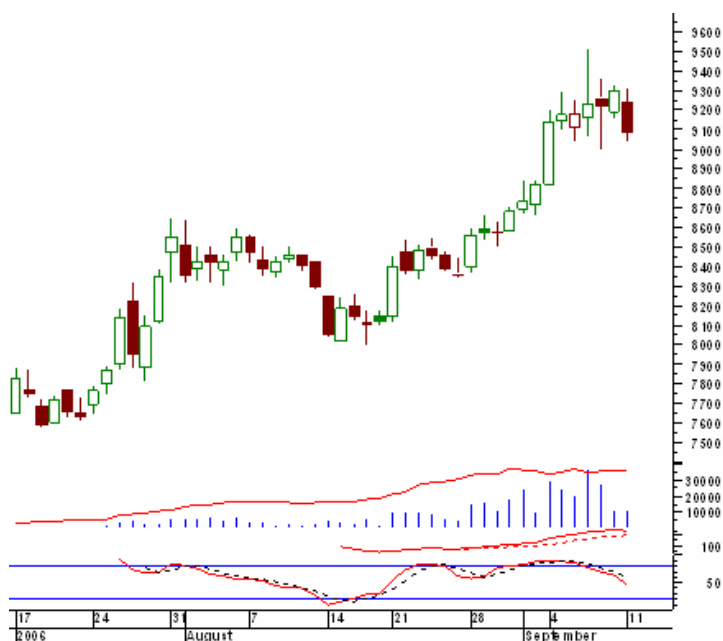
1. Reduced demand from export Front
2. Farmers selling ahead of Navaratri

### Weather:

Isolated rain/thundershowers are likely over the region outside Rajasthan where weather may be mainly dry. Rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is bearish in neutral region. MACD is bearish in positive zone. Prices closed below EMA's indicating prices might decline slightly. The prices might continue to trade volatile with bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8987	8821	9229	9358

### TRADE RECOMMENDATION:

Sell below 9135 with a target of 8990 and then 8950 with a strict stop loss at 9245. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1700- 1760	6000
	Ganesh 1740 - 1790	
	Machine Cleaned 1820- 1850	

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