

## SPICES DAILY

November 17, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric witnessed mixed sentiment in major trading centres. At Nizamabad, prices were quoted higher amidst higher arrivals and offtake. However, at Erode, prices quoted lower by Rs. 25 per quintal amidst steady arrival and offtake. The spillover weakness from the futures market has pressurised the physical market sentiments. Acreage under turmeric in Tamil Nadu is reported to have increased during this season. Market stock position is comfortable and the new crop arrivals are likely only during late January, hence a major change in prices are most unlikely in the short-term.

#### FUTURES MARKETS:

At the NCDEX the turmeric futures opened lower than the previous settle and tested day's high at the opening. The futures immediately ran into heavy selling pressure and the most active December contract slide to test day's low at Rs. 2028. The futures finished near day's lows in final action. The near month November contract traded in the range of Rs. 1961-2026, while the most active December contract traded in the range of Rs. 2028-2085 during Thursday's trade.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock of turmeric in the market
2. New crop to arrive in mid-January
3. Weather suitable for growth of turmeric crop

##### Bullish:

1. Improved demand at the lower price tags
2. Demand expected to improve from North India

#### Weather:

Rain/thundershowers are likely at many places over the region. Heavy incessant rains in turmeric growing belts are not desirable for turmeric crop at this stage.

#### TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Stochastic are moving upwards in the normal region, hinting further uptrend. MACD is also moving upwards in the negative territory. Prices closed above the 9-day EMA, hinting firm prices in short-term. Volume as well as open interest has declined. Turmeric futures are likely to trade downwards following a weak opening initially and upward thereafter.

Turmeric 0612(NCTMCZ6)2006/11/16 - Daily

O 2085.00 H 2085.00 L 2030.00 C 2035.00 V 31,870 I 34,910 -45

EMA(9) 2044.2 (18) 2089.8



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1953	1992	2035	2093	2127

#### TRADE RECOMMENDATION:

Sell near Rs. 2030-2040 with a target of Rs. 2010 and then Rs. 2000 with a strict stop loss at Rs. 2060. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	1200
	Gattah 2000	
Erode	Finger 2150-2250	4000
	Gattah 2150-2200	

## BLACK PEPPER

### SPOT MARKETS

At Kochi, black pepper extended the previous advances further on Thursday. It was quoted higher by Rs. 100 per quintal amidst no arrival and offtake. The recent downtrend in pepper prices are likely to get support from the delayed crop this year, which is likely to hit the market by late December to early January. Indian pepper export has increased during the past few months and the overseas demand is likely to pick up further. Notably, Indian pepper continues to remain as a competitive source for nearby shipments. Pepper prices are likely to improve in the near future owing to its strong fundamentals.

### FUTURES MARKETS:

At the futures market the black pepper futures at the NCDEX opened higher than previous settlement and tested an intraday low of Rs. 10630 at the early hours of trade. However, increased buying interest supported the futures thereafter and the futures retraced back to test an intraday high of Rs. 10899. Though profit booking curbed some of the gains, but the futures finished with gains in late action. The near-month November contract traded in the range of Rs. 10461-10738, while the most active December contract traded in the range of Rs. 10630-10899 during Thursday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Better Export prospects
2. Indian pepper remains competitive in international market
3. Low stocks with competitors

#### Bearish:

1. New crop harvesting in mid-December to early January
2. Lower demand at the higher price levels

### Weather:

Rain/thundershowers are likely at many places over most of the pepper-growing region. Rains might delay plucking of maturing pepper crop.

### TECHNICALS

Candlesticks pattern indicates steady to firm opening. Stochastic is moving downwards in the normal region, hinting further downtrend. MACD is moving slightly upwards in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices. Volume has increased, while open interest has declined. Black pepper futures are likely to trade slightly downwards initially following a steady to firm opening and upwards thereafter.

Pepper 0612(NCPEP26)2006/11/16 - Daily

O 10735.00 H 10899.00 L 10630.00 C 10791.00 V 10,621 I 12,839 +61

EMA(9) 10793 (18) 11088



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10200	10470	10791	11011	11281

### TRADE RECOMMENDATION:

Buy near Rs. 10725-10750 with a target at Rs. 10850 and then Rs. 10900 with a strict stop loss at Rs.10650. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10900	-
	Ungarbled	10300	

## RED CHILLIES

### SPOT MARKETS

Red chillies traded with a stable sentiment in Guntur market on Thursday. Red chillies prices have increased recently on reduced arrival amidst higher demand. Demand for red chillies is seen from international markets and most of the overseas requirements are met from Andhra Pradesh. Domestic demand for chillies is also expected to improve in near future. Red chilli crop is delayed and is expected to arrive only in the month of February next year. Red chillies prices are likely to improve in the coming day owing to its favourable fundamentals.

### FUTURES MARKETS:

At the futures market the chilli futures at the NCDEX opened higher than previous settlement and traded mostly upwards thereafter. However, late profit booking at the higher price levels curbed most of the gains and the most active December contract finished with marginal gains in final action. The near month November contract traded in the range of Rs. 5100-5262, while the December contract traded in the range of Rs. 5300-5432 during Thursday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Delayed crop to arrive only during February
2. Better export 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 most of the chilli growing regions. The sources informed rainfed chilli crop that required water at this stage is growing well after recent splash of rains in the area. However prolonged rains at this stage might delay the maturity of crop.

### TECHNICALS

Candlesticks pattern indicates steady to weak opening and indecision in the market. Stochastic are moving flat in the normal region. MACD is moving upwards and has entered the positive territory. Prices closed above 9-day as well as 18-day EMA, supporting firmness in the market. Volume has increased, while open interest has declined. Red chillies futures are likely to witness slightly downward trade following a steady to weak opening initially and upward thereafter.

CHLL334GTR 0612(NCGTRZ6)2006/11/16 - Daily  
O 5344.00 H 5432.00 L 5300.00 C 5337.00 V 16,710 I 10,985 +22  
EMA(9) 5249.4 (18) 5254.3



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	5086	5186	5337	5489	5601

### TRADE RECOMMENDATION:

Buy near Rs. 5300-5325 targeting Rs. 5375 and then Rs. 5400 with a strict stop loss at Rs. 5250. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 7000-7100	15000
	LCA 334 (Bilty) 7800-7900	

## JEERA (Cumin)

### SPOT MARKETS

Jeera witnessed firm sentiment at Unjha markets. Prices were quoted higher by Rs. 25 per quintal on improved demand. Sowing of jeera has started in Gujarat and traders are eyeing details of sowing report for future trend in jeera market. Traders anticipate the acreage in Gujarat to fall significantly during this season. However, acreage may increase in Rajasthan, where sowing is yet to begin. Traders are expecting increase in demand to continue in coming days. Jeera prices are likely to improve in the near future after some consolidation at the lower price levels.

### FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened higher than previous settlement following Wednesday's hefty gains. The most-active December contract tested day's high at the early hours of trade, but slide at the late hours on profit booking at the higher price levels. The near month November contract traded in the range of Rs. 8300-8431, while the December contract traded in the range of Rs. 8375-8499 during Thursday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Anticipation of lower acreage in Gujarat
2. Increasing export demand
3. Improving domestic demand at the lower price tags

#### Bearish:

1. Sowing of jeera begins in the country
2. Comfortable stock position

### Weather:

Mainly dry weather is likely over the jeera producing region. Climate is suitable for sowing of jeera crop, which is in progress in Gujarat.

### TECHNICALS

Candlestick pattern is indicating weak opening and initial downtrend. Stochastic is moving downwards in the oversold region. MACD is moving flat in the negative territory. Prices closed below 9-day as well as 18-day EMA, hinting weak prices. Volume has declined, while open interest has increased. Jeera futures are likely to trade downwards following a weak opening initially and upwards thereafter.

JEERA 0612(NCJEEZ6)2006/11/16 - Daily

O 8449.00 H 8499.00 L 8375.00 C 8390.00 V 7,620 116,062 -50

EMA(9) 8462.4 (18) 8561.6



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8135	8246	8390	8502	8625

### TRADE RECOMMENDATION:

Sell near Rs. 8400 with a target of Rs. 8350 and then Rs. 8325 with a strict stop loss of Rs. 8435. Trade cautiously with intra day outlook.

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

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