

## SPICES DAILY

October 12, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices in Nizamabad market recovered and in Erode market remained range bound on improved domestic demand for the commodity. However international demand is still absent from the markets. Arrivals in Erode market decreased and are expected to continue to decrease due to elections in the area. The off take was of around 70 - 80 percent. The market has a hefty 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 for a few days.

#### FUTURES MARKETS:

Turmeric prices on November delivery futures contract at the NCDEX traded volatile on indecision prevailing in the spot markets along with some more short covering. November futures contract bounced back slightly on short covering. The contract started low at Rs. 2357 and thereafter the prices hovered between Rs. 2340 - 2376. The trading for the day settled indecisive and Rs. 2 above the days opening at Rs. 2359. The volume numbers during the day were 10100 MT as against last days 13960 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 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 indecision in the market. Stochastic made a bullish crossover in the oversold region. MACD is bearish in negative zone. The prices closed below EMAs indicating weakness in the market. Volumes and open interest both declined. The contract might see volatile movement of prices.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	2322	2251	2389	2463

#### TRADE RECOMMENDATION:

Sell below 2374 with a target of Rs. 2356 and then 2348 with a strict stop loss at Rs. 2387. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2350-2375	700-800
	Gattah 2200	
Erode	Finger 2250-2300	3000
	Gattah 2275-2350	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market declined today on increased selling of the commodity ahead of Indian fresh crop arrivals. Harvesting of pepper crop is in progress in Brazil and it has increased price of its pepper. However recently the market witnessed some export enquiries for October, November and December months. The market saw arrival and off take of 60MT of pepper. Domestic markets of North India have low buying interest particularly from retailer and stockists. Vietnam and Brazil stocks are low. The prices are expected to remain volatile for a few days.

### FUTURES MARKETS:

Pepper November delivery futures contract on the NCDEX observed a fall in prices on speculative selling as the contract started bearish at Rs. 12588 a quintal and thereafter the prices recovered to Rs. 12611 but could not sustain higher levels and dropped down to Rs. 12026. The trading for the day ended in red at Rs. 12093 and the volumes traded during the day increased to 18278 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
3. Lack of buying support from retailers and stockists in consumption centers

### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastal Karnataka, Lakshadweep and Kerala. 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 negative region. Stochastic is likely to make a bearish crossover in oversold region. Volumes and open interest both increased. The contract is most likely to witness volatile movement of prices with bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	11880	11591	12603	12841

### TRADE RECOMMENDATION:

Sell below Rs. 12160 with a target at Rs.11825 and then 11610 with a strict stop loss at Rs.12420. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 11900	60
	Ungarbled 11500	

## RED CHILLIES

### SPOT MARKETS

Red chilli prices in Guntur market declined on low demand for the commodity coupled with availability of inferior quality of chilli at very low prices from the exchange. Thus shifting price sensitive buyers towards inferior chilli. The arrivals increased to nearly double when compared with Tuesday and off take was of just 15000 - 20000 bags of chilli. These days the market does not have any fresh demand from international markets. The 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 to slightly bearish on lack of demand for a few days.

### FUTURES MARKETS:

Chilli prices on the NCDEX continued to be dominated by bears on bearish advices from spot. The November contract of chilli started bearish at Rs. 5330 as against Tuesday's close of Rs. 5368. The prices thereafter recovered up to the high of Rs. 5480 but failed to sustain higher levels and declined to settle in red at Rs. 5286. The volumes traded during the day decreased to 20190 MT as against previous days 29365 MT.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks
2. Delayed Crop

#### Bearish:

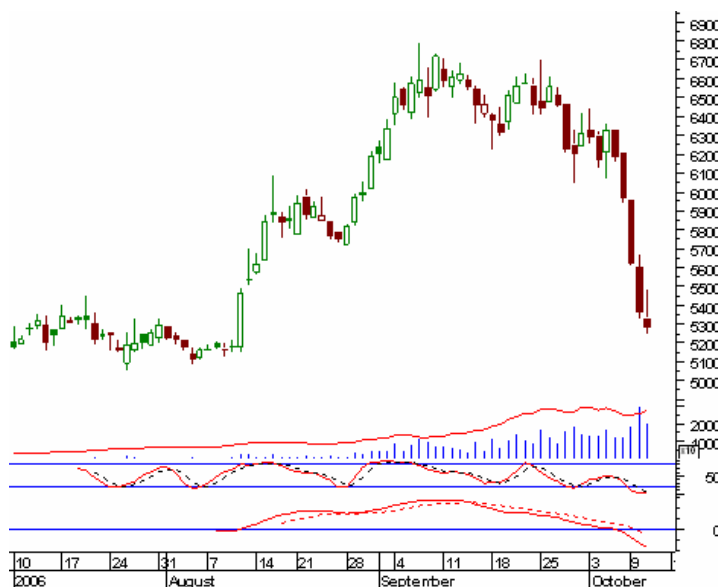
1. No Exports and sluggish domestic demand
2. Unconfirmed reports of availability of inferior quality stock from exchange
3. Climate favorable for growth of crop
4. Forthcoming crop is expected good due to higher acreage

### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, 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. Rains at this stage might delay the maturity of crop.

### TECHNICALS

Candlesticks are indicating presence of bearish sentiments in the market. MACD is bearish in negative zone; stochastic is bearish in oversold region. Volumes traded and open interest both increased and 9-EMA is supporting bears. The prices are most likely to be volatile with bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	5192	5090	5372	5480

### TRADE RECOMMENDATION:

Sell below 5292 targeting 5220 and then 5130 with a strict stop loss at 5346. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage NA	35000-40000
	LCA 334 (Bilty) 5500-6500	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market continued to recover on improved domestic demand. The market doesn't have any demand from international markets. The off take was similar to Tuesdays arrivals of 5000 bags of jeera however arrivals decreased as sellers are holding back to sell at increased prices. Trading sources are expecting demand from foreign markets after Diwali. Particularly from the markets of Singapore, Bangladesh and US. 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 consolidate and remain range bound for a few days.

### FUTURES MARKETS:

Jeera prices turned bearish again on the NCDEX futures market on speculative selling despite hints of some improvement in domestic demand. November contract started on firm note at Rs. 8500 a quintal. Thereafter the prices dropped again to Rs. 8341 and settled bearish with losses at Rs. 8368. The total volumes numbers increased to 12354 MT as against previous sessions 11952 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
4. Reducing arrivals

#### Bearish:

1. No Export demand
2. Change in NCDEX quality specification

### Weather:

Rain/thundershowers are likely to be isolated over south Madhya Maharashtra. Weather will be mainly dry over the rest of the western parts. 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 bullish crossover in oversold region. Volume and open interest both increased. 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.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	8264	8212	8452	8562

### TRADE RECOMMENDATION:

Sell below 8380 with a target of 8268 and then 8224 with a strict stop loss at 8466. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1660 -1760
	Ganesh	1760
	Machine Cleaned	1700- 1900

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