

SPICES DAILY

October 06, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices in most of the major turmeric markets remained range bound with slightly bearish inclination. In Erode market the arrivals were in the same range and the demand for the commodity improved slightly. Traders are expecting some demand might be visible in coming days. Turmeric prices in Nizamabad remained at their previous levels against the bearish expectations of traders. The market has negligible export demand and domestic demand has improved slightly. However stock of turmeric is still high and the crop is expected to arrive in the markets by January next year. Crop condition is good however heavy rains might not be favourable for the growth of turmeric crop at this stage. The prices might remain range bound for a few days.

FUTURES MARKETS:

Turmeric prices in October NCDEX contract bounced back after Wednesdays steep fall in prices. The contract opened Rs. 2 up at Rs. 2442 and traded volatile throughout the day with some weakness in prices initially and then prices bounced back to end in green. During the session the prices hovered between Rs. 2427-2475. The days trading finally settled at Rs. 2458 a quintal. The volumes traded during the day declined to 3940 MT.

PRICE DRIVERS:

Bearish:

1. Comfortable stock position
2. Low Export demand
3. Moderate domestic demand
4. Good Crop condition

Bullish:

1. Off season premiums

Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at many places over Coastal Karnataka; at a few places over Interior Karnataka and Kerala and isolated over the rest region. Weather is suitable for the vegetative growth of the turmeric crop in major growing belts of Andhra Pradesh and Maharashtra.

TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is likely to make a bullish crossover in oversold region. MACD is bearish in negative zone. Volume numbers along with open interest declined. The prices closed below EMAs indicating weakness in the market. The contract might see volatile movement of prices with some recovery in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2442	2424	2476	2500

TRADE RECOMMENDATION:

Buy above 2454 with a target of Rs. 2478 and then 2488 with a strict stop loss at Rs. 2436. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2425-2550	1500
	Gattah	2275	
Erode	Finger	2300-2350	4000
	Gattah	2250-2300	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market remained steady on lack of any major factor in the market. The market saw fresh arrivals of 30 MT of pepper with an off take similar quantity. Pepper market is witnessing some bearishness in prices these days by reason of harvesting of Brazil crop. However it has sold most of its produce forward. Higher price of Indian pepper in the world market and lack of domestic buying interest are not letting the prices to recover. Traders are expecting demand from markets of UK and US to improve in the near future. Vietnam and Indonesia have low stocks. The prices are expected to remain steady to range bound for a few days.

FUTURES MARKETS:

Pepper October delivery on NCDEX traded volatile today. The contract opened low by Rs. 91 at Rs. 13250 a quintal, thereafter the prices hovered between Rs. 13140 - 13402 a quintal. The trading for the day settled at Rs. 13297 and the volumes traded during the day decreased to 6580 MT.

PRICE DRIVERS:

Bullish:

1. Brazil sold most of its pepper forward
2. Low stocks with Vietnam and Indonesia

Bearish:

1. Brazil crop arrives
2. Brazil quotes at lowest price
3. Low domestic demand

Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at many places over Coastal Karnataka; at a few places over Interior Karnataka and Kerala and isolated over the rest region. Pepper vines are bearing fruits and weather is conducive for the crop at the stage.

TECHNICALS

Candlesticks are indicating indecision. Close below 9-day EMA shows bearishness is prevailing in the market. MACD continue to run down in the positive region. Stochastic is slightly bending in neutral region. The contract is most likely to witness volatile price movements with some bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13105	12825	13498	13796

TRADE RECOMMENDATION:

Sell below Rs.13340 with a target at Rs.13175 and then 13105 with a strict stop loss at Rs.13470. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 12600	30
	Ungarbled 12200	

RED CHILLIES

SPOT MARKETS

Red chilli prices in Guntur market remained at their previous levels. Arrivals reduced as sellers are anticipating increase in prices in the near future and are holding back their stocks. The off take was near around 40 - 50 percent of which around three fourth of the commodity was exported and remaining was purchased by domestic buyers. Indian chilli crosses border to provide its taste to Bangladesh, Srilanka and Malaysia and the demand from these nations are expected to remain firm in coming days. The crop has delayed due to rains and is expected to arrive in the markets by February month next year. The prices are expected to remain slightly firm for a few days.

FUTURES MARKETS:

Chilli prices remained volatile today as the October contract on the NCDEX opened firm at Rs. 5948 thereafter the prices declined to Rs. 5755 level. The prices failed to hold lower levels and recovered to settle firm at Rs. 5965 a quintal. The volume figures came out at 11860 MT of chillies.

PRICE DRIVERS:

Bullish:

1. Depleting stocks
2. High Exports
3. Improved domestic demand
4. Delayed Crop

Bearish:

1. Inferior Quality stock in exchange
2. Climate favorable for growth of crop
3. Forthcoming crop is expected good due to higher acreage

Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at many places over Coastal Karnataka; at a few places over Interior Karnataka and Kerala and isolated over the rest region. Rains might prove beneficial for the crop at this stage.

TECHNICALS

Long lower shadow of the candle with a very small body is indicating indecision in the market. MACD is recovering in negative zone; stochastic is bullish in neutral region. 9-EMA is now supporting bulls. Volumes and open interest both are declining. The prices are most likely to be volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	5915	5859	6048	6099

TRADE RECOMMENDATION:

Buy above 5962 targeting 6018 and then 6070 with a strict stop loss at 5918. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	20000
	LCA 334 (Bilty)	
	6500-7000	
	7300-7800	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market continued to decline on sluggish domestic demand coupled with lack of demand from export front. During the day arrivals were in the same range and off take were of 3000 bags that was twice the inflow of commodity in the market. Producers fear Jeera crop might delay this year on account of high ground moisture levels and any rains might further delay sowing. The prices might trade range bound to slightly bearish in coming days.

FUTURES MARKETS:

Jeera prices traded volatile with some improvement in prices. Jeera October delivery on the NCDEX declined lowest to Rs. 7465 a quintal after opening at Rs. 7625. The prices recovered highest up to Rs. 7766 a quintal. Trading for the session settled at Rs. 7701. The volumes traded in the session declined to 6432 MT as against Wednesdays 7023 MT.

PRICE DRIVERS:

Bullish:

1. Sellers holding back stocks
2. Expectation of delay in sowing

Bearish:

1. No Export demand
2. Low domestic demand

Weather:

Rain/thundershowers are likely at many places over Konkan & Goa; at a few places over south Madhya Maharashtra and isolated over north Madhya Maharashtra, Marathwada and south Gujarat region. Weather will be mainly dry 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 flat in oversold region. EMA pattern is indicating bearishness and MACD is far away from its signal line and is still in negative zone. Volumes traded and open interest both declined. The contract is most likely to witness volatile price movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	7597	7466	7891	8020

TRADE RECOMMENDATION:

Buy above 7720 with a target of 7784 and then 7825 with a strict stop loss at 7672 Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1740 1800	1500
	Ganesh 1700	
	Machine Cleaned 1775- 1840	

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