

SPICES DAILY

November 22, 2006

TURMERIC

SPOT MARKETS:

Turmeric witnessed steady to firm sentiment during Tuesday's trade. At Nizamabad prices quoted much higher on increased demand. However, at Erode it was quoted steady amidst higher arrivals. Traders reported improved 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. 2105 during late hours. The December contract traded in the range of Rs. 2042-2105 during Tuesday'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 steady to firm opening and initial uptrend. Stochastic are moving slightly 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 has increased, while open interest has declined. Turmeric futures are likely to trade upwards following a steady to firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	2010	2050	2098	2161	2205

TRADE RECOMMENDATION:

Buy near Rs. 2075-2090 with a target of Rs. 2120 and then Rs. 2125 with a strict stop loss at Rs. 2050. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2175	1000
	Gattah 2075	
Erode	Finger 2200-2275	4000
	Gattah 2150-2225	

BLACK PEPPER

SPOT MARKETS

At Kochi markets, black pepper traded with a firm sentiment during Tuesday's trade. It was offered higher by Rs. 100 per quintal as compared to previous day. However, no arrival as well as offtake was reported. Domestic pepper crop has delayed this season and likely to hit the market by 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. 10660 at the opening session. However, the futures traded upwards thereafter on increased buying interest at the lower price levels and the December contract surged up to test an intraday high of Rs. 10899. The most active December contract traded in the range of Rs. 10660-10899 during Tuesday'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 has declined. Black pepper futures are likely to trade upwards following a firm opening.

Pepper 0612(NCPEPZ6)2006/11/21 - Daily

O 10694.00 H 10898.00 L 10660.00 C 10897.00 V 8,778 I 13,422 +248

EMA(9) 10768 (18) 10962



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10363	10588	10897	11234	11459

TRADE RECOMMENDATION:

Buy near Rs. 10875-10900 with a target at Rs. 11000 and then Rs. 11100 with a strict stop loss at Rs.10775. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

At Guntur, red chillies continue to trade with a firm sentiment. At Delhi it was offered at a much higher price level as compared to previous day. Prices are increasing owing to improved demand amidst reduced 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 extended the previous advances further following a gap up opening. The most-active December contract tested an intraday low of Rs. 5926 at the opening session and traded upwards throughout the day. The December contract tested an intraday high of Rs. 6248 in final action. The December contract traded in the range of Rs. 5926-6248 during Tuesday'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 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 as well as open interest has increased. Red chillies futures are likely to witness an upward trade following a firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	5882	6061	6248	6510	6678

TRADE RECOMMENDATION:

Buy near Rs. 6250-6275 targeting Rs. 6350 and then Rs. 6400 with a strict stop loss at Rs. 6175. 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	10000
	LCA 334 (Bilty) 7500-7800	

JEERA (Cumin)

SPOT MARKETS

Jeera extended previous advances further during Tuesday's trade. It was offered at a higher price as against the previous close. Arrivals were reported to be lower on Tuesday. 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 gapped up as against the previous settlement and the most-active December contract tested an intraday low at Rs. 8401 at the opening session. However, the futures traded mostly upwards thereafter on increased buying interest and finished near day's high. The December contract traded in the range of Rs. 8401-8595 during Tuesday'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 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 firm opening.

JEERA 0612(NCJEEZ6)2006/11/21 - Daily

O 8425.00 H 8595.00 L 8401.00 C 8594.00 V 8,259 I 16,368 +195

EMA(9) 8469.2 (18) 8526.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8335	8491	8594	8758	8903

TRADE RECOMMENDATION:

Buy near Rs. 8575-8600 with a target of Rs. 8675 and then Rs. 8700 with a strict stop loss of Rs. 8525. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1500-1650
	Ganesh	1690-1745
	Machine Cleaned	1800-1900

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