

SPICES DAILY

October 16, 2006

TURMERIC

SPOT MARKETS:

Most of the major turmeric markets remained closed today. The prices are trading firm these days the prices declined to lower levels earlier thus attracted buyers in the markets. The domestic demand for turmeric is picking up however markets still lack demand from international markets. Traders are expecting improvement in demand to continue for a few days. Market sources also informed stockists are waiting for the prices to recover and might come in picture after Diwali. The prices might remain to slightly firm for a few days.

FUTURES MARKETS:

Turmeric prices on the NCDEX futures market traded firm today following bullish sentiments from spot markets. Turmeric November futures contract started slightly up at 2439 a quintal and thereafter increased up to Rs. 2477 a quintal. The trading for the day culminated at Rs. 2458 that was still higher than Fridays close. The volumes traded during today's short session were 10330 as against last days 19160 MT.

PRICE DRIVERS:

Bearish:

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

Bullish:

1. Improving domestic demand
2. Reducing arrivals

Weather:

Rain/thundershowers are likely at a few places over, Tamil Nadu & Pondicherry, and Kerala and isolated over the rest region outside Andhra Pradesh and North Interior Karnataka where weather will be mainly dry. Crop is in rhizome forming stage heavy rains in turmeric growing belts of Andhra Pradesh, Tamil Nadu, Karnataka and Maharashtra might not be favorable for the growth of turmeric crop at this stage

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic is bullish in neutral region. MACD has made a bullish crossover in negative zone. The prices rule above 9-EMAs indicating strength in the market. The contract might continue to see bullishness of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	2432	2401	2495	2550

TRADE RECOMMENDATION:

Buy above 2452 with a target of Rs. 2488 and then 2518 with a strict stop loss at Rs. 2424. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper in Kochi market quoted at same price levels. The prices remained at their earlier level on lack of any fresh arrivals in the market and the off take was also nil. The market is still indecisive, as both the buyers and sellers seem to be in a wait and watch position. Brazil is now offering its produce at increased prices and Indian situation is becoming favorable. Traders are expecting some demand from international markets ahead of festive season. However international buyers seem to be waiting for the prices to decline further. Vietnam and Indonesia have low stocks and do not have much to offer. India's pepper crop is expected to arrive in the markets by next month. In Delhi market the demand for pepper is low. Due to market uncertainties the prices are expected to remain volatile for a few days.

FUTURES MARKETS:

Pepper prices on the NCDEX futures market increased slightly today. NCDEX Pepper November delivery contract started bearish at Rs. 12599 and thereafter the prices increased highest up to Rs. 12828 a quintal. The trading for the day ended in green at Rs. 12700 a quintal. The volumes traded during the session were 11128 MT and the open interest was of 12711 MT.

PRICE DRIVERS:

Bullish:

1. Brazil sold most of its pepper forward, selling at improved prices
2. Low stocks with competitors
3. Expectation of export demand

Bearish:

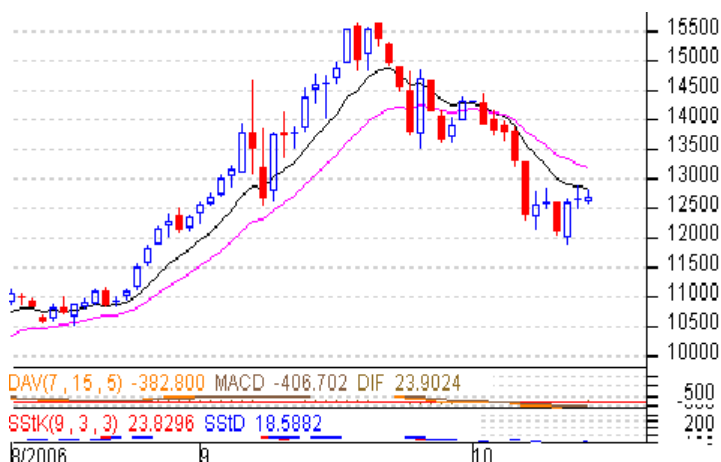
1. Brazil crop arrives
2. Indian crop expected in November
3. Low domestic demand

Weather:

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

TECHNICALS

Candlesticks are indicating indecision in the market. Prices continued to close below 9-day EMA indicating bearishness in the market. MACD has made a bullish crossover in the negative zone. Stochastic is bullish in oversold region. The contract is most likely to witness volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	12579	12230	13084	13298

TRADE RECOMMENDATION:

Buy above Rs. 12710 with a target at Rs.12870 and then 13084 with a strict stop loss at Rs.12588. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chilli market in Guntur remained closed. The prices are improving slightly on some export demand from Bangladesh and Malaysia. The quality of red chilli in the exchange is still doubtful. Trading sources are expecting improvement in demand after Diwali. Chilli crop has delayed and might arrive by middle of February month. Traders estimate the market has a low stock of around 14 - 15 lakh bags of chillies. The prices are expected to remain range bound to slightly firm for a few days.

FUTURES MARKETS:

Chilli prices on the NCDEX futures market continued to surge following Fridays bullish move. The prices are recovering on bullish signals from domestic spot markets. NCDEX November futures contract of chilli opened low at Rs. 5387 and thereafter the prices did not look back and climbed to the high of Rs. 5587 a quintal. The trading for the day settled positive in green at Rs. 5550. The volumes traded during the short trading day declined to 14765 MT as against previous days 17050 MT.

PRICE DRIVERS:

Bullish:

1. Depleting stocks
2. Delayed Crop
3. Improving domestic demand
4. Slight Export demand

Bearish:

1. Unconfirmed reports of availability of inferior quality stock from exchange
2. Climate favorable for growth of crop
3. Forthcoming crop is expected good due to higher acreage

Weather:

Rain/thundershowers are likely at a few places over Tamil Nadu & Pondicherry, and Kerala and isolated over the rest region outside Andhra Pradesh and North Interior Karnataka where weather will be mainly dry. Rains at this stage might delay the maturity of crop.

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. MACD is likely to make a bullish crossover with its signal line in negative zone; stochastic has made a bullish crossover in the oversold region. Open interest increased today however volume nos. continued to decline. 9 days EMA is in support of bears. The prices are most likely to be volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	5487	5394	5680	5853

TRADE RECOMMENDATION:

Buy above 5510 targeting 5615 and then 5750 with a strict stop loss at 5465. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) Closed	-
	LCA 334 (Bilty) Closed	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market increased today on improving domestic demand and steady arrivals. The market also saw export demand of around 2000 bags of jeera. The off take was higher of about 6000 bags as against last days 5000 bags. Sowing of jeera is expected to begin after Diwali in November month. According to the sources Jeera crop might delay this year on account of unsuitable climate that might delay sowing of jeera. The acreage of jeera might decline this year as the farmers are shifting towards other crops like chana, garlic, isabgol and cotton in anticipation to fetch higher prices from them. Jeera prices might remain slightly firm for a few days.

FUTURES MARKETS:

Jeera November contract on the NCDEX saw a sharp increase in prices on bullish sentiments prevailing in spot markets. The contract opened Rs. 10 up at Rs. 8585 and thereafter did not look behind and surged highest to Rs. 8875 but managed to close with some relief at Rs. 8870 a quintal. The volumes traded during today's session increased to 11796 MT when compared with previous days 9495 MT. The open interest however declined to 19152 MT of jeera.

PRICE DRIVERS:

Bullish:

1. Expectation of delay in sowing with possibility of reduced acreage
2. Climate unsuitable for sowing
3. Improving domestic and export demand

Bearish:

1. Change in NCDEX quality specification

Weather:

Weather will be mainly dry over most of the jeera growing regions. Dry and hot Climate is not suitable for sowing of jeera crop at present. This is delaying sowing of the forth-coming crop.

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic is bullish in neutral region. Close below 9-EMA is indicating bearishness in the market and MACD is turning upwards in negative zone. The contract is most likely to witness volatile price movements with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	8733	8597	9033	9112

TRADE RECOMMENDATION:

Buy above 8850 with a target of 8944 and then 8976 with a strict stop loss at 8778. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1700 -1800
	Ganesh	1780 - 1800
	Machine Cleaned	1720- 1920

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