

## SPICES DAILY

October 05, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices in Erode market declined today on low demand for the commodity. The market saw almost similar arrivals however offtake reduced to near around 50-60 percent. Turmeric market at Nizamabad remained closed today. The market has low demand but traders are expecting slight improvement in demand particularly from the markets of North and East India in the coming days. According to traders Erode market has a hefty stock of around 6-7 lakh bags of turmeric that is supposed to be more than sufficient to meet consumption demand of the market. Crop condition is good however increased rains might not be favourable for the growth of turmeric crop at this stage. The prices might remain range bound to slightly bearish for a few days.

#### FUTURES MARKETS:

Turmeric prices in October NCDEX contract continued to slip on bearish cues from spot markets coupled with speculative selling. The contract opened bearish at Rs. 2490 and thereafter prices recovered highest up to Rs. 2495 but could not sustain and the prices bottomed down to create contracts new low at Rs. 2424 a quintal. The trading for the day settled bearish in red at Rs. 2440. Volume numbers decreased to 6690 MT.

#### PRICE DRIVERS:

##### Bearish:

1. Comfortable stock position
2. No Export demand
3. Low domestic demand
4. Good Crop condition

##### Bullish:

1. Off season premiums

#### Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at many places over Coastal Karnataka; at a few places over Interior Karnataka and Kerala 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 bearish sentiments in the market. Stochastic has made a bearish crossover in oversold region. MACD is bearish in negative zone. 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	2388	2331	2487	2525

#### TRADE RECOMMENDATION:

Sell below 2444 with a target of Rs. 2424 and then 2410 with a strict stop loss at Rs. 2460. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2300-2350	4000-4500
	Gattah	2350-2400	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market continued to decline. The market did not see any fresh arrivals however off take were of around 15 MT of pepper. Pepper market is witnessing slight fall in prices by reason of higher price of Indian pepper in world market and lack of domestic buying interest. Brazil crop harvesting is in progress however it has sold most of its produce forward. Traders are expecting demand from markets of UK and US to improve in the near future. Vietnam and Indonesia have low stocks. The prices are expected to remain steady to range bound for a few days.

### FUTURES MARKETS:

Pepper October delivery on the NCDEX traded volatile as the contract opened low at Rs. 13490, thereafter the prices declined and then recovered up to Rs. 13650 a quintal. The prices declined later in conjunction with fall in prices of other spices. The days trading ended bearish at Rs. 13341 a quintal with volume numbers equal to 10309 a quintal.

### 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; at a few places over Interior Karnataka and Kerala 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. Close below 9-day EMA shows bearishness is prevailing in the market. MACD continue to run down in the positive region. Stochastic is slightly bending in neutral region. The contract is most likely to witness volatile price movements with some bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13111	12827	13506	13707

### TRADE RECOMMENDATION:

Sell below Rs.13385 with a target at Rs.13210 and then 13150 with a strict stop loss at Rs.13520. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 12600	-
	Ungarbled 12200	

## RED CHILLIES

### SPOT MARKETS

Red chilli prices in Guntur market remained at their previous levels despite increased arrivals in the market. Good demand for the commodity prevented the prices to decline and maintain earlier levels. These days the market has high demand from export front and is witnessing improved demand from domestic markets. The export demand is from Bangladesh, Srilanka and Malaysia and is expected to continue 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 to range bound to slightly firm for a few days.

### FUTURES MARKETS:

Chilli prices declined following bearish sentiments in other spices. October delivery contract on the NCDEX opened firm at Rs. 5981. The prices remained firm up to the high of Rs. 6030 and thereafter declined on speculative selling. The contract retreated from the earlier highs to close the session at Rs. 5922. The volumes traded during the day declined to 12770 MT.

### 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; at a few places over Interior Karnataka and Kerala and isolated over the rest region. Rains might prove beneficial for the crop at this stage.

### TECHNICALS

Candlesticks are reflecting indecision in the market. MACD is bearish in negative zone; stochastic is bullish in neutral region. However, 9-EMA continues to support 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	5873	5777	5986	6072

### TRADE RECOMMENDATION:

Sell below 5934 targeting 5875 and then 5854 with a strict stop loss at 5978. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	6500-7000
	LCA 334 (Bilty)	7300-7800
		40000

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market declined on lack of demand from domestic as well as export front. The market saw arrivals of around 1000 - 1500 bags and offtake was of around 3000 bags of jeera. Jeera crop might delay this year on account of higher ground moisture levels and any rains might further delay sowing. The prices might trade range bound to slightly bearish in coming days.

### FUTURES MARKETS:

Jeera October delivery on the NCDEX declined sharply on bearish cues from spot markets along with speculative selling in the commodity. The contract opened low at Rs. 8200 as against previous day's close of Rs. 8213. The prices did not look back and touched ground levels of Rs. 7720. Finally trading for the session settled in red at Rs. 7729. The volumes traded in the session increased to 7023 MT as against Tuesdays 4158 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 Konkan & Goa; at a few places over south Madhya Maharashtra and isolated over north Madhya Maharashtra, Marathawada and south Gujarat region. Weather will be mainly dry over the rest region. 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

Long filled in Candlesticks are indicating bearish sentiments in the market. Stochastic has made a bearish crossover in oversold region. EMA pattern and MACD continue to support bears. The contract is most likely to witness volatile price movements.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	7579	7346	7875	8027

### TRADE RECOMMENDATION:

Sell below 7755 with a target of 7655 and then 7580 with a strict stop loss at 7832. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1750 1800
	Ganesh	1700
	Machine Cleaned	1785 1850

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