

SPICES DAILY

November 23, 2006

TURMERIC

SPOT MARKETS:

Turmeric traded with a firm sentiment at major trading centres. Prices were quoted higher at Nizamabad, while it remains steady in Erode and Delhi markets. Traders reported increased arrivals at higher price tags. 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 near future. However, in short-term prices may increase on improved demand.

FUTURES MARKETS:

At the NCDEX the turmeric futures opened higher than previous settlement and tested day's low at the early hours of trade. However, increased buying interest supported the futures thereafter and the most-active December contract tested an intraday high of Rs. 2119 during late hours only to finish with marginal losses. The December contract traded in the range of Rs. 2070-2119 during Wednesday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock of turmeric in the market
2. New crop to arrive in 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 indecision in the market. Stochastic are moving upwards in the normal region, hinting further uptrend. MACD is moving upwards in the negative territory. Prices closed above the 9-day as well as 18-day EMA, hinting firm prices in short-term. Volume as well as open interest has declined. Turmeric futures are likely to trade downward following a steady to weak opening with possibility of upward movement later.

Turmeric 0612(NCTMCZ6)2006/11/22 - Daily

O 2100.00 H 2118.00 L 2071.00 C 2097.00 V 30,950 I 33,610 -1

EMA(9) 2062.5 (18) 2080.4



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	2016	2050	2097	2152	2184

TRADE RECOMMENDATION:

Sell near Rs. 2100 with a target of Rs. 2085 and then Rs. 2070 with a strict stop loss at Rs. 2115. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2200	1000
	Gattah 2100	
Erode	Finger 2200-2275	4500
	Gattah 2150-2225	

BLACK PEPPER

SPOT MARKETS

Black pepper continues to trade with a bullish sentiment in Kochi. Prices were quoted higher by Rs. 200 per quintal than previous close. 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. 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 the most-active December contract tested a low of Rs. 10891 at opening session. However, the futures traded upwards thereafter on increased buying interest at lower price levels and the December contract surged up to test an intraday high of Rs. 11365. The most active December contract traded in the range of Rs. 10891-11365 during Wednesday'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

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 firm opening and initial uptrend. Stochastic is moving flat in the normal region. MACD is moving slightly upwards in the negative territory. Prices closed above the 9-day EMA, hinting firm prices in short-term. Volume has increased, while open interest remained lower as compared to previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of late downward movements.

Pepper 0612(NCPEPZ6)2006/11/22 - Daily

O 10899.00 H 11365.00 L 10895.00 C 11346.00 V 21,592 I 12,383 +449

EMA(9) 10883 (18) 11003



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10740	10981	11346	11763	12000

TRADE RECOMMENDATION:

Buy near Rs. 11350 with a target at Rs. 11450 and then Rs. 11500 with a strict stop loss at Rs. 11275. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	11000	Nil
	Ungarbled	10400	

RED CHILLIES

SPOT MARKETS

Red chillies maintain previous firmness during Wednesday's trade. It was offered at the higher price range amidst improved arrivals. Demand for red chillies was seen from international markets and most of the overseas requirements were 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 tested day's low at Rs. 6165 at the opening session. The futures traded upwards thereafter on increased buying interest and surged up to test day's high at Rs. 6498. The December contract traded in the range of Rs. 6165-6498 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Delayed crop to arrive only during February
2. Removal of inferior stock 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 to firm 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 has increased, while open interest has declined. Red chillies futures are likely to witness upward trade following a steady to firm opening initially with possibility of late downtrend.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	5938	6106	6420	6611	6734

TRADE RECOMMENDATION:

Sell near Rs. 6500 targeting Rs. 6400 and then Rs. 6350 with a strict stop loss at Rs. 6575. 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	15000
	LCA 334 (Bilty) 7500-7800	

JEERA (Cumin)

SPOT MARKETS

Jeera witnessed a firm sentiment at the physical markets. Prices were quoted higher in Unjha amidst steady arrival and higher 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:

At the futures market the jeera futures at the NCDEX opened higher than the previous settlement. Increased buying interest has supported the futures throughout the day and the most-active December contract tested an intraday high of Rs. 8783. The December contract traded in the range of Rs. 8575-8783 during Wednesday'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 steady to firm opening and initial uptrend. 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 has increased, while open interest has declined. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of late downtrend.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8435	8558	8730	8903	9026

TRADE RECOMMENDATION:

Buy near Rs. 8700-8725 with a target of Rs. 8775 and then Rs. 8800 with a strict stop loss of Rs. 8650. 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	

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.