



Commodities Daily

The Best Commodities Coverage in India

SPICES DAILY

October 27, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices in Erode market increased slightly today on improved demand for the commodity. The market saw increased arrivals and the off take was also high of around 70 percent of inflow. Traders are expecting both arrivals and demand to increase in coming days. According to sources Erode market has a hefty stock of around 6 lakh bags of turmeric. Nizamabad market witnessed Turmeric trading at previous price levels on similar supply demand scenario. Traders are expecting slight improvement in demand at reduced prices however stockists might enter and push the prices down again. The prices might remain steady to slightly bearish for a few days.

FUTURES MARKETS:

Turmeric prices continued its southward journey on bearish cues from spot markets. NCDEX November delivery futures contract saw a steep fall in prices and witnessed a fresh low at Rs. 2121 a quintal. The contract started low at Rs. 2236 a quintal and thereafter the prices did not look back and dropped down to Rs. 2121 and finally closed in red at Rs. 2150 a quintal. Volume traded during the session increased to 22660 MT of turmeric.

PRICE DRIVERS:

Bearish:

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

Bullish:

1. Demand expected to improve from markets of North India

Weather:

Rain/thundershowers are likely at many places over Tamil Nadu South Coastal Andhra Pradesh and Lakshadweep; at a few places over North Coastal Andhra Pradesh and Rayalseema & isolated over the rest region outside North Interior Karnataka and Telangana where weather will be mainly dry. Increase in rainfall activity over the region from 28th onwards. 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 bearish sentiments in the market. 9-EMA is indicating bearishness in the market. MACD is falling and favoring bears. Stochastic is about to make a bearish crossover in oversold territory. Volumes traded and open interest both continued to increase. The contract is most likely to see more bearish activities.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	2123	2067	2212	2256

TRADE RECOMMENDATION:

Sell below 2158 with a target of Rs. 2124 and then 2108 with a strict stop loss at Rs. 2185. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2250	1500
	Gattah	2150	
Erode	Finger	2300-2420	2500
	Gattah	2250-2325	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market declined despite the auction for pepper by Market fed got postponed. The market has low demand for pepper and the buyers are willing to buy at reduced prices. The market saw trading of 10 MT of pepper. According to the sources Marketfed offered at higher quote of Rs. 120 a Kg but the buyers wished to buy at Rs. 115 a Kg. Traders are expecting the demand for black pepper is likely to recover from retail end and also international buyers might come up with buying at reduced prices. India's pepper crop is expected to arrive by the end of November. The market might see volatile price movement with bearish inclination unless some fresh orders or enquiries are seen from foreign markets.

FUTURES MARKETS:

NCDEX Pepper November delivery contract is traded bearish today on possibility of auction by Market fed. However according to sources the auction was postponed as the buyers were not willing to buy at prices quoted by Market fed. The contract started high at Rs. 12548 and thereafter recovered up to Rs. 12575 but failed to stick to higher levels and dropped down to Rs. 12221 a quintal. The trading for the day ended in red at Rs. 12280 a quintal. The volumes traded during the day increased to 6819 MT of pepper.

PRICE DRIVERS:

Bullish:

1. Low stocks with competitors
2. World supply crunch

Bearish:

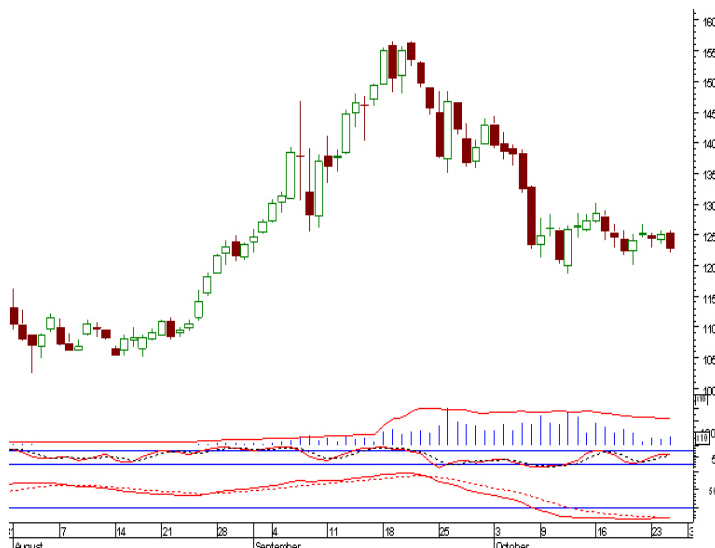
1. New crop harvesting in November
2. Demand at lower prices

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry, Kerala, South Coastal Andhra Pradesh and Lakshadweep; at a few places over North Coastal Andhra Pradesh and isolated over the rest region outside North Interior Karnataka where weather will be mainly dry. Increase in rainfall activity over the region from 28th onwards. Weather is not much concerning for the maturing pepper crop.

TECHNICALS

Candlesticks are indicating bearish sentiments in the market. The prices closed below 9-day EMA showing bearishness in the market. Stochastic is likely to make a bearish crossover in the neutral region and MACD is falling in negative zone. The prices are most likely to be volatile with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	12003	11821	12543	12720

TRADE RECOMMENDATION:

Sell below Rs. 12300 with a target at Rs.12145 and then 12065 with a strict stop loss at Rs.12416. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	12000	10
	Ungarbled	11400	

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market remained at their previous levels. The market saw slightly increased arrivals and the off take was near around 50 - 70 percent of the day's inflow. According to trading sources the market has demand from export front particularly from Bangladesh, Srilanka and Malaysia. Trading sources are expecting demand to improve but the market has sufficient stocks of chillies despite high exports this year. However sources from Madhya Pradesh informed the production in the state might increase to around 30 lakh bags of chillies this year as against last years 6 lakh bags of chillies. Markets still has confusion and fears regarding quality of chillies with the exchange. The new crop is delayed and is expected to arrive by the month of February. The prices are likely to remain steady to range bound for a few days.

FUTURES MARKETS:

Chilli prices continued to trade bearish on speculative selling coupled with some bearish views from spot markets. NCDEX near month contract of red chillies extended losses to make a new low of Rs. 5041 a quintal. The contract started low at 5305 a quintal and thereafter prices dropped down to fresh lows and settled down in red at Rs. 5066. The volume numbers increased to 14155 MT as against Wednesdays just 4700 MT of chillies.

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 Andaman & Nicobar Islands, Tamil Nadu & Pondicherry, Kerala, South Coastal Andhra Pradesh and Lakshadweep; at a few places over North Coastal Andhra Pradesh and Rayalseema & isolated over the rest region outside North Interior Karnataka and Telangana where weather will be mainly dry. Increase in rainfall activity over the region from 28th onwards. 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

Long dark candlestick in a downtrend is reflecting bearish sentiments in the market. Stochastic has made a bearish crossover in neutral region. MACD is falling in negative territory. Prices closed below 9-EMA reflecting presence of bearish sentiments in the market. Prices are most likely to remain volatile with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	4995	4911	5198	5313

TRADE RECOMMENDATION:

Sell below 5072 targeting 4995 and then 4952 with a strict stop loss at 5130. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5600-6100	20000
	LCA 334 (Bilty) -	

JEERA (Cumin)

SPOT MARKETS

Jeera market in Unjha remained closed today. The prices recovered slightly & then turned steady before closing of markets on almost similar demand supply scenario. Sowing of jeera has been delayed this year in both Gujarat and Rajasthan due to unfavourable climatic conditions in the region. The sowing is expected to begin in about a week's time. In addition to this, acreage is also expected to shrink in Gujarat on shifting preference of farmers towards other crops Jeera crop is highly weather sensitive and high prices of these commodities are attracting the cultivators. Unjha market will reopen on 27th. Trading sources are expecting demand to improve from both domestic and export fronts. On the reopening Jeera prices might remain steady to range bound and thereafter witness some strength.

FUTURES MARKETS:

Jeera prices declined on profit booking following Wednesdays speculative buying. NCDEX November futures contract opened firm at Rs. 9058 and thereafter the prices increased to touch the high of Rs. 9151 and thereafter declined to the lows of 8861 a quintal. The trading for the day settled at Rs. 8914 a quintal that was still above the important support of Rs. 8900. Volumes traded during the session diminished to 14286 MT as against previous sessions 19278 MT of jeera.

PRICE DRIVERS:

Bullish:

1. Unfavorable weather likely to delay sowing with possibility of reduced acreage.
2. Expectation of improved domestic and export demand.
3. Unjha market Closed in celebration of festivals

Bearish: 1. Comfortable stock

Weather: Mainly dry weather is likely over the region. Dry & hot Climate is not suitable for sowing of jeera at present. This is delaying sowing of the forth-coming crop. Rains at this stage might help in sowing.

TECHNICALS

Candle sticks are reflecting bearish sentiments in the market. Stochastic is bullish in neutral region. MACD is also rising in negative zone. Prices closed above 9-EMA indicating bullish sentiments prevailing in the market. Volumes traded and open interest both declined. The prices are most likely to remain volatile with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	8788	8660	9032	9128

TRADE RECOMMENDATION:

Sell below 8900 with a target of Rs. 8845 and then 8790 with a strict stop loss of 8942. Trade cautiously with intra day outlook.

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.