



# Commodities Daily

The Best Commodities Coverage in India

## SPICES DAILY

October 31, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices in most of the major turmeric markets remained steady to slightly bearish on lack of good demand for the commodity in the market. The prices have almost bottomed down and slight improvement in prices might be seen as sellers are reluctant in selling at such low prices. Moreover demand for turmeric might be visible at such low levels. Markets have hefty stocks of turmeric and the crop is expected to arrive in January. The prices might improve slightly following some improvement in demand but thereafter continue to decline.

#### FUTURES MARKETS:

Turmeric trading on the NCDEX remained volatile today. The prices of turmeric on the NCDEX November futures contract declined to make a new low of the contract. However prices recovered in the late trading hours of the day. The contract opened firm at Rs. 2086 and thereafter the prices declined to the low of Rs. 2012 and therefore increased to settle in green at Rs. 2069 per quintal. The volumes traded during the session increased to 14020 MT as against Saturdays 7560 MT of turmeric.

#### PRICE DRIVERS:

##### Bearish:

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

##### Bullish:

1. Prices bottomed down might attract buyers
2. Consumption demand expected to improve from North India

**Weather:** Rain/thundershowers are likely at most places over Coastal Andhra Pradesh & north coastal Tamil Nadu; at many places over Rayalaseema, Telangana, and at a few places 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 about to make a bullish crossover oversold territory. Volumes and open interest both increased. The contract is most likely to see volatile price movement with bullish bias.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	2013	1987	2121	2161

#### TRADE RECOMMENDATION:

Buy above 2065 with a target of Rs. 2100 and then 2120 with a strict stop loss at Rs. 2038. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2100	1000
	Gattah	2000	
Erode	Finger	2275-2350	3000
	Gattah	2225-2275	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market remained at their previous levels on no major fresh arrivals in the market. However the market saw off take of 20 MT of pepper. Due to recent steep decline in prices Indian pepper prices have turned competitive. Competitors do not have much to offer and selling at higher prices than India. Domestic demand particularly from retail market is expected to improve slightly. The prices might recover on buying from international markets to cater its festive needs and thereafter witness some bearishness on arrival pressure. India's pepper crop plucking is expected to start by the end of November.

### FUTURES MARKETS:

NCDEX Pepper November futures contract traded volatile today as the contract opened low at Rs. 10499 a quintal as against previous days close of Rs. 10534 a quintal. The prices recovered to Rs. 10930 on profit booking and thereafter declined to the low of Rs. 9940. The prices failed to remain at lower levels and recovered to the high of Rs. 10930 per quintal. The trading for the day ended firm at Rs. 10765 a quintal. The volumes traded during the day increased to 13765 MT as against Saturdays 4730 MT of pepper.

### PRICE DRIVERS:

#### Bullish:

1. Better Export prospects
2. Improved demand
3. Indian pepper at competitive prices
4. Low stocks with competitors

#### Bearish:

1. New crop harvesting in November

### Weather:

Rain/thundershowers are likely at most places over Coastal Andhra Pradesh & north coastal Tamil Nadu; at many places over Kerala, Lakshadweep, Rayalaseema, Telangana, Nicobar Islands and at a few places over the rest region. Weather is not much concerning for the maturing pepper crop.

### TECHNICALS

Candlesticks are indicating bullish sentiments in the market. The prices closed below 9-day EMA showing bearishness in the market. Stochastic is bullish in the oversold region and MACD is running downwards in negative zone. The prices are most likely to be volatile with bullish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	10213	9673	11159	11618

### TRADE RECOMMENDATION:

Buy above Rs. 10775 with a target at Rs.11155 and then 11560 with a strict stop loss at Rs.10515. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red chilli prices in Guntur market remained steady to slightly firm. The market saw reduced arrivals due to rains in the area however demand for chillies was good and fresh orders were received by traders. The off take was more than inflow of around 5000 - 6000 bags of chillies. The market has demand from international markets particularly from Bangladesh and Srilanka. Both domestic and international demand is expected to improve. The stock of chillies is of around 15 lakh bags of chillies that is continuously depleting on high demand from export front as well as increasing demand from domestic markets. Rains are benefiting in the growth of crop. Markets still has confusion and fears regarding quality of chillies with the exchange. The new crop is delayed and is expected to arrive in February. The prices in spot markets are likely to remain firm.

### FUTURES MARKETS:

Chilli prices traded firm following bullish cues from spot markets. Chilli prices on the NCDEX November futures contract increased as the contract started at Rs. 4675 and thereafter traded between Rs. 4480 - 4846 a quintal. The days trading ended at higher levels in green at Rs. 4749 a quintal. The volumes traded during the day increased to 12845 MT as against Saturdays 8025 MT of pepper.

### 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 Coastal Andhra Pradesh & north coastal Tamil Nadu; at many places over Kerala, Lakshadweep, Rayalaseema, Telangana, Nicobar Islands and at a few places 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 bullish sentiments in the market. Stochastic has made a bullish crossover in the oversold region. MACD is falling in negative territory. Prices closed below 9-EMA reflecting bearishness in the market. Prices are most likely to remain volatile with bullish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	4577	4481	4849	5070

### TRADE RECOMMENDATION:

Buy above 4730 targeting 4845 and then 4960 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) 5500-6600	4000-5000
	LCA 334 (Bilty) -	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market remained steady to slightly firm due to reduced arrivals and high demand for jeera. The off take was of 4000 bags of jeera of which exporters bought around 1000 bags and remaining was purchased by domestic buyers. The climate is suitable for sowing of jeera which is expected to begin within a weeks time in Rajasthan and then in Gujarat. 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. Traders are expecting improvement in export and domestic demand in coming days. According to trading sources the market has a stock of around 10 lakh bags of jeera. Jeera prices might remain slightly firm for a few days.

### FUTURES MARKETS:

Jeera prices on the NCDEX recovered on bullish signals from spot markets coupled with profit booking on last few days' short positions. November futures contract of jeera started bearish as the contract opened low at Rs. 8578 and thereafter the prices dropped down to Rs. 8425 and went highest up to Rs. 8720 a quintal. The trading for the day culminated in green and ended firm at Rs. 8698 a quintal. The Volumes traded during the session increased to 8325 MT as against previous sessions 4515 MT of jeera.

### PRICE DRIVERS:

#### Bullish:

1. Confusion as to acreage of jeera.
2. Increasing export and 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 within a week's time.

### TECHNICALS

Candle sticks are showing bullish sentiments in the market. Stochastic is bearish in neutral region. MACD has turned flat in negative zone. Prices closed below 9-EMA indicating bearish sentiments in the market. Volumes numbers and open interest increased. The prices are most likely to remain volatile with bullish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	8501	8387	8784	8899

### TRADE RECOMMENDATION:

Buy above 8675 with a target of Rs. 8780 and then 8850 with a strict stop loss of 8595. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1540-1600
	Ganesh	1600-1640
	Machine Cleaned	1640-1820
		3000

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