

## SPICES DAILY

November 03, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices continued to decline in most of the major turmeric markets. The prices are declining these days on low demand for the commodity. The arrivals in Nizamabad have declined and in Erode are steady as the sellers seem reluctant in selling at such reduced prices. Trading sources are expecting slight improvement in demand for the commodity at lower prices. The prices are declining as the new crop is expected in January and the markets have hefty stock. The new crop is expected to be good as the cultivators in Tamil Nadu increased acreage this year. Crop condition is good and the rains proved beneficial for the crop. The prices might get some ground at current levels if demand comes in but thereafter continue to decline.

#### FUTURES MARKETS:

Turmeric trading on NCDEX remained volatile today as the prices declined to create fresh low but some short covering was also seen during the day. The prices of turmeric on the NCDEX November futures contract opened the day on a weaker note at Rs 1981 & declined to make a fresh low of Rs 1972 a quintal. The prices recovered on profit booking up to the level of Rs. 2015. But days trading managed to end in green at Rs. 1944 a quintal. The volumes traded during the session declined to 10760 MT as against Monday's 12820 MT of turmeric.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock
2. Low demand
3. New crop to arrive in January
4. Weather suitable for growth of turmeric crop

##### Bullish:

1. Prices bottomed down might attract buyers
2. Demand expected to improve from North India

**Weather:** Rain/thundershowers are likely at a few places over most of the turmeric-growing region. Crop is in rhizome forming stage; heavy rains in turmeric growing belts are not desirable for turmeric crop at this stage.

#### TECHNICALS

Turmeric charts continue to show bearishness in the market. Candlesticks are indicating indecision in the market. Close below 9-EMA is indicating bearishness in the market. MACD is falling steeply in negative zone in favor of bears. Stochastic is bearish in oversold region. The contract is most likely to witness some recovery initially and thereafter decline.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	1973	1944	2016	2061

#### TRADE RECOMMENDATION:

Sell near 2012 - 2015 with a target of Rs. 1995 and then 1982 with a strict stop loss at Rs. 2025. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000	500-700
	Gattah 1900	
Erode	Finger 2150-2250	3000
	Gattah 2100-2150	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market continued to decline on speculative selling in futures market. According to the sources prices are declining but are still keeping away the buyers as they are expecting further fall in prices. Indian pepper prices are lowest in international markets. The market again did not see any fresh arrivals as sellers are also unwilling to sell at current levels however some demand was visible as the off take was of 23 MT of pepper. Competitors are selling at higher prices than India. Pepper crop has delayed this year and expected to hit the market by mid December to January, which should give some support to the falling prices. Domestic demand particularly from retail market is expected to improve slightly. Export demand is also likely to pick up. So, all in all there are not many reasons for the prices to drop by large extent at this moment. However, it might ease later, after the fresh crop reaches the market.

### FUTURES MARKETS:

NCDEX November delivery futures contract traded bearish today on speculative selling. NCDEX November delivery futures contract continued to trade bearish today as the contract opened low at Rs. 10430 and thereafter the prices dropped down lowest to Rs. 9895 a quintal. The trading for the day settled at Rs. 9936 a quintal and the volumes traded during the day 7931 MT.

### PRICE DRIVERS:

#### Bullish:

1. Better Export prospects
2. Indian pepper quoting at lowest prices
3. Low stocks with competitors

#### Bearish:

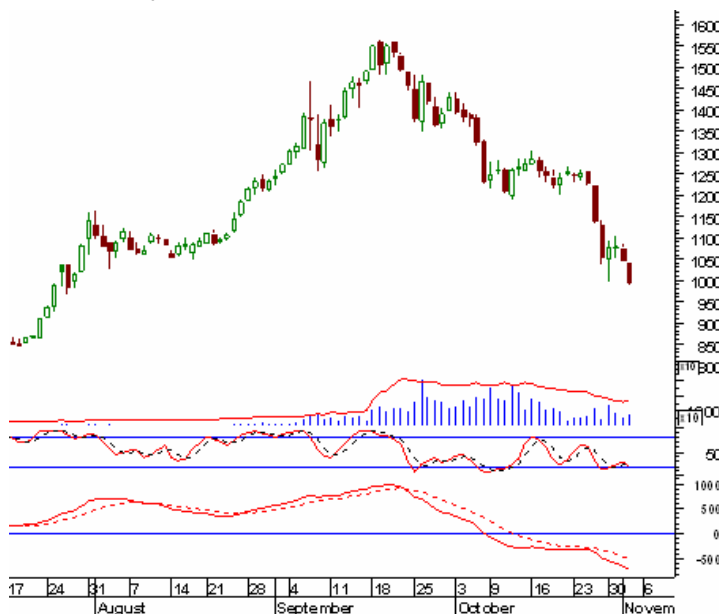
1. New crop harvesting in December
2. Buyers appears waiting for the prices to decline further

### Weather:

Rain/thundershowers are likely at a few places over most of the pepper-growing region. Rains might delay plucking of 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 has made a bearish crossover in the neutral region and MACD is running downwards in negative zone. The volumes traded and the open interest both increased. The prices are most likely to see volatile movements with bearish inclination.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	9673	9376	10445	10779

### TRADE RECOMMENDATION:

Sell below Rs. 9948 with a target at Rs.9695 and then 9605 with a strict stop loss at Rs.10142. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	10500	Nil
	Ungarbled	9900	

## RED CHILLIES

### SPOT MARKETS

Red chillies prices in Guntur market remained range bound. The markets saw steady arrivals and the off take was of around 12000 - 15000 bags of chillies. According to trading sources the market these days have demand from international markets and domestic demand for chillies is expected to improve. The market has a stock of around 15 lakh bags of chillies. Market still has confusion and fears regarding quality of chillies with the exchange. Red chilli crop is delayed and is expected to arrive in the month of February next year. The prices in the spot markets are likely to remain range bound to slightly firm for a few days.

### FUTURES MARKETS:

Chilli prices recovered on bullish cues from domestic spot markets. NCDEX November Chilli futures started the session firm at Rs 4700 a quintal and thereafter traded mostly in green in the range of Rs. 4662 - 4800 a quintal. The trading for the day settled high above today's opening price and Wednesdays close at Rs. 4765 per quintal. The volumes traded during the day increased to 8890 MT as against previous sessions 7690 MT of Chillies.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks
2. Delayed Crop
3. Better export demand

#### Bearish:

1. Concerns of availability of inferior quality stock from exchange
2. Forthcoming crop is expected good due to higher acreage
3. Moderate domestic demand

### Weather:

Rain/thundershowers are likely at a few places over most of the chilli growing regions of South India. The sources informed rain fed 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 are showing slight recovery in prices of chilli. Stochastic is bullish in neutral region. However, MACD is rising and showing decreasing bearish momentum. Prices closed below 9-EMA reflecting bearishness in the market. Prices are most likely to remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	4669	4579	4849	5042

### TRADE RECOMMENDATION:

Buy above 4765 targeting 4845 and then 4875 with a strict stop loss at 4705. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	25000
	LCA 334 (Bilty)	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market increased in continuation of improved demand from both domestic and international markets. The market saw arrivals in the similar range and off take was high of around 4500-5000 bags of jeera. According to trading sources the market has a stock of around 10 lakh bags of jeera. Sowing of jeera has started in Saurashtra and Rajkot and might take a months time to complete. Sowing of jeera in Rajasthan is expected to begin in a week or fortnights time. Traders are expecting increase in demand to continue in coming days. Jeera prices might remain range bound to slightly firm for a few days.

### FUTURES MARKETS:

Jeera prices on the NCDEX increased today on bullish cues from domestic spot markets. Jeera NCDEX November delivery after a couple of days indecision started the session high at Rs. 8610 as against Wednesdays close of Rs. 8600.70. The prices jumped to the high of Rs. 8787 and thereafter declined to settle in green at Rs. 8711. The Volumes traded during the session increased to 7812 MT as against previous sessions 3612 MT of jeera.

### PRICE DRIVERS:

#### Bullish:

1. Confusion as to acreage of jeera.
2. Increasing export demand
3. Improving domestic demand
4. Steady arrivals

#### Bearish:

1. Sowing of jeera begins
2. Comfortable stock

**Weather:** Isolated rain/thundershowers are likely over Marathwada, south Madhya Maharashtra. Mainly dry weather is likely over the rest region. Climate is suitable for sowing of jeera crop which is in progress in Saurashtra and Rajkot.

### TECHNICALS

Candle sticks are indicating firm sentiments in the market. Stochastic Oscillator is bullish in the neutral region. MACD is rising in negative zone. Prices closed below 9-EMA indicating bearish sentiments in the market. The prices are most likely to remain volatile with bullish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX November	8583	8501	8788	8902

### TRADE RECOMMENDATION:

Buy above 8710 with a target of Rs. 8785 and then 8832 with a strict stop loss of 8652. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1370-1470
	Ganesh	1600-1620
	Machine Cleaned	1620-1820

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