

SPICES DAILY

November 18, 2006

TURMERIC

SPOT MARKETS:

Domestic turmeric markets witnessed stable sentiment during Friday's trade. At Nizamabad and Erode markets, prices were quoted mostly unchanged amidst steady arrival and offtake. Firmness in its futures market has supported 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 previous settlement and tested day's low at the early hours of trade. However, the futures traded mostly upwards thereafter on some buying support at the lower price levels. The most-active December contract tested an intraday high of Rs. 2068 and finished in the positive territory. The near month November contract traded in the range of Rs. 1970-2048, while the most active December contract traded in the range of Rs. 2025-2068 during Friday'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 steady to firm opening and initial uptrend. 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 has declined, while open interest has increased. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of some early downward movement.

Turmeric 0612(NCTMC26)2006/11/17 - Daily
O 2036.00 H 2065.00 L 2025.00 C 2050.00 V 25,940 I 35,610 +15
EMA(9) 2045.3 (18) 2085.7



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------------|------|------|------|------|------|
| NCDEX December | 1978 | 2011 | 2050 | 2118 | 2151 |

TRADE RECOMMENDATION:

Buy near Rs. 2030-2040 with a target of Rs. 2060 and then Rs. 2070 with a strict stop loss at Rs. 2010. 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 | 2125-2200 | |

BLACK PEPPER

SPOT MARKETS

Black pepper traded with a stable sentiment at Kochi as compared to previous day. Prices were quoted unchanged amidst no arrival and offtake. Pepper remained supported by 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 most active black pepper December contract at the NCDEX opened lower than previous settlement and tested a low of Rs. 10710 at the early hours of trade. Increased buying interest supported the futures thereafter and the futures retraced back to test a high of Rs. 10885. However, the futures immediately ran into selling pressure and slide to finish with losses. The near-month November contract traded in the range of Rs. 10600-10780, while the most active December contract traded in the range of Rs. 10710-10885 during Friday'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 weak opening and initial downtrend. 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 declined, while open interest has increased. Black pepper futures are likely to trade downwards initially following a steady to weak opening with possibility of upward movement later.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------------|-------|-------|-------|-------|-------|
| NCDEX December | 10320 | 10530 | 10750 | 11101 | 11341 |

TRADE RECOMMENDATION:

Sell near Rs. 10750-10775 with a target at Rs. 10700 and then Rs. 10650 with a strict stop loss at Rs.10825. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

At the domestic markets, red chillies witnessed stable sentiment on Friday. It was offered at an unchanged price at Guntur market. 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 tested day's low at the early hours. However, increased speculative buying supported the futures thereafter and the most active December contract finished near 6 percent upper circuit level. The near month November contract traded in the range of Rs. 5235-5540, while the December contract traded in the range of Rs. 5310-5649 during Friday's trade.

PRICE DRIVERS:

Bullish:

1. Delayed crop to arrive only during February
2. Better export demand

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 firm opening and initial uptrend. Stochastic are moving flat in the normal region. MACD is moving upwards in the positive territory. Prices closed far above 9-day as well as 18-day EMA, supporting firmness in the market. Volume as well as open interest has increased significantly. Red chillies futures are likely to witness an upward trade following a firm opening with possibility of late downtrend.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------------|------|------|------|------|------|
| NCDEX December | 5388 | 5523 | 5649 | 5859 | 5971 |

TRADE RECOMMENDATION:

Buy near Rs. 5600-5625 targeting Rs. 5700 and then Rs. 5750 with a strict stop loss at Rs. 5525. 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) 7700-7900 | |

JEERA (Cumin)

SPOT MARKETS

At Unjha, jeera continues to rule steady amidst no major developments. Prices were quoted on an average unchanged amidst steady arrival and offtake. 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 lower than previous settlement and the most-active December contract tested day's low at Rs. 8330 during the early hours of trade. However, the futures traded mostly upwards thereafter on increased buying support at the lower levels and finished with gains. The near month November contract traded in the range of Rs. 8300-8490, while the December contract traded in the range of Rs. 8330-8470 during Friday'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. 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 upwards following a steady to firm opening with possibility of late downtrend.

JEERA0612(NCJEEZ6)2006/11/17 - Daily

O 8400.00 H 8467.00 L 8330.00 C 8430.00 V 6,588 I 16,257 +40

EMA(9) 8455.9 (18) 8547.8



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------------|------|------|------|------|------|
| NCDEX December | 8212 | 8324 | 8430 | 8625 | 8736 |

TRADE RECOMMENDATION:

Buy near Rs. 8400-8425 with a target of Rs. 8475 and then Rs. 8500 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 | 1425-1575 |
| | Ganesh | 1625-1675 |
| | Machine Cleaned | 1725-1825 |

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