

## SPICES DAILY

October 17, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric saw mixed sentiments in most of the primary markets on indecision prevailing as to demand uncertainties in the near future. In Erode market increased today on better demand for the commodity as the market reopened today after elections. The prices improved due to reduced arrivals and high domestic demand. However in Nizamabad market the prices declined slightly as the fresh arrivals increased to 1500 bags of turmeric demand remaining steady. The traders are expecting demand for turmeric to improve in coming 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 futures at NCDEX ended five sessions' rally Monday and closed sharply lower. November Turmeric opened on the higher side at Rs 2536 and tried to extend the rally, but prices slipped after touching Rs 2549 levels and finally culminated the session in Red washing away the entire gains of the prior session at Rs 2466. The volumes traded during the session remained higher at 13540 MT.

#### PRICE DRIVERS:

##### Bearish:

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

##### Bullish:

1. Improving domestic demand

#### Weather:

Rain/thundershowers are likely at a few places over Tamil Nadu & Pondicherry, and Kerala and isolated over the rest region outside Telangana, Rayalaseema 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

Turmeric charts are showing continuation of the bearish trend. Momentum studies, EMA pattern and oscillators are all favoring bears at the stage. Long black candle all supports the same thought. Prices are likely to remain on the weaker side.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	2360	2324	2504	2540

#### TRADE RECOMMENDATION:

Sell below 2394 with a target of Rs. 2360 and then 2341 with a strict stop loss at Rs. 2416. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2450	1500
	Gattah 2260-2275	
Erode	Finger 2300-2425	3000
	Gattah 2300-2350	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market quoted at higher prices on better position of India in international markets. Brazil is now offering at increased prices and international buyers are showing interest towards Indian pepper for November and December month deliveries ahead of festive season particularly in Western countries. The market did not see any fresh arrivals as the sellers seem to be unwilling to sell at lower prices. The competitors particularly Vietnam and Indonesia have low stocks. India's pepper crop is expected to arrive in the markets by next month. In Delhi market the demand for pepper from retail end is low however whole sellers are showing interest towards the commodity. Buying interest and enquiries from exporters might help prices to trade volatile with bullish bias for a few days.

### FUTURES MARKETS:

Pepper futures at NCDEX shed most of the earlier gains towards the end of the session Monday, but still managed to close with some marginal gains. November Pepper at NCDEX opened the session firm at Rs 18739 and then it surged to see the highs of Rs 13021 per quintal. However, the futures couldn't sustain those higher levels and retreated finally to close with moderate gains at Rs 12805. The volumes traded remained high at 18121 MT on the first trading day of the week.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

1. Indian crop expected in November
2. 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 Telangana, Rayalaseema and North Interior Karnataka where weather will be mainly dry. Weather is conducive for the crop at the stage.

### TECHNICALS

Pepper charts are showing mixed signals. Prices closed below 9-day and 18-day EMA shows the bearish trend has still not reversed. However, momentum studies and stochastic are favoring bulls at the stage. Long upper shadow shows tentativeness at higher levels. Prices are likely to show some volatility.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	12402	12045	13219	13344

### TRADE RECOMMENDATION:

Buy above Rs. 12700 with a target at Rs.13000 and then 13200 with a strict stop loss at Rs.12547. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	12300	Nil
	Ungarbled	11700	

## RED CHILLIES

### SPOT MARKETS

Red chilli prices in Guntur market declined today as the market saw reduced arrivals with low demand for the commodity. According to market sources buyers are not willing to buy at present levels. The market still has confusion relating to quality of chilli offered by the exchange. 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 for a few days.

### FUTURES MARKETS:

Chilli futures at NCDEX retreated all the prior session gains today. November contract of Chilli at NCDEX opened the day on a firm note at Rs 5584 and then it surged to see the highs of Rs 5644. However, futures reverted direction thereafter and closed the session with some good losses at Rs 5390. The activity levels in the market remained higher at 22210 MT.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks
2. Delayed Crop

#### Bearish:

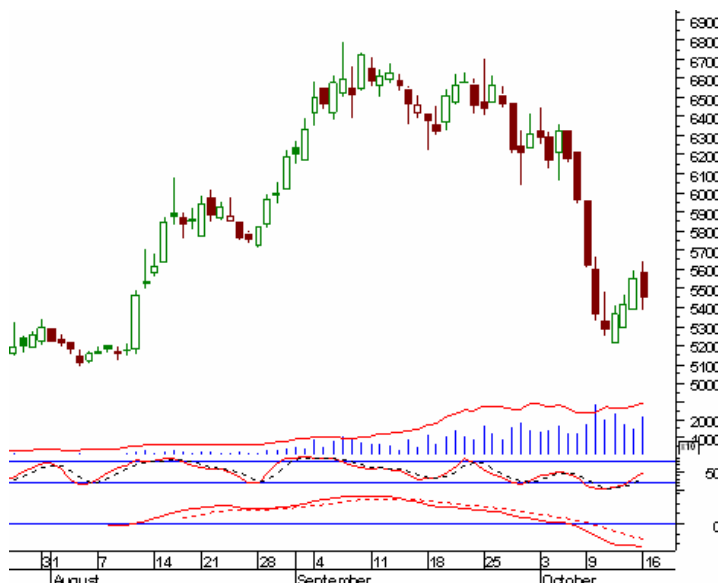
1. Unconfirmed reports of availability of inferior quality stock from exchange
2. Low domestic demand
3. Climate favorable for growth of crop
4. Forthcoming crop is expected good due to higher acreage

### 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 Telangana, Rayalaseema and North Interior Karnataka where weather will be mainly dry. Rains at this stage might delay the maturity of crop.

### TECHNICALS

Chilli charts are giving mixed signals at the stage. Candlesticks have formed evening cloud pattern, which shows the possibility of reversal in the current short-term up trend. However, Oscillators and EMA pattern continues to support the bulls, whereas, rising MACD in negative territory shows decreasing bearish momentum. Prices are likely to show volatility with bearish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	5306	5252	5562	5648

### TRADE RECOMMENDATION:

Sell below 5450 targeting 5350 and then 5300 with a strict stop loss at 5524. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5000-5500	10000
	LCA 334 (Bilty) NA	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market continued to improve today on better domestic demand and steady arrivals. The off take was of 6000 bags of jeera that is four times the inflow of jeera. However exports reduced to 1000 bags of jeera. 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. Unjha market will remain closed from 19<sup>th</sup> to 26<sup>th</sup> of October in celebration of festivals. Jeera prices might remain volatile for a few days.

### FUTURES MARKETS:

Jeera futures at NCDEX washed away entire earlier gains to close the session with small losses. Jeera for November delivery at NCDEX opened the session on firm note at Rs 8890 and then it climbed higher to Rs 9038 levels. However the futures shed all the gains before closing the session at Rs 8840 per quintal. The volume traded during the day remained on the higher side at 14337 MT.

### 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

Jeera prices are showing tentativeness at higher levels. Indicators are mostly in favor of bulls. Stochastic are positive in neutral zone; EMA pattern is also favouring bulls with close above 9-day EMA. MACD is showing decreasing bearish momentum. Prices are likely to recover after initial dip.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	8735	8621	9100	9236

### TRADE RECOMMENDATION:

Sell below 8900 with a target of 8785 and then 8735 with a strict stop loss at 8973. 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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