

## SPICES DAILY

November 27, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric traded with a bearish sentiment at major physical markets on Saturday. It was offered at a lower price in Nizamabad on weak demand, though the arrivals were reported to be lower. Similarly in Delhi markets also it was quoted lower. Erode markets remained closed on Saturday. 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.

#### FUTURES MARKETS:

Turmeric futures at NCDEX opened much lower than previous settlement and most-active December contract tested an intraday high of Rs. 2063 at the early hours of trade. The futures traded mostly downwards thereafter on increased selling interest and finished with losses. The December contract traded in the range of Rs. 2028-2063 during Saturday'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 owing to winter season

#### Weather:

Isolated rain/thundershowers are likely at few 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 has made a bearish crossover in the normal region, hinting further downtrend. MACD is moving slightly downwards in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume has declined, while 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	1996	2045	2091	2116

#### TRADE RECOMMENDATION:

Sell near Rs. 2050-2060 with a target of Rs. 2030 and then Rs. 2020 with a strict stop loss at Rs. 2080. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2050	500
	Gattah 2000	
Erode	Finger Closed	-
	Gattah Closed	

## BLACK PEPPER

### SPOT MARKETS

Black pepper witnessed a stable sentiment during Saturday's trade. It was quoted unchanged amidst no arrival and offtake in Kochi markets. However, prices edged up in Delhi markets amidst improved demand. 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 the most-active December contract tested a low of Rs. 11160 during early hours of trade. However, the futures traded on an average upwards thereafter on moderate buying support and finished in positive territory. Most active December contract traded in the range of Rs. 11160-11319 during Saturday'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. Crop may delay beyond earlier expected mid-December to early January
2. Lower demand at the higher price levels

### Weather:

Isolated rain/thundershowers are likely at few places over the pepper-growing regions. Rains might delay plucking of maturing pepper crop.

### TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial downtrend. Stochastic is about to make a bearish crossover in the normal region. 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 has declined, while open interest remained higher as compared to previous settlement. Black pepper futures are likely to trade moderately downwards initially following a steady to firm opening and upward thereafter.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10704	10941	11253	11684	11922

### TRADE RECOMMENDATION:

Buy near Rs. 11125-11175 with a target at Rs. 11300 and then Rs. 11375 with a strict stop loss at Rs.11000. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur remained closed on Saturday. Prices remain steady in Delhi markets. Improved demand has supported the prices to firm up. 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 and most-active December contract tested an intraday low of Rs. 6452 at the early hours of trade. However, the futures traded upwards thereafter on some buying support and tested an intraday high of Rs. 6556. Profit taking capped further advances and the futures curbed some gains in late action. The December contract traded in the range of Rs. 6452-6556 during Saturday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Delayed crop to arrive only during February
2. Higher demand for better quality chilli

#### Bearish:

1. Lower demand at the higher price levels
2. Forthcoming crop is expected good due to higher acreage

### Weather:

Isolated rain/thundershowers are likely at few places over the chilli growing regions. Prolonged rains at this stage might delay the maturity of crop as well as harvesting.

### TECHNICALS

Candlesticks pattern indicates steady opening and possibility of trend reversal. Stochastic are moving flat in the overbought region, hinting indecision. MACD is moving flat 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 moderate downwards trade following a steady opening initially with possibility of late uptrend.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6188	6341	6500	6645	6772

### TRADE RECOMMENDATION:

Sell near Rs. 6525-6550 targeting Rs. 6475 and then Rs. 6450 with a strict stop loss at Rs. 6600. Trade cautiously with intra day outlook.

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

## JEERA (Cumin)

### SPOT MARKETS

Jeera continues to remain steady in Unjha markets amidst no major developments. Arrivals were reported to be steady, while offtake was lower than previous day. Sowing of jeera is going on 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. 8692 at the opening session. However, increased selling interest has pressurised the futures thereafter and the most-active December contract tested an intraday low of Rs. 8617. The December contract traded in the range of Rs. 8617-8692 during Saturday'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 about to make a bearish crossover in the overbought region, hinting possibility of a downward correction. MACD is moving slightly upwards in the positive territory. Prices closed above 9-day as well as 18-day EMA, hinting firm prices. Volume has declines, while open interest has increased. Jeera futures are likely to trade moderately downwards following a steady to weak opening with possibility of late upward movement.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8443	8546	8649	8765	8868

### TRADE RECOMMENDATION:

Sell near Rs. 8650 with a target of Rs. 8600 and then Rs. 8550 with a strict stop loss of Rs. 8700. 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	

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