

## SPICES DAILY

October 10, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices in most of the turmeric markets declined today. The prices are declining on low domestic demand coupled with no export demand for the commodity. Both the major markets viz Nizamabad and Erode have hefty stock of turmeric that is sufficient for future consumption demand for the commodity. Turmeric 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 steady to range bound for a few days.

#### FUTURES MARKETS:

Turmeric November contract on the NCDEX continued to decline on bearish sentiments prevailing in spot markets. The contract opened firm at Rs. 2400 and thereafter the prices tried to recover but could not stick to higher levels and dropped down to Rs. 2320 to make a fresh low of the contract. The trading for the day ended bearish at Rs. 2330. The volume numbers declined to 16080 MT.

#### PRICE DRIVERS:

##### Bearish:

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

##### Bullish:

1. Reducing arrivals

#### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastal & South Interior Karnataka and Kerala; at a few places over Tamil Nadu & Pondicherry and isolated over the rest region outside Telangana where weather will be mainly dry. 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. The market is witnessing a downtrend of prices. Stochastic has made a bearish crossover in oversold region. MACD is bearish in negative zone. Volumes and open interest both declined. The prices closed below EMAs indicating weakness in the market. The contract might see volatile movement of prices with bearish inclination.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	2287	2248	2390	2421

#### TRADE RECOMMENDATION:

Sell below 2342 with a target of Rs. 2290 and then 2268 with a strict stop loss at Rs. 2392. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2400	700
	Gattah 2200	
Erode	Finger 2325-2400	4000
	Gattah 2275-2325	

## BLACK PEPPER

### SPOT MARKETS

Black pepper in Kochi market remained at their previous levels. The market saw off take of around 20 MT of pepper indicating presence of some buying interest in the market. Brazil has recently increased price of its pepper slightly. The market has some fresh enquiries for November December contracts due to festive season in western countries. The market had some unconfirmed reports of auction by Marketfed. Indian crop is expected to arrive in the month of November. The prices are expected to remain range bound to slightly bearish for a few days.

### FUTURES MARKETS:

Pepper November delivery futures contract on the NCDEX opened slightly up Rs 12350 as against Saturday's close of Rs. 12342 a quintal, thereafter the prices bounced back on technical recovery and increased highest up to 12775. The trading for the day ended in green at Rs. 12570 a quintal and the volume numbers increased to 25791 MT as against previous sessions 17845 MT of pepper.

### PRICE DRIVERS:

#### Bullish:

1. Brazil sold most of its pepper forward
2. Low stocks with Vietnam and Indonesia
3. Enquiries from international markets

#### Bearish:

1. Brazil crop arrives
2. Brazil increase prices but still quotes at lowest price
3. Unconfirmed reports of Marketfeds auction

### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastal & South Interior Karnataka and Kerala; at a few places over Tamil Nadu & Pondicherry and isolated over the rest region outside Telangana where weather will be mainly dry. Weather is conducive for the crop at the stage.

### TECHNICALS

Candlesticks are indicating possibility of some recovery in prices. Close below 9-day EMA shows bearishness is prevailing in the market. MACD continue to run down in the negative region. Stochastic is oversold region. Volumes and open interest both are increasing. The contract is most likely to witness volatile movement of prices with possibility of some recovery in prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	12150	11603	13052	13620

### TRADE RECOMMENDATION:

Buy above Rs. 12600 with a target at Rs.12838 and then 13080 with a strict stop loss at Rs.12418. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	12000	10
	Ungarbled	11600	

## RED CHILLIES

### SPOT MARKETS

Red chilli PRICE in Guntur market declined on lack of demand for the commodity. The market has low demand from domestic consumption centers and no exports are visible. The offtake reduced to around 50 - 60 percent of the inflow. According to trading sources the market has a low stock of around 14 - 15 lakh bags of chillies. The crop has delayed due to rains and is expected to arrive in the markets by mid of February next year. The prices are expected to remain range bound to slightly bearish on lack of demand for a few days.

### FUTURES MARKETS:

Chilli November delivery on the NCDEX slipped today on bearish cues from spot along with speculative selling. The contract opened bearish at 5960 and thereafter the prices continued to decline to the low of 5610. The trading for the day ended on the lowest price and the volumes traded during the day increased to 17995 MT.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks
2. Delayed Crop

#### Bearish:

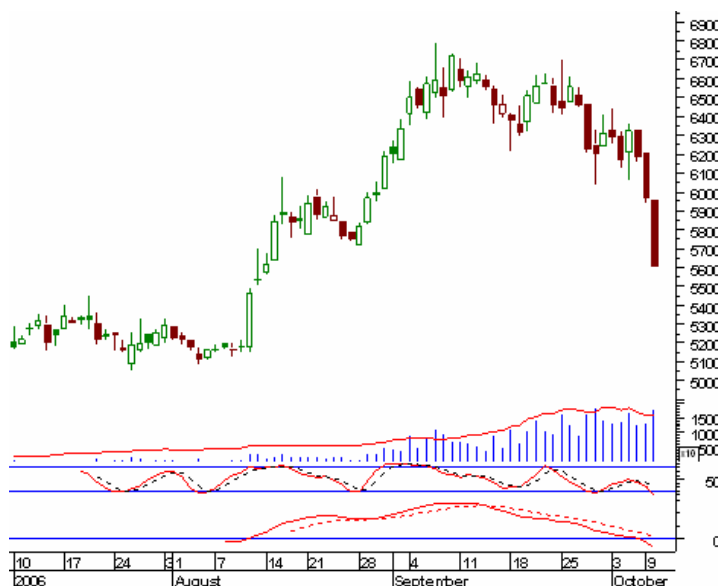
1. No Exports and sluggish domestic demand
2. Unconfirmed reports of inferior quality stock in exchange
3. Climate favorable for growth of crop
4. Forthcoming crop is expected good due to higher acreage

### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastal & South Interior Karnataka and Kerala; at a few places over Tamil Nadu & Pondicherry and isolated over the rest region outside Telangana where weather will be mainly dry. Rains might prove beneficial for the crop at this stage.

### TECHNICALS

Candlesticks are indicating bearish sentiments in the market. MACD has made a bearish crossover in negative zone; stochastic is bearish in oversold region. 9-EMA is supporting bears. The prices are most likely to be volatile.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	5464	5350	5839	5943

### TRADE RECOMMENDATION:

Sell below 5715 targeting 5545 and then 5490 with a strict stop loss at 5845. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 6000-6700	25000
	LCA 334 (Bilty) NA	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market remained on their earlier levels due on similar S&D scenario. The market has sluggish demand from domestic markets and no fresh demand from international markets. The off take was of around 3000 - 3500 bags of chillies that was again twice the arrivals. Producers fear Jeera crop might delay this year on account of high ground moisture levels and any rains might further delay sowing. Sowing of jeera is expected to begin after Diwali also the climate is hot and is not favourable for sowing presently. The prices might trade slightly bearish for a few days.

### FUTURES MARKETS:

Jeera prices on the NCDEX futures market traded volatile with bearish bias. The November contract started on a weaker note at Rs. 8390 a quintal. Thereafter prices tried to recover and moved up to Rs. 8525 but finally ended in red at Rs. 8326 after witnessing a low of Rs. 8271. Total volumes traded during the session increased to 12483 MT as against previous days 10008 MT.

### PRICE DRIVERS:

#### Bullish:

1. Expectation of delay in sowing
2. Climate unsuitable for sowing

#### Bearish:

1. No Export demand
2. Low domestic demand

### Weather:

Rain/thundershowers are likely at a few places over south Konkan & Goa and isolated over south Madhya Maharashtra and Marathawada. Weather will be mainly dry over the rest region. Weather will be mainly dry over the rest region. Rains might increase the soil moisture only to delay sowing of the forthcoming crop.

### TECHNICALS

Jeera market is in the grip of bears these days. Candlesticks are indicating bearish sentiments in the market. Stochastic is bearish in oversold region. EMA pattern is indicating bearishness and MACD is far away from its signal line in negative zone. The contract is most likely to witness volatile price movements with bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	8206	8096	8453	8598

### TRADE RECOMMENDATION:

Sell below 8355 with a target of 8240 and then 8208 with a strict stop loss at 8440. Trade cautiously with intra day outlook.

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

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