

## SPICES DAILY

October 07, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices in most of the major turmeric markets recovered on slightly improved demand for the commodity. In Erode market the arrivals were in the same range and the offtake increased to near around 80 percent. Traders are expecting demand might continue to improve slightly. Turmeric prices in Nizamabad remained steady to slightly firm. The stock of turmeric is high and the crop is expected to arrive in the markets by January next year. Crop condition is good however heavy rains might not be favourable for the growth of turmeric crop at this stage. The prices might remain range bound for a few days.

#### FUTURES MARKETS:

Turmeric October delivery on the NCDEX opened bearish after Thursday's recovery and thereafter increased highest up to Rs. 2474 and then declined sharply on increased selling to the level of Rs. 2375. The days trading finally settled in red at Rs. 2416 a quintal. The total volume numbers declined to 3560 MT as against previous 3940 MT.

#### PRICE DRIVERS:

##### Bearish:

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

##### Bullish:

1. Improving domestic demand
2. Off season premiums

#### Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at many places over Coastal Karnataka and Kerala; at a few places over Interior Karnataka and Tamil Nadu & Pondicherry 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 indecision in the market. The market is witnessing a downtrend of prices. Stochastic has made a bullish crossover in oversold region. MACD is bearish in negative zone. Volume numbers along with open interest continued to decline. The prices closed below EMAs indicating weakness in the market. The contract might see volatile movement of prices with bearish inclination.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2375	2340	2441	2490

#### TRADE RECOMMENDATION:

Sell below 2420 with a target of Rs. 2398 and then 2388 with a strict stop loss at Rs. 2438. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2475	1500
	Gattah	2275	
Erode	Finger	2350-2425	4000
	Gattah	2300-2350	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market continued to decline on sluggish demand for the commodity particularly domestic consumption demand. The market saw fresh arrivals of 20 MT of pepper with an off take similar quantity. The prices are continuously declining on Brazil factor. However it has sold most of its produce forward. Higher price of Indian pepper in the world market and lack of domestic buying interest are not letting the prices to recover. Traders are expecting demand foreign markets might improve in the near future. The prices are expected to remain range bound to slightly bearish for a few days.

### FUTURES MARKETS:

Pepper prices in NCDEX futures market declined on speculative selling coupled with bearish signals in the market. October delivery on the NCDEX opened firm at Rs. 13325, thereafter the prices continued to decline to the low of Rs. 12681 a quintal. The trading for the day ended bearish in red at Rs. 12751 a quintal and the volumes traded during the day were 7953 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 and Kerala; at a few places over Interior Karnataka and Tamil Nadu & Pondicherry 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 in the market. Close below 9-day EMA shows bearishness is prevailing in the market. MACD continue to run down in the positive region. Stochastic has made a bearish crossover in neutral region. The contract is most likely to witness bearishness in prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	12464	12076	13034	13442

### TRADE RECOMMENDATION:

Sell below Rs.12792 with a target at Rs.12615 with a strict stop loss at Rs.12928. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	12400	20
	Ungarbled	12000	

## RED CHILLIES

### SPOT MARKETS

Red chilli prices in Guntur market traded in nearly similar price range with slight firmness. The day's arrivals were equal to previous day's numbers however off take improved to 80 percent as against 40 - 50 percent on Thursday. According to trading sources the market has a low stock of around 15 - 17 lakh bags of chillies. The export demand for chillies is high these days and the purchasers of Indian chilli include Bangladesh, Sri Lanka and Malaysia. The demand from these nations is expected 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. The prices are expected to remain steady range bound for a few days.

### FUTURES MARKETS:

Chilli prices on the NCDEX declined in conjunction with other spices, irrespective of bullish signals from domestic spot markets. The October contract on the NCDEX opened low at Rs. 5920 and thereafter the prices dropped down to Rs. 5800. The trading for the day's session settled on a bearish note at Rs. 5820 a quintal. The volume figures came out at 11860 MT of chillies.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks
2. High Exports
3. Improved domestic demand
4. Delayed Crop

#### Bearish:

1. Inferior Quality stock in exchange
2. Climate favorable for growth of crop
3. 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 and Kerala; at a few places over Interior Karnataka and Tamil Nadu & Pondicherry and isolated over the rest region. Rains might prove beneficial for the crop at this stage.

### TECHNICALS

Candlesticks are indicating bearish sentiments in the market. MACD is declining in negative zone; stochastic has made a bearish crossover in neutral region. 9-EMA is supporting bears. Volumes and open interest both are declining. The prices are most likely to be volatile with bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	5750	5674	5917	5985

### TRADE RECOMMENDATION:

Sell below 5834 targeting 5778 and then 5750 with a strict stop loss at 5876. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	6600-7000
	LCA 334 (Bilty)	7300-7800
		20000

## JEERA (Cumin)

### SPOT MARKETS

Jeera in Unjha market continued with its southward journey. The prices are declining on poor domestic demand along with no export demand. The day's arrivals increased slightly and off take were of similar quantity breaking the last few weeks' custom of greater offtake when compared with inflow. Producers fear Jeera crop might delay this year on account of high ground moisture levels and any rains might further delay sowing. The prices might trade range bound to slightly bearish for a few days.

### FUTURES MARKETS:

NCDEX October contract Jeera prices turned bearish again after opening firm at Rs. 7725 as against previous close of Rs. 7701 a quintal. The prices tried to recover and raised up to Rs.7799 a quintal. However prices failed to maintain those levels and declined down to the low of Rs. 7416 and finally settled bearish at Rs. 7442. The volumes traded in the session declined to 3153 MT as against Thursdays 6432 MT.

### PRICE DRIVERS:

#### Bullish:

1. Expectation of delay in sowing

#### Bearish:

1. No Export demand
2. Low domestic demand

### Weather:

Rain/thundershowers are likely at many places over south Konkan & Goa; at a few places over north Konkan, south Madhya Maharashtra and Marathwada and isolated over north Madhya Maharashtra and south Gujarat region. Weather will be mainly dry over the rest region. Decrease in rainfall activity over the region from tomorrow. Rains might increase the soil moisture only to delay sowing of the forth-coming crop.

### TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic has made a bearish crossover in oversold region. EMA pattern is indicating bearishness and MACD is far away from its signal line in negative zone. Volumes traded and open interest both declined. The contract is most likely to witness volatile price movements.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	7347	7227	7591	7721

### TRADE RECOMMENDATION:

Sell below 7450 with a target of 7395 with a strict stop loss at 7492. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1500 - 2000
	Ganesh	
	Machine Cleaned	

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