



Commodities Daily

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SPICES DAILY

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TURMERIC

SPOT MARKETS:

Most of the major turmeric markets remained closed today. The prices these days are declining on increased arrivals and moderate demand for the commodity. In Erode market the sellers are however reluctant in selling at prices low. The markets have hefty stock of turmeric and Erode market has a stock of around 6 lakh bags of turmeric. Nizamabad market has low demand for the commodity. However traders in the markets are expecting slight improvement in demand at reduced prices however stockists might enter and push the prices down again. The crop condition is good and recent rains in Tamil Nadu have proved beneficial for the growth of crop however heavy rains might affect crop adversely. Turmeric crop is expected to arrive in the markets from January month. The prices might remain range bound in the coming days.

FUTURES MARKETS:

Turmeric continued with its bearish trend as the prices declined to make a new low of the contract. November delivery contract of turmeric on the NCDEX opened Re1 up at 2075 and thereafter tried to recover to the high of Rs.2099 but failed to sustain higher levels and dropped down to the low of Rs. 2030 a quintal. Trading for the day culminated indecisive in red at Rs. 2066. The volumes traded during the session declined to 7560 MT as against Thursdays 25950 MT of turmeric.

PRICE DRIVERS:

Bearish:

1. Comfortable stock position
2. Low demand
3. New crop to arrive in January

Bullish:

1. Demand expected to improve from North India

Weather: Rain/thundershowers are likely over Tamil Nadu & South Coastal Andhra Pradesh; at many places over North Coastal Andhra Pradesh; at a few places over Rayalaseema & Coastal & South Interior Karnataka and isolated over the rest region. Crop is in rhizome forming stage; heavy rains in turmeric growing belts are not desirable for the turmeric crop at this stage.

TECHNICALS

Candlesticks are indicating indecision in the market. 9-EMA is indicating bearishness in the market. MACD is falling steeply and favoring bears. Stochastic is bearish in oversold territory. Volumes and open interest both declined. The contract is most likely to see volatile price movement with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	2018	1975	2122	2190

TRADE RECOMMENDATION:

Sell below 2065 with a target of Rs. 2035 and then 2020 with a strict stop loss at Rs. 2088. 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 prices in Kochi market declined steeply on speculative selling on the exchange coupled with buyer's hesitation to buy at higher prices. According to sources traders are buying at reduced levels and some export demand was also seen from US. The market saw no fresh arrival however off take was of 10 MT of pepper. The sellers seem to be holding back as the prices have declined to very low levels. Indian pepper prices have become competitive in international market as according to sources India is offering at around \$2800 (c&f) a tonne whereas Brazil is quoting at \$2750 (fob). Indonesia and Brazil has low inventories. Indonesia is quoting its pepper at \$ 3200. Traders are expecting the demand for black pepper is likely to recover from retail end as well as from international markets. India's pepper crop plucking is expected to start by late November. The market might see some slight recovery in prices on improved demand at reduced prices in the coming days but thereafter they might again decline.

FUTURES MARKETS:

Pepper prices continued to see heavy fall in prices on speculative selling on the NCDEX futures market. NCDEX November Pepper futures contract started on bearish note as the contract started at Rs. 11300 and thereafter tried to recover and went to the high of Rs. 11435 but could not sustain higher levels and declined sharply by Rs. 1053 to the low of Rs. 10382. The trading for the day ended bearish at Rs. 10534 per quintal. The volumes traded during the day decreased to 11408 MT when compared with Thursdays 12712 MT of pepper.

PRICE DRIVERS:

Bullish:

1. Exports to US
2. Improved demand
3. Indian pepper at lowest prices
4. Low stocks with competitors

Bearish:

1. New crop harvesting in November

Weather:

Rain/thundershowers are likely at most places over Tamil Nadu & Pondicherry, Kerala and South Coastal Andhra Pradesh; at many places over North Coastal Andhra Pradesh, Andaman & Nicobar Islands and Lakshadweep; at a few places over Rayalaseema and Coastal & South Interior Karnataka and isolated over the rest region. Weather is not much concerning for the maturing pepper crop.

TECHNICALS

Long dark candlestick is indicating bearish sentiments in the market. The prices closed below 9-day EMA showing bearishness in the market. Stochastic is bearish in the oversold region and MACD is running downwards in negative zone. Volumes traded and open interest figures both declined. The prices are most likely to be volatile with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	10213	9861	10908	11320

TRADE RECOMMENDATION:

Sell below Rs. 10690 with a target at Rs.10280 and then 10145 with a strict stop loss at Rs.10990. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 11200	Nil
	Ungarbled 10600	

RED CHILLIES

SPOT MARKETS

Guntur market for red chillies remained closed today. The prices these days are steady to slightly firm on improved demand and nearly similar arrivals in the market. Export demand these days is from Bangladesh, Srilanka and Malaysia. Trading sources are expecting both domestic and international demand to improve. The stock of chillies is depleting day by day. The sources from Madhya Pradesh informed the production in the state might increase by around 5 times to around 30 lakh bags of chillies this year as against last years 6 lakh bags of chillies. Markets still has confusion and fears regarding quality of chillies with the exchange that is not letting the prices to recover. The new crop is delayed and is expected to arrive in February. The prices in spot markets are likely to remain range bound with slightly firm bias.

FUTURES MARKETS:

Chilli prices continued to decline on increased selling in the futures market as according to sources the exchange still has inferior quality of chilli. November delivery red chillies on the NCDEX started bearish at Rs. 4720 a quintal and then dropped down to make the contracts new low at Rs. 4485. The days trading ended at lower levels at Rs. 4577 a quintal. The volumes traded and open interest both declined. Volumes figures came out as 8025 MT of chillies.

PRICE DRIVERS:

Bullish:

1. Depleting stocks
2. Delayed Crop
3. Increasing export and domestic demand

Bearish:

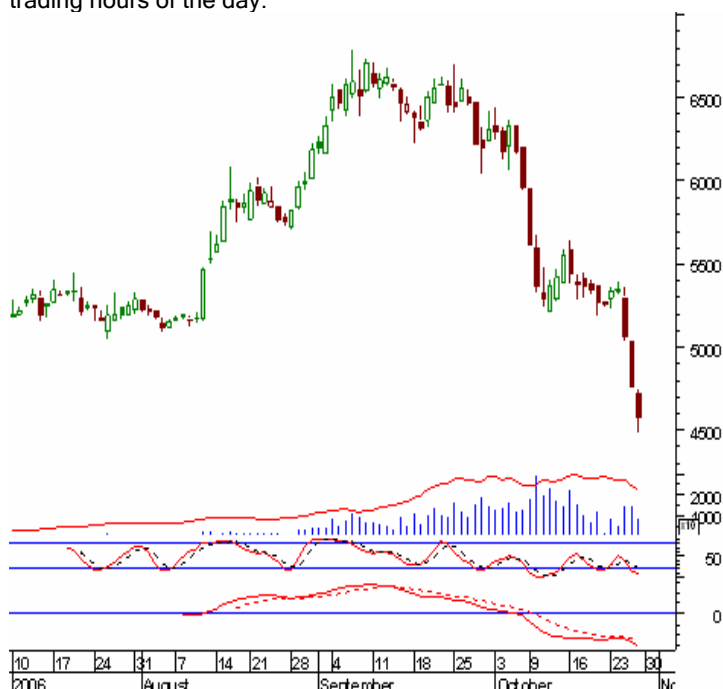
1. Concerns of availability of inferior quality stock from exchange
2. Forthcoming crop is expected good due to higher acreage

Weather:

Rain/thundershowers are likely at most places over Tamil Nadu & Pondicherry, Kerala and South Coastal Andhra Pradesh; at many places over North Coastal Andhra Pradesh, Andaman & Nicobar Islands and Lakshadweep; at a few places over Rayalaseema and Coastal & South Interior Kamataka and isolated over the rest region. The sources informed rain fed chilli crop requires water at this stage however prolonged rains at this stage might delay the maturity of crop.

TECHNICALS

Candlesticks are showing bearish sentiments in the market. Stochastic is bearish in oversold region. MACD is falling steeply in negative territory. Prices closed below 9-EMA reflecting presence of bearish sentiments in the market. Volumes traded and open interest both declined during the day. Prices are most likely to show remain volatile with possibility of some bearishness in the initial trading hours of the day.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	4307	4062	4766	5042

TRADE RECOMMENDATION:

Sell below 4580 targeting 4495 and then 4435 with a strict stop loss at 4644. 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)	

JEERA (Cumin)

SPOT MARKETS

Jeera market in Unjha continued see trading of jeera at steady prices despite increase in arrivals as the demand for the commodity is still higher than supply in the market. According to traders export and improved domestic demand might be visible in coming days. The climate is suitable for sowing of jeera which is expected to begin from next week onwards. According to trading sources the acreage of jeera is expected to decline in Saurashtra and Gujarat and improve in Rajasthan this year. However there are some unconfirmed reports of Governments estimates of around 25 percent increased acreage under jeera this year when compared with last year. Thus, creating some indecision in the market however real estimates could be known in a fortnight. Jeera prices might remain range bound for a few days.

FUTURES MARKETS:

Jeera prices on the NCDEX continued with their southward journey. November futures contract of jeera saw decline in prices due to change in quality specifications. The contract started low at Rs. 8722 and thereafter the prices increased to the high of Rs. 8824 and thereafter declined to the lows of 8530 a quintal. The trading for the day settled in red at Rs. 8635 a quintal. Volumes traded during the session reduced to 4515 MT as against previous sessions 13431MT of jeera.

PRICE DRIVERS:

Bullish:

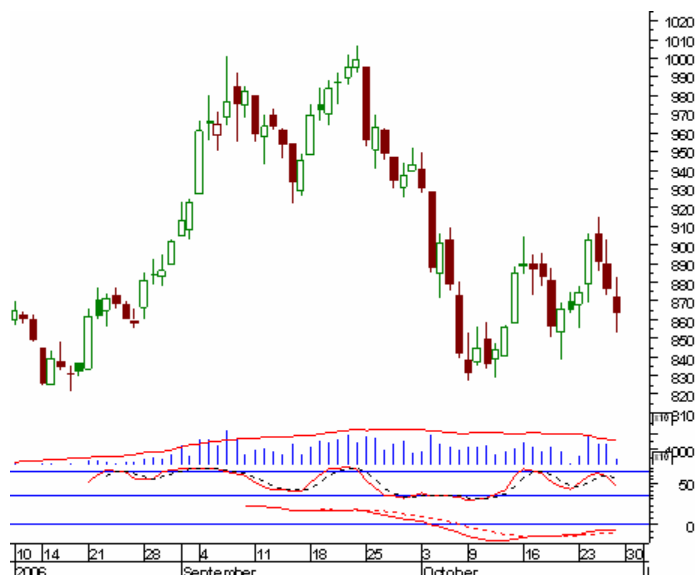
1. Confusion as to acreage of jeera.
2. Expectation of export demand and improved domestic demand

Bearish: 1. Comfortable stock

Weather: Mainly dry weather is likely over the region. Climate is suitable for sowing of jeera crop which is likely to begin from next week.

TECHNICALS

Candle sticks are reflecting bearish sentiments in the market. Stochastic is bearish in neutral region. MACD is bearish in negative zone. Prices closed below 9-EMA indicating bearish sentiments in the market. Volumes numbers and open interest both continued to decline. The prices are most likely to remain volatile with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	8531	8389	8766	8901

TRADE RECOMMENDATION:

Sell below 8638 with a target of Rs. 8580 and then 8532 with a strict stop loss of 8678. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1720-1820
	Ganesh	1800-1820
	Machine Cleaned	1740-1940

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