

## SPICES DAILY

November 14, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric witnessed on an average a bearish sentiment in major trading centres. At Erode, prices eased amidst lower arrival as well as offtake. However, at Nizamabad prices quoted slightly higher on much lower arrival and complete offtake. Bearish trade at the futures market has pressurised the physical market sentiments. Recent rainfalls in Tamil Nadu are reported to be beneficial, though incessant rainfall in the coming days is not desirable. Acreage in Tamil Nadu is reported to have increased this year. Market stock position is comfortable and the new crop arrivals are likely only during mid-January. Turmeric prices are likely to improve in the near future from the recent downfall.

#### FUTURES MARKETS:

At the NCDEX the turmeric futures opened firm and tested day's high at the early hours of trade. However, the futures traded mostly downwards thereafter on increased selling interest and finished in the negative territory. The near month November contract traded in the range of Rs. 1926-1965, while the most active December contract traded in the range of Rs. 2008-2044 during Monday'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. Crop is in rhizome forming stage; heavy incessant rains in turmeric growing belts are not desirable for turmeric crop at this stage.

#### TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic are moving upwards in the normal region. MACD is moving upwards in the negative territory. Prices closed below the 9-day as well as 18-day EMA, supporting the weakness in the market. Volume as well as open interest has increased with decline in prices, hinting weak trend is strengthening. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of upward movement later.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1953	1978	2018	2064	2089

#### TRADE RECOMMENDATION:

Sell near Rs. 2020 with a target of Rs. 2000 and then Rs. 1990 with a strict stop loss at Rs. 2035. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2025	300
	Gattah	1925	
Erode	Finger	2150-2250	1500
	Gattah	2150-2200	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market eased at the start of the week. Prices quoted lower by Rs. 100 per qtl amidst arrival 20 Mt and offtake of 20 Mt. Domestic pepper crop has delayed this year and expected to hit the market by late December to early January, which should give some support to the prices in the short-term. Domestic demand particularly from retail market is expected to improve slightly. Export demand is also likely to pick up. In the international markets, Indian pepper is presently quoting at the lowest. Amidst such circumstances, pepper prices are likely to improve in the near future after some consolidation at the lower price levels.

### FUTURES MARKETS:

At the futures market the black pepper futures at the NCDEX opened higher than last settle and traded marginally upwards initially. Most-active December contract tested day's high at Rs. 10897 at the early hours of trade. However, increased selling interest at the higher price levels pressurised the futures thereafter and the futures slide to test day's low at Rs. 10610. The near-month November contract traded in the range of Rs. 10430-10715, while the most active December contract traded in the range of Rs. 10610-10897 during Monday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Better Export prospects
2. Indian pepper remains cheapest 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 weak opening and initial downtrend. Stochastic are about to make a bearish crossover in the normal region, hinting further downtrend. MACD is moving flat in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices. Volume as well as open interest has increased with decline in prices, hinting weak trend is strengthening. Black pepper futures are likely to trade downwards following a steady to weak opening with possibility of late uptrend.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10140	10410	10690	11161	11431

### TRADE RECOMMENDATION:

Sell near Rs. 10675-10700 with a target at Rs. 10600 and then Rs. 10500 with a strict stop loss at Rs.10800. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10800	20
	Ungarbled	10200	

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur witnessed a firm trend as the prices quoted higher than the previous close. Red chillies prices have shown increasing trend on reduced arrival amidst higher demand recently. According to traders, demand for red chillies is seen from international markets and domestic demand for chillies is expected to improve in near future. Market has a stock of around 15 lakh bags of chillies. Exchange officials are reported to have met chilli traders to sort out the quality related issue. Concerns over quality of exchange deliverable chilli have lead to huge disparity in chilli prices in physical market and futures market in recent time. Red chilli crop is delayed and is expected to arrive 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 the last close and tested day's high at the early hours of trade. However, the futures immediately ran into selling pressure and traded downwards thereafter. The futures slide significantly during the late hours and settled with losses. The near month November contract traded in the range of Rs. 5055-5380, while the December contract traded in the range of Rs. 5222-5545 during Monday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Delayed crop to arrive only in 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 initial downtrend. Stochastic are moving upwards and the %K-line has just entered the overbought region. MACD is also moving upwards in the negative 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 moderately downward trade following a steady to weak opening with possibility of late upward movement.

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O 5500.00 H 5542.00 L 5222.00 C 5318.00 V 27,870 I 10,430 -152

EMA(9) 5182.1 (18) 5231.9



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	4951	5130	5318	5422	5601

### TRADE RECOMMENDATION:

Sell near Rs. 5300-5320 targeting Rs. 5250 and then Rs. 5200 with a strict stop loss at Rs. 5380. 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	8000-10000
	LCA 334 (Bilty) 7800-7900	

## JEERA (Cumin)

### SPOT MARKETS

At Unjha, jeera continues to remain stable amidst no significant developments in the demand-supply front. The arrivals were reported to be steady at 1500 bags with a steady offtake of 4500 bags as against the last weekend. According to traders, market has a stock of around 10 lakh bags of jeera. Sowing of jeera has started in Gujarat and likely to take a month's time to complete. Traders anticipate the acreage in Gujarat to fall this season. However, acreage may increase in Rajasthan, where sowing is expected to begin in a week or fortnights time. Traders are expecting increase in demand to continue in coming days. Jeera prices are likely to improve in the near future from the recent downfall.

### FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened lower than last close and tested day's high initially. However, increased selling interest has pressurised the futures thereafter and the most-active December contract slide to test fresh contract month low at Rs. 8240. The near month November contract traded in the range of Rs. 8111-8520, while the December contract traded in the range of Rs. 8240-8528 during Monday'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 normal region, hinting further downtrend. MACD is also moving downwards in the negative territory. Prices closed below 9-day as well as 18-day EMA, hinting weak prices. Volume as well as open interest has declined along with prices, hinting weak trend is strengthening. Jeera futures are likely to trade downwards following a weak opening with possibility of upward movement later in the session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8000	8111	8270	8404	8510

### TRADE RECOMMENDATION:

Sell near Rs. 8250-8275 with a target of Rs. 8200 and then Rs. 8175 with a strict stop loss of Rs. 8350. 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	
		1400-1550
		1600-1650
		1700-1800

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