

## SPICES DAILY

October 13, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices in most of the major turmeric markets remained firm. The prices increased on increase in domestic demand for the commodity as the prices declined to lower levels thus attracting buyers. In Erode market off take improved to 80 percent of the arrivals and the market will remain closed on Friday due to elections in the area. Trading sources are expecting demand to improve in coming days. Nizamabad market saw increased demand for the commodity with similar inflow. Both the markets have comfortable stock of turmeric and Erode market has a stock of around 6 lakh bags of turmeric. Arrivals in Nizamabad market has also declined as stockists are waiting for the prices to recover. The prices might remain range bound to slightly firm for a few days.

#### FUTURES MARKETS:

Turmeric prices on the NCDEX November futures contract traded firm on bullish hints from spot markets. The prices bounced back from their earlier subdued levels. The contract opened firm at Rs. 2358 and thereafter the prices increased to Rs. 2399. The trading for the day settled bullish at Rs. 2383. The volume numbers during the day increased to 11310 MT as against 10100 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 Coastal Karnataka and Kerala; at a few places over South Interior Karnataka and Tamil Nadu and isolated over the rest region outside Telangana 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 flat in negative zone. The prices closed below EMAs are indicating weakness in the market. The contract might see bullishness of prices.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	2358	2322	2420	2460

#### TRADE RECOMMENDATION:

Buy above 2380 with a target of Rs. 2418 and then 2440 with a strict stop loss at Rs. 2352. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2375-2400	800
	Gattah 2225	
Erode	Finger 2300-2375	3500
	Gattah 2300-2350	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market improved slightly today on fresh enquiries from international buyers these days. Harvesting of pepper crop is in progress in Brazil. The market saw reduced arrival and off take was of similar quantity. The sellers are reluctant to come forward at current prices in anticipation of getting better prices in near future from international buyers but at the same time international buyers are waiting for the prices to decline further. Thus creating indecision in the market, also Vietnam and Brazil have low stocks of the commodity. Moreover Indian crop is expected to arrive in the markets by next month. Due to market uncertainties the prices are expected to remain volatile for a few days.

### FUTURES MARKETS:

NCDEX Pepper November delivery contract traded bearish initially and thereafter tuned sharply bullish on speculative buying. The contract started at Rs. 12005 and thereafter the prices declined to Rs. 11875 and then recovered up to Rs. 12648 and finally settled firm in green at Rs. 12599. The volumes traded during the day increased to 27623 MT.

### PRICE DRIVERS:

#### Bullish:

1. Brazil sold most of its pepper forward
2. Low stocks with Vietnam and Indonesia
3. Enquiries from international markets

#### Bearish:

1. Brazil crop arrives
2. Brazil increase prices

### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastal Karnataka, Lakshadweep and Kerala; at a few places over South Interior Karnataka and Tamil Nadu & Pondicherry and isolated over the rest region outside Telangana where weather will be mainly dry. Weather is conducive for the crop at the stage.

### TECHNICALS

Candlesticks are indicating bullish sentiments in the market. 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	11868	12836	13211

### TRADE RECOMMENDATION:

Buy above Rs. 12600 with a target at Rs.12800 and then 13000 with a strict stop loss at Rs.12446. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 12000	15
	Ungarbled 11600	

## RED CHILLIES

### SPOT MARKETS

In Guntur market red chillies traded at similar levels. Market sources revealed the demand for red chillies from domestic markets have improved slightly and slight export demand is also visible in the market. The quality of red chilli in the exchange is still doubtful. The arrivals were almost in similar range keeping the prices steady. 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 recovered on short covering coupled with bullish signals from spot markets. The November contract of chilli started on a weak note at Rs. 5214 and thereafter the prices did not drop and surged to Rs. 5405. The trading for the day settled firm at Rs. 5364. The volumes traded during the day increased to 24020 MT as against previous days 20190 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 Coastal Karnataka, Lakshadweep and Kerala; at a few places over South Interior Karnataka and Tamil Nadu & Pondicherry and isolated over the rest region outside Telangana where weather will be mainly dry. Rains at this stage might delay the maturity of crop.

### TECHNICALS

Long unfilled Candle in downtrend is indicating possibility of continued recovery however confirmation for the same is required. MACD is bearish in negative zone; stochastic has made a bullish crossover in oversold region. 9 days EMA is in support of bears. The prices are most likely to be volatile with bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	5260	5192	5463	5542

### TRADE RECOMMENDATION:

Buy above 5375 targeting 5448 and then 5484 with a strict stop loss at 5318. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage NA	30000-35000
	LCA 334 (Bilty) 5500-6500	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market continued slightly firm on better demand for the commodity from the domestic markets. The market doesn't have any demand from international markets. The off take was similar quantity and arrivals were nearly in the same range. Trading sources are expecting demand from foreign markets might be seen after Diwali. According to sources traders and exporters are directly buying FAQ jeera from exchange. Jeera crop might delay this year on account of high ground moisture levels and any rains might further delay sowing. Sowing of jeera is expected to begin in November as the climate is not suitable for sowing at present. Cultivators are shifting towards crops like chana, garlic, isabgol and cotton this year, 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 after previous days fall in prices recovered due to buying support on bullish cues from the domestic spot markets. November futures contract on the NCDEX started slightly firm at Rs. 8390 a quintal. Thereafter the prices dropped down to Rs. 8290 however failed to sustain lower levels and recovered to settle firm in green at Rs. 8441.20. During the day highest price in the contract was Rs. 8471 and the total volumes numbers declined to 7668 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:

Rain/thundershowers are likely at a few places over Konkan & Goa and isolated over south Madhya Maharashtra. 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 mixed sentiments in the market. Stochastic is bullish in neutral region. Volume and open interest both declined. EMA pattern is indicating bearishness and MACD is far away from its signal line 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	8386	8269	8561	8648

### TRADE RECOMMENDATION:

Buy above 8440 with a target of 8525 and then 8595 with a strict stop loss at 8375. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	2000
	Ganesh	
	Machine Cleaned	

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