

SPICES DAILY

October 14, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices remained firm in most of the primary markets and trading centres on improved demand from domestic market at current prices. The prices had earlier bottomed down thus attracted buyers. Erode market for turmeric remained closed on Friday due to elections in the area. Nizamabad market saw increased demand for the commodity with similar inflow. Arrivals in Nizamabad market increased today as sellers came forward to sell their commodity at increased prices. According to market sources stockists are waiting for the prices to recover and might come in picture after Diwali. Trading sources are expecting demand to improve in coming days. The prices might remain to slightly firm for a few days.

FUTURES MARKETS:

Turmeric on the NCDEX futures contract traded firm following bullish cues from domestic spot markets. Turmeric prices on November futures contract traded at higher levels as the contract started at Rs. 2383 that was equal to previous day's closing price. The prices surged to the high of Rs. 2462 and settled strong at Rs. 2433 a quintal. The volumes traded during the day increased to 19160 MT as against Thursdays 11310 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 many places over Tamil Nadu 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 is recovering and turning upwards in negative zone. The prices closed above 9-EMAs indicating strength in the market. The contract might see bullishness of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	2383	2358	2479	2540

TRADE RECOMMENDATION:

Buy above 2420 with a target of Rs. 2462 and then 2495 with a strict stop loss at Rs. 2388. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2400-2500	1000
	Gattah	2200-2225	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market remained at their earlier levels in absence of any fresh inputs. Brazil is selling at increased prices and Indian situation is becoming favorable. The market did not see any fresh arrivals as traders are not willing to sell at current prices in expectation of improvement in prices due to demand from international markets ahead of festive season. However international buyers seem to be waiting for the prices to decline further. Thus creating indecision in the market, the other major competitors have low stocks of the commodity. 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 traded firm and ended indecisive on mixed sentiments from market uncertainties prevailing in domestic spot markets. November delivery NCDEX Pepper contract traded bearish initially and thereafter turned sharply bullish on speculative buying. The contract started at Rs. 12630 and thereafter the prices declined to Rs. 12456 and then recovered up to Rs. 12869. The prices declined to finally settle with indecision near days opening at Rs. 12649. The volume numbers declined to 23452 MT.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Brazil crop arrives
2. Low domestic demand

Weather:

Rain/thundershowers are likely at many 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 Close below 9-day EMA shows bearishness is prevailing in the market. MACD continue to run down in the negative region. Stochastic is bullish in neutral region. The contract is most likely to witness volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	12348	12150	12869	13206

TRADE RECOMMENDATION:

Buy above Rs. 12628 with a target at Rs.12838 and then 13010 with a strict stop loss at Rs.12468. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chilli prices in Guntur market traded range bound on decreased arrivals and slightly reduced demand. Slight export demand from Bangladesh and Malaysia is visible in the market. The quality of red chilli in the exchange is still doubtful. Trading sources are expecting some demand from overseas markets to be seen 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 for a few days.

FUTURES MARKETS:

Chilli prices on the NCDEX futures market recovered on bullish signals from domestic spot markets. The November contract of chilli opened low at Rs. 5295 and thereafter the prices surged highest up to Rs. 5467. The trading for the day settled firm at Rs. 5417. The volumes traded during the day declined to 17050 MT as against previous days 24020 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 many places over 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. Rains at this stage might delay the maturity of crop.

TECHNICALS

Candlesticks are indicating bullishness in prices. MACD is bearish in negative zone; stochastic is bullish in oversold region. Open interest increased today however volume nos. declined. 9 days EMA is in support of bears. The prices are most likely to be volatile with some firmness in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	5329	5226	5480	5610

TRADE RECOMMENDATION:

Buy above 5406 targeting 5462 and then 5530 with a strict stop loss at 5368. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5700-5800	20000-25000
	LCA 334 (Bilty) 6000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market remained at their earlier price levels despite some fall in arrivals. The market has improved demand from domestic markets and the off take was high pf around 5000 bags of jeera. However the market lacks international demand and traders are expecting the same after Diwali. Jeera crop might delay this year on account of unsuitable climate that might delay sowing of jeera. Sowing of jeera is expected to begin in November. According to market sources farmers are shifting towards other crops like chana, garlic, isabgol and cotton this year in anticipation to fetch higher prices on them, therefore acreage for jeera might decline this year. Jeera prices might remain range bound to slightly firm for a few days.

FUTURES MARKETS:

Jeera prices continued to recover following Thursdays buying support on bullish cues from the domestic spot markets. The prices increased in NCDEX November futures contract. The contract started slightly firm at Rs. 8401 a quintal. Thereafter the prices did not look behind and climbed up to Rs. 8575. The total volumes traded during the session increased to 9495 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 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	8450	8326	8602	8706

TRADE RECOMMENDATION:

Buy above 8535 with a target of 8645 and then 8675 with a strict stop loss at 8452. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1680 -1780
	Ganesh	1760 - 1780
	Machine Cleaned	1700- 1900

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