

## SPICES DAILY

November 24, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric traded with a mixed sentiment at major physical markets. It was offered at a lower price in Nizamabad despite reduced arrivals. However, turmeric prices were quoted higher in Erode amidst lower arrival, while in Delhi prices ruled steady. In Tamil Nadu, the area under turmeric has increased during this year. However, the new crop arrivals are only likely during late January. With comfortable stock position in the market, prices are unlikely to witness any major changes in the near future. However, in short-term prices may increase slightly on improved demand.

#### FUTURES MARKETS:

Turmeric futures at NCDEX opened lower than previous settlement and the most-active December contract tested day's high at Rs. 2139 during the opening session. However, the futures traded mostly downwards thereafter to test an intraday low of Rs. 2037 and finished in the negative territory. The December contract traded in the range of Rs. 2037-2139 during Thursday's trade.

#### PRICE DRIVERS:

##### Bearish:

1. Comfortable stock of turmeric in the market
2. New crop to arrive only during late 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 turmeric producing region. Heavy incessant rains in turmeric growing belts are not desirable for the crop at this stage.

#### TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic are moving upwards in the normal region, hinting further uptrend. MACD is moving upwards in the negative territory. Prices closed just above the 9-day EMA, hinting firm prices in short-term. Volume as well as open interest has increased. Turmeric futures are likely to trade downward following a steady to weak opening with possibility of upward movement later.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1978	2006	2070	2132	2176

#### TRADE RECOMMENDATION:

Sell near Rs. 2080-2090 with a target of Rs. 2060 and then Rs. 2050 with a strict stop loss at Rs. 2110. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2150	800
	Gattah 2050	
Erode	Finger 2225-2300	3000
	Gattah 2175-2250	

## BLACK PEPPER

### SPOT MARKETS

Black pepper traded with a weak sentiment in Kochi markets. Prices were quoted lower by Rs. 100 per quintal during Thursday's trade. Arrivals were reported at 6 Mt, while offtake was 8 Mt. Domestic pepper crop has delayed this season and likely to hit the market even beyond the earlier expected late December to early January. Domestic production is expected to fall by around 30 percent in this season. 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:

Black pepper futures at NCDEX opened higher than previous settlement and most-active December contract tested a high of Rs. 11490 during early hours of trade. However, the futures traded downwards thereafter on increased selling interest at higher price levels and December contract slide to test an intraday low of Rs. 10927. Most active December contract traded in the range of Rs. 10927-11490 during Thursday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Better Export prospects
2. Indian pepper remains competitive in international market
3. Low stocks with competitors, lower global production
4. Total quantum of import of pepper under Indo-Sri Lanka Free Trade Agreement is restricted to 2500 Mt per annum

#### 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 weak opening and initial downtrend. Stochastic is moving upwards in the normal region. MACD is also moving slightly upwards in the negative territory. Prices closed just above the 9-day EMA, hinting firm prices in short-term. Volume as well as open interest remained lower as compared to previous settlement. Black pepper futures are likely to trade downwards following a weak opening with possibility of late upward movement.

Pepper 0612(NCPEPZ6)2006/11/23 - Daily

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EMA(9) 10907 (18) 11003



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10200	10590	11003	11551	11942

### TRADE RECOMMENDATION:

Sell near Rs. 11050 with a target at Rs. 10950 and then Rs. 10900 with a strict stop loss at Rs.11125. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10900	6
	Ungarbled	10300	

## RED CHILLIES

### SPOT MARKETS

Red chillies remain steady at the earlier levels during Thursday's trade. However, arrivals were reported to be higher at this price levels. Recently, price got support from overseas demand. 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. Production of red chillies during this year is expected at the higher side. Red chillies prices are likely to improve in the coming days owing to its favourable fundamentals.

### FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement, but traded mostly downwards thereafter. The most-active December contract slide to test day's low at Rs. 6288. However, the futures retraced back again on increased buying support at lower price levels and pared most of the early losses in late action. The December contract traded in the range of Rs. 6288-6475 during Thursday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Delayed crop to arrive only during February
2. Removal of inferior warehouse stocks of exchanges

#### Bearish:

1. Lower demand at the higher price levels
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. However prolonged rains at this stage might delay the maturity of crop.

### TECHNICALS

Candlesticks pattern indicates steady opening and initial uptrend. Stochastic are moving upwards in the overbought region, hinting further uptrend. MACD is moving upwards in the positive territory. Prices closed far above 9-day as well as 18-day EMA, supporting the firm prices. Volume as well as open interest has declined as compared to previous settlement. Red chillies futures are likely to witness moderately upward trade following a steady opening initially with possibility of late downtrend.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6110	6199	6395	6601	6701

### TRADE RECOMMENDATION:

Buy near Rs. 6375-6400 targeting Rs. 6475 and then Rs. 6500 with a strict stop loss at Rs. 6335. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 6500-7000	20000
	LCA 334 (Bilty) 7500-7800	

## JEERA (Cumin)

### SPOT MARKETS

Jeera extended previous advances further during Thursday's trade. It was offered higher by Rs. 1 per kg amidst steady arrivals and offtake. Sowing of jeera has started in Gujarat and traders are eyeing details of sowing report for future trend in jeera market. Preliminary reports suggest decline in acreage under jeera in Gujarat. 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.

### FUTURES MARKETS:

Jeera futures at the NCDEX opened higher than previous settlement and most-active December contract tested an intraday high of Rs. 8805. However, increased selling interest has pressurised the futures throughout the day and the most-active December contract tested an intraday low of Rs. 8585. The December contract traded in the range of Rs. 8585-8805 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 with possibility of some isolated rainfalls. Climate is suitable for sowing of jeera crop, which is in progress in Gujarat.

### TECHNICALS

Candlestick pattern is indicating steady to weak opening and initial downtrend. Stochastic is moving upwards in the normal region, hinting further uptrend. MACD is moving upwards in the negative territory. Prices closed above 9-day as well as 18-day EMA, hinting firm prices. Volume as well as open interest has declined. Jeera futures are likely to trade moderately downwards following a steady to weak opening initially with possibility of late uptrend.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8335	8469	8650.1	8892	9000

### TRADE RECOMMENDATION:

Sell near Rs. 8650-8675 with a target of Rs. 8600 and then Rs. 8575 with a strict stop loss of Rs. 8725. 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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