



# Commodities Daily

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## SPICES DAILY

November 01, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices remained mostly steady to slightly bearish on lack of demand for turmeric in most of the major turmeric markets. Erode market saw similar arrivals however off take reduced to near around 60-70 percent. According to trading sources there is negligible demand from the markets of North India. Traders are expecting slight improvement in demand from domestic markets. Markets have hefty stocks of turmeric and the crop is expected to arrive in January. The prices might get some ground at current levels if demand comes in but thereafter continue to decline.

#### FUTURES MARKETS:

Turmeric trading on the NCDEX saw roller coaster movements today. The prices of turmeric on the NCDEX November futures contract opened the day on a weaker note at Rs 2061 and then traded mostly volatile in the range of Rs 2012-2080. However prices finally closed the session in Red at Rs 2027 per quintal. The volumes traded during the session decreased to 11100 MT as against Monday's 12400 MT.

#### 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 many places over Coastal Andhra Pradesh, at a few places over Rayalaseema, Telangana, Tamil Nadu & Pondicherry, South Interior Karnataka and isolated 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

Turmeric charts continue to show weakness in the market sentiments. Close below 9-EMA is indicating bearishness in the market. MACD is falling steeply and favoring bears. Stochastic has lost worth after making multiple crossovers in the oversold zone. The contract is most likely to see bearish movements.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	1986	1945	2075	2121

#### TRADE RECOMMENDATION:

Sell below 2030 with a target of Rs. 2000 and then 1985 with a strict stop loss at Rs. 2052. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	700-800
	Gattah 2000	
Erode	Finger 2200-2275	3000
	Gattah 2200-2250	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market remained steady at their earlier levels. The market did not see any fresh arrivals in the market. Due to recent steep decline in prices Indian pepper prices have turned competitive in world market. Competitors do not have much to offer and selling at higher prices than India. Moreover approaching harvesting season for pepper crop is building pressure on the prices. The crop is expected by late November. Domestic demand particularly from retail market is expected to improve slightly. The prices might recover slightly on buying from international markets to cater its festive needs and thereafter witness some bearishness on arrival pressure.

### FUTURES MARKETS:

NCDEX Pepper November futures contract traded volatile today. The contract started the day low by Rs. 15 at Rs. 10750 thereafter the prices recovered up to the high of Rs. 11019 and then declined to Rs. 10514 a quintal. The prices settled at Rs. 10789 per quintal and the volumes traded during the day were 9594 MT.

#### 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 many places over Coastal Andhra Pradesh, Nicobar Islands and Kerala; at a few places over Rayalaseema, Telangana, Tamil Nadu & Pondicherry, South Interior Karnataka and Lakshadweep and isolated over the rest region. Weather is not much concerning for the maturing pepper crop.

### TECHNICALS

Candlesticks are indicating indecision in the market sentiments. The prices closed below 9-day EMA showing bearishness in the market. Stochastic is bullish in the neutral zone and MACD is running downwards in negative zone. The volumes traded and the open interest both declined. The prices are most likely to see volatile movements with possibility of some recovery in prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	10496	10223	11165	11628

### TRADE RECOMMENDATION:

Buy above Rs. 10825 with a target at Rs. 11058 and then 11165 with a strict stop loss at Rs. 10648. 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 at their previous price levels. The demand for chillies is good these days and market is witnessing some fresh export orders. Bangladesh and Srilanka are the major buyers of Indian chilli. The market has a stock of around 15 lakh bags of chillies. Markets still has confusion and fears regarding quality of chillies with the exchange. Demand for chillies from domestic as well as from international markets is expected to improve in the coming days. The new crop is delayed and is expected to arrive in February. The acreage for new crop has increased this year. The prices in the spot markets are likely to remain firm for a few days.

### FUTURES MARKETS:

Chilli traded volatile on the second trading day of the week as market seemed consolidating after last week's sharp correction. Chilli NCDEX November futures started the session on a weaker note at Rs 4725 and thereafter traded between Rs. 4600 - 4800 a quintal. The days trading ended at slightly higher levels at Rs. 4757 a quintal. The volumes traded during the day increased to 10210 MT as against Mondays 12845 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 many places over Coastal Andhra Pradesh, Nicobar Islands and Kerala; at a few places over Rayalaseema, Telangana, Tamil Nadu & Pondicherry, South Interior Karnataka and Lakshadweep and isolated 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 indecision in the market sentiments. Stochastic has made a bullish crossover in oversold zone. However, MACD is showing increasing bearish momentum. Prices closed below 9-EMA reflecting bearishness in the market. Volumes traded and open interest both declined. Prices are most likely to remain volatile with bullish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	4601	4489	4846	5043

### TRADE RECOMMENDATION:

Buy above 4762 targeting 4846 and then 4948 with a strict stop loss at 4698. 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 improved on better demand for jeera from both domestic and international markets. The arrivals reduced however demand for jeera was greater than inflow as the market saw increased off take of around 4500 bags of jeera. The exporters bought 500 - 700 bags of jeera. The market has a stock of around 10 lakh bags of jeera. According to the sources sowing of jeera has started in Gujarat as the climate is now suitable for sowing purpose. The market has some confusion as to acreage of jeera as traders and producers are expecting higher acreage in Rajasthan and slight fall in Saurashtra and Gujarat. However there are some unconfirmed reports of Governments estimates of around 25 percent increased acreage under jeera this year when compared with last year. Traders are expecting increase in demand is likely to continue in coming days. Jeera prices might remain range bound for a few days.

### FUTURES MARKETS:

Jeera prices on the NCDEX shed most of the earlier session's gains Tuesday in the absence of bullish news to support the prices. November futures contract of jeera started the session bearish at Rs. 8705 and thereafter the prices surged to see the highs of Rs. 8747. However, the prices couldn't sustain those high levels and slipped to settle lower at Rs 8631 a quintal. The Volumes traded during the session increased to 8631 MT as against previous sessions 8325 MT of jeera.

### PRICE DRIVERS:

#### Bullish:

1. Confusion as to acreage of jeera.
2. Increasing export and domestic demand

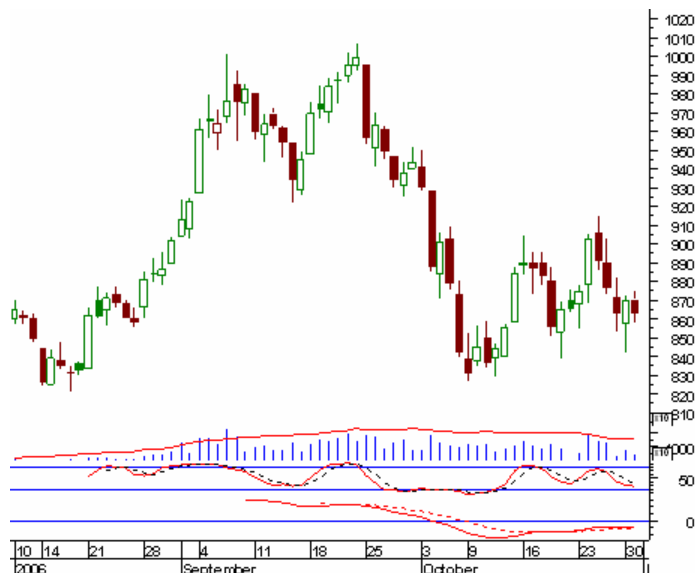
#### Bearish:

1. Sowing of jeera begins
2. 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 have formed spinning top formation showing indecision in the market sentiments. Stochastic is bearish in neutral region. MACD has turned flat in negative zone. Prices closed below 9-EMA indicating bearish sentiments in the market. The prices are most likely to remain volatile with bearish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	8557	8453	8742	8846

### TRADE RECOMMENDATION:

Sell below 8630 with a target of Rs. 8568 and then 8510 with a strict stop loss of 8676. 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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