

SPICES DAILY

October 04, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices in Erode market remained steady to range bound on almost similar supply demand scenario. Turmeric market at Nizamabad remained closed today. Traders are expecting slight improvement in demand particularly from the market of North and East India in the coming days. According to traders Erode market has a stock of around 5-6 lakh bags of turmeric that is supposed to be sufficient to meet consumption demand of the market. The prices might remain range bound for a few days.

FUTURES MARKETS:

Turmeric prices in October NCDEX contract continued its southward journey. The contract opened bearish at Rs. 2545 and thereafter prices recovered highest up to Rs. 2552 and then declined steeply to make the contracts new low of Rs. 2487 a quintal. The trading for the day settled bearish at Rs. 2500. Volume numbers increased to 7190 MT.

PRICE DRIVERS:

Bearish:

1. Comfortable stock position
2. No Export demand

Bullish:

1. Domestic demand likely to improve
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 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. Stochastic has made a bearish crossover in oversold region. MACD is bearish in negative zone. 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	2487	2453	2523	2553

TRADE RECOMMENDATION:

Sell below 2502 with a target of Rs. 2480 with a strict stop loss at Rs. 2520. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2350-2400	4000
	Gattah	2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market declined today due to higher price of Indian pepper in world market and lack of domestic buying interest. Brazil crop harvesting is in progress however it has sold most of its produce forward. Exports of Brazil have been rising reflecting the interest of foreign buyers in its produce. Traders are expecting demand from markets of UK and US to improve in the near future. Vietnam and Indonesia have low stocks. The domestic demand is low at present. The prices are expected to remain steady to range bound for a few days.

FUTURES MARKETS:

Pepper October delivery on NCDEX opened firm at Rs. 13795, thereafter the prices surged highest to Rs. 13900 a quintal and then declined slightly to the low of Rs. 13455 a quintal. The days trading settled bearish in red at Rs. 13507 a quintal and volumes traded were 8344 MT's.

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

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 isolated over the rest region. Pepper vines are bearing fruits and weather is conducive for the crop at the stage.

TECHNICALS

Candlesticks are indicating bearish sentiments. Close below 9-day EMA shows bearishness is prevailing in the market. MACD continue to run down in the positive region. Stochastic is in neutral region. The contract is most likely to witness volatile price movements with some bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13259	12970	13715	13993

TRADE RECOMMENDATION:

Sell below Rs.13554 with a target at Rs.13340 and then 13280 with a strict stop loss at Rs.13715. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	12700	-
	Ungarbled	12300	

RED CHILLIES

SPOT MARKETS

Red chilli prices in Guntur market traded firm today on demand from export front and improved domestic demand. The offtake was equal to the arrivals in the market. The export demand is from Bangladesh, Srilanka and Malaysia and is expected to continue 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. Delayed crop along with depleting stocks are making chilli a premium commodity in the near future. Traders fear increased demand along with high exports might further help prices to climb up. The prices are expected to remain range bound to slightly firm for a few days.

FUTURES MARKETS:

Chilli traded firm continuing Saturdays bullish sentiments. The contract opened far above previous close at Rs. 5915 and thereafter the prices surged to the high of 6054. Wide gap between spot and futures prices induced the buyers to grab the opportunity. The contract retreated from the earlier highs to close the session at Rs. 5949. The volumes traded during the day were 13005 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. 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 isolated over the rest region. Rains might prove beneficial for the crop at this stage.

TECHNICALS

Candlesticks are reflecting bullish sentiments in the market. MACD has turned flat in negative zone indicating possibility no further bearishness; stochastic is bullish in neutral region. However, 9-EMA continues to support bears. The prices are most likely to be volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	5859	5761	6059	6156

TRADE RECOMMENDATION:

Buy above 5930 targeting 6020 and then 6075 with a strict stop loss at 5860. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	20000
	LCA 334 (Bilty)	
	6400-7000	
	7300-7800	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market continued to trade at their earlier levels on somewhat similar S& D situation in the market. The market saw arrivals of 1500 bags of jeera and offtake increased to 5000 bags as against previous days 3500-4000 bags of jeera. Trading source revealed the market does not have any demand from export front at present however domestic demand is expected to pick up in coming days. Jeera crop might delay this year on account of higher ground moisture levels and any rains might further delay sowing. The prices might trade range bound in coming days.

FUTURES MARKETS:

Jeera October delivery on the NCDEX tried to recover following previous trading day's slight firmness in prices. However the prices failed to sustain higher levels and the trading ended bearish. The contract opened firm at Rs. 8255 and the prices bounced upto 8359 and then dropped to settle in red at Rs. 8213. The volumes traded in the session increased to 4158 MT as against Saturdays 2961 MT.

PRICE DRIVERS:

Bullish:

1. Bargaining power of sellers is higher.
2. Improved domestic demand
3. Expectation of delay in sowing

Bearish:

1. No Export demand

Weather:

Rain/thundershowers are likely at many places over Konkan & Goa; at a few places over south Madhya Maharashtra and Marathawada and isolated over north Madhya Maharashtra 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. Stochastic has made a bullish crossover in neutral region. However, EMA pattern and MACD continue to support bears. The contract is most likely to witness volatile movements with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8116	8026	8338	8459

TRADE RECOMMENDATION:

Sell below 8235 with a target of 8172 and then 8125 with a strict stop loss at 8283. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1790- 1840
	Ganesh	1740
	Machine Cleaned	1815- 1880

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