

## SPICES DAILY

October 09, 2006

### TURMERIC

#### SPOT MARKETS:

Most of the Turmeric markets remained closed. Turmeric prices these days are moving slightly bearish these days' however prices recovered a bit in the past 2-3 days on slightly improved demand for the commodity. However export demand for the commodity is low. The stock of turmeric is huge and is expected to fulfill consumption requirements easily. In Erode market traders are expecting demand might continue to improve slightly. 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 October delivery on the NCDEX continued to trade downwards as the contract opened bearish at Rs. 2380 as against previous days close of Rs. 2385. The prices tried to recover and increased to Rs. 2396 however failed to sustain those levels and declined. During the session the contract saw a new low of Rs. 2287 and ended at Rs. 2316 a quintal. The volume numbers increased to 7910 MT.

#### PRICE DRIVERS:

##### Bearish:

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

##### Bullish:

1. Improving domestic demand
2. 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 bearish sentiments in the market. The market is witnessing a downtrend of prices. Stochastic is likely to make a bullish crossover in oversold region. MACD is bearish in negative zone. The prices closed below EMAs indicating weakness in the market. The contract might see volatile movement of prices.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2246	2177	2376	2431

#### TRADE RECOMMENDATION:

Sell below 2322 with a target of Rs. 2290 and then 2266 with a strict stop loss at Rs. 2346. 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

Kochi market for black pepper saw a steep fall in prices on lack of any fresh export demand along with sluggish domestic demand for the commodity. The international buyers are taking deliveries of their earlier sell orders. The market did not see any fresh arrivals and off take was nil. The prices are continuously declining on Brazil factor. 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. Indian crop is expected to start harvesting in November month. The prices are expected to remain range bound to slightly bearish for a few days.

### FUTURES MARKETS:

Pepper futures at NCDEX fell like any thing Saturday extending its recent losses on bearish signals from the spot markets. Pepper for October delivery opened the session weak at Rs 12750 and it remained weak throughout the session. The contract traded as low as the Rs 11755 during the session before finally culminating at Rs 11840 per quintal. Volumes traded during the session remained high at 8303 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
4. No fresh export 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

Long black candlestick formation in a downtrend is indicating bearish sentiments in the market. Close below 9-day EMA shows bearishness is prevailing in the market. MACD continue to run down in the negative region. Stochastic is bearish in neutral region. The contract is most likely to witness bearishness in prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	11344	10971	12418	12778

### TRADE RECOMMENDATION:

Sell below Rs.11970 with a target at Rs.11530 with a strict stop loss at Rs.12300. 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 today. The prices are remaining steady to range bound these days. According to trading sources the market has a low stock of around 15 - 17 lakh bags of chillies. The export demand for chillies is high these days and the purchasers of Indian chilli include Bangladesh, Srilanka and Malaysia. The demand from these nations is 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 steady range bound for a few days.

### FUTURES MARKETS:

Chilli futures at NCDEX plunged on the last trading day of the week in conjunction with other spices. October Chilli futures started the session on a weaker note at Rs 5775 and the prices plunged to Rs 5530, the levels it never seen since August 16 this year. The contract finally closed at a huge loss of Rs 240 at Rs 5580 per quintal. The volume traded during the session remained high at 6615 MT.

### 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

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



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	5490	5421	5671	5754

### TRADE RECOMMENDATION:

Sell below 5600 targeting 5515 and then 5490 with a strict stop loss at 5665. Trade cautiously with intra day outlook.

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

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market continued to decline on lack of any fresh export demand and low domestic demand for the commodity. The arrivals during the day were in similar range however off take increased again to twice the arrivals due to slight improvement in demand at reduced prices. 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 futures at NCDEX continued its recent downward journey on the last trading day of the week. Jeera for October delivery opened the session weak at Rs 7430 and it remained weak throughout the session. The contract traded in the range of Rs 7144.6-7450 before finally culminating at Rs 7145 per quintal. Volumes traded during the Saturday's short session remained high at 4518 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 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 bearish sentiments in the market. Stochastic has made a 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.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6872	6582	7451	7665

### TRADE RECOMMENDATION:

Sell below 7200 with a target of 7065 and then 6985 with a strict stop loss at 7302. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1660 -1720
	Ganesh	1700
	Machine Cleaned	1720- 1820

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