

## SPICES DAILY

November 07, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices declined in major markets. Arrivals were reported higher in Nizamabad markets and consequently, prices quoted lower. In Erode markets demand was reported subdued and turmeric was offered at a lower price than the previous close. Prices were also quoted lower in Delhi markets. Moreover, the spillover weakness from the futures markets has also pressurised the physical market sentiments. Activity was limited as most of the sellers eyeing some price hike before taking their produce to the market. The market has comfortable stock position at present and the new crop arrivals are likely from the beginning of next year. Acreage under turmeric has increased in Tamil Nadu this year and the recent rains are reported to be beneficial for the crop. Prices are likely to improve in the near future after some consolidation.

#### FUTURES MARKETS:

At the futures market the turmeric futures at the NCDEX witnessed a bearish trading following a steady opening. The futures tested day's high at the open and traded continuously downwards thereafter on increased selling interest. The near month November contract traded in the range of Rs. 1940-2008, while the most active December contract traded in the range of Rs. 2012-2083.

#### PRICE DRIVERS:

##### Bearish:

1. Hefty stock of turmeric in the market
2. New crop to arrive in January
3. Weather suitable for growth of turmeric crop

##### Bullish:

1. Moderate demand at the lower price tags
2. Demand expected to improve from North India

#### Weather:

Increase in rainfall activity over most of the turmeric-growing region likely from 8<sup>th</sup> onwards. Crop is in rhizome forming stage; heavy rains in turmeric growing belts are not desirable for turmeric crop at this stage.

#### TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Stochastic is moving indecisively in the normal region. MACD is moving flat in the negative territory. Prices closed well below the 9-day as well as 18-day EMA, supporting the weakness in the market. Volume has increased manifold, while open interest has declined marginally. Turmeric futures are likely to remain moderately weak following a lower opening with possibilities of late upward movement.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1933	1982	2020	2091	2140

#### TRADE RECOMMENDATION:

Sell near Rs. 2030-2040 with a target of Rs. 2010 and then Rs. 2000 with a strict stop loss at Rs. 2060. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000-2050	500-700
	Gattah 1900-1950	
Erode	Finger 2150-2200	2500
	Gattah 2100-2150	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market quoted lower as against the last weekend. The bearish trade at the futures market has pressurised the physical market sentiments. The market registered arrivals of 40Mt, though offtake was reported nil in Kochi market. Buyers are eyeing the prices to come a bit lower. Domestic pepper crop has delayed this year and expected to hit the market by mid December to early 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. Though in the international markets, Indian pepper is quoted at the lowest, yet it has failed to boost the market sentiments. Amidst such circumstances, pepper prices are likely to consolidate in the near future.

### FUTURES MARKETS:

At the futures market the pepper futures at the NCDEX witnessed a highly volatile trade following a firm opening. The futures extended the previous advances further at the early hours of trade on some buying support. However, profit booking capped further gains and the futures slide significantly. The pepper futures settled in the negative territory in final action. The near month November contract traded in the range of Rs. 10130-10700, while the most active December contract traded in the range of Rs. 10356-10945 during Monday's trade.

### 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. Improved demand at the lower price tags

### 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 pattern indicates steady to weak opening and initial downtrend. Stochastic are moving indecisively. MACD is moving flat in the negative territory. Prices closed below the 9-day as well as 18-day EMA, supporting the weakness in the market. Volume has declined, while open interest has increased. Black pepper futures are likely to move moderately downwards initially following a steady to weak opening with possibility of late upward movement.

Pepper 0612(NCPEPZ6)2006/11/06 - Daily

O 10740.00 H 10940.00 L 10360.00 C 10530.00 V 21,701 I 13,490 -145

EMA(9) 11006 (18) 11617



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	9796	10135	10530	11068	11449

### TRADE RECOMMENDATION:

Sell near Rs. 10550-10575 with a target at Rs. 10450 and then Rs. 10375 with a strict stop loss at Rs.10675. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10600	40
	Ungarbled	10000	

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur witnessed stable sentiment as the prices quoted almost unchanged as against the last close. 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. Red chillies prices are likely to improve in the coming day from the recent downtrend owing to favourable fundamentals.

### FUTURES MARKETS:

At the futures market the chilli futures at the NCDEX opened firm and tested the day's high initially. However, the futures immediately ran into selling pressure and slide heavily to finish near day's low in final action. The near month November contract traded in the range of Rs. 4779-5105, while the December contract traded in the range of Rs. 4861-5199 during Monday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks in the market
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 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 weak opening and initial upward movement. Stochastic are 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 weakness in the market. Volume as well as open interest has increased. Red chillies futures are likely to witness moderate downtrend following a weak opening with possibility of late upward movement.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	4621	4746	4861	5062	5186

### TRADE RECOMMENDATION:

Sell near Rs. 4850-4860 targeting Rs. 4815 and then Rs. 4800 with a strict stop loss at Rs. 4890. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5500-6700	50000
	LCA 334 (Bilty) 6900-7200	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market were quoted lower despite positive fundamentals. The market saw lower arrivals of 1500 bags, while the offtake was good at 4500-5000 bags. The downward trade at the futures market has pressurised the physical market sentiments. 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 are likely to consolidate in the coming days.

### FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened weaker than last close, but touched the day's high at the early hours of trade. However, increased selling interest has pressurised the futures thereafter and the futures finished lower in late action. The near month November contract traded in the range of Rs. 8825-8997, while the December contract traded in the range of Rs. 8672-8864.

### PRICE DRIVERS:

#### Bullish:

1. Confusion as to acreage of jeera.
2. Increasing export demand
3. Improving domestic demand at the lower price tags

#### Bearish:

1. Sowing of jeera begins
2. Comfortable stock

### Weather:

Isolated rain/thundershowers are likely over south Madhya Maharashtra and Marathawada. 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

Candlestick pattern is indicating steady to weak opening and initial downward trade. Stochastic are moving upwards in the normal region, leaving scope for further uptrend. MACD is moving flat in the negative territory. Volume has increased, while open interest has declined marginally. Jeera futures are likely to trade moderately downwards following a steady to weak opening with possibility of late uptrend.

JEERA 0612(NCJEEZ6)2006/11/06 - Daily  
O 8765.00 H 8864.00 L 8673.00 C 8718.90 V 5,853 I 13,959 -47.1

EMA(9) 8683.4 (18) 8736.8



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8442	8555	8718.90	8912	9035

### TRADE RECOMMENDATION:

Sell near Rs. 8715-8720 with a target of Rs. 8690 and then Rs. 8680 with a strict stop loss of Rs. 8740. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1375-1500	4500-5000
	Ganesh	1600-1650	
	Machine Cleaned	1700-1800	

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