

SPICES DAILY

November 06, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices witnessed a mixed trend in the major markets. Arrivals were reported lower in Nizamabad and consequently, prices were quoted in a slightly higher range at the weekend. Erode market remained closed. Prices were stable in Delhi markets. Demand is reported to be moderate at the lower price levels. However, sellers are eyeing further rise in prices to sell their produce. The recent downtrend was attributed to the higher stock position of the commodity as well as expectation of the new crop to hit the market in early part of the coming year. The new crop is expected to be good as the cultivators in Tamil Nadu increased acreage this year. Crop condition is good and the rains proved beneficial for the crop. Prices are likely to witness some more improvement in the coming day.

FUTURES MARKETS:

At the futures market the turmeric futures at the NCDEX started the day with a higher opening and extended the previous advances further at the early hours of trade. However, profit taking curbed the early gains and the futures finished the day with losses. The near month November contract traded in the range of Rs. 2007-2048, while the most active December contract traded in the range of Rs. 2076-2120 during Saturday's trade.

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

Weather:

Rain/thundershowers are likely at many places over most of the turmeric-growing region. 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 steady to weak opening and initial downtrend. Stochastic is moving indecisively. 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 has declined, while open interest has increased. Turmeric futures are likely to remain moderately weak following a steady to lower opening with possibilities of late upward movement.

Turmeric 0612(NCTMCZ6)2006/11/04 - Daily

O 2095.00 H 2120.00 L 2076.00 C 2083.00 V 18,220 I 38,520 -19

EMA(9) 2120.0 (18) 2207.6



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------------|------|------|------|------|------|
| NCDEX December | 2005 | 2047 | 2083 | 2172 | 2219 |

TRADE RECOMMENDATION:

Sell near Rs. 2080 with a target of Rs. 2070 and then Rs. 2060 with a strict stop loss at Rs. 2090. Trade cautiously with intra day outlook.

| Centers | Prices/Qtls. | Arrivals (Bags) one bag = 90 Kgs. |
|-----------|------------------|-----------------------------------|
| Nizamabad | Finger 2075-2100 | 400 |
| | Gattah 1950-2000 | |
| Erode | Finger Closed | - |
| | Gattah Closed | |

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market remains steady at previous level during the weekend. The see-saw trade at the futures market also failed to give any clear cut direction. Presently, Indian pepper prices are quoting at lowest in global markets. The market did not register any fresh arrivals as sellers are eyeing the prices to improve further. Moreover, offtake was also reported nil at the Kochi market. 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. Amidst such circumstances, pepper prices are likely to improve further in the days ahead.

FUTURES MARKETS:

At the futures market the pepper futures at the NCDEX witnessed a see-saw 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. 10280-11088, while the most active December contract traded in the range of Rs. 10506-11420 during Saturday'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 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 moving indecisively. 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. Prices declined along with volume; while open interest increased. Black pepper futures are likely to move moderately downwards following a steady to weak opening with possibility of late upward movement.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------------|------|-------|-------|-------|-------|
| NCDEX December | 9814 | 10169 | 10675 | 11175 | 11559 |

TRADE RECOMMENDATION:

Sell near Rs. 10650-10675 with a target at Rs. 10575 and then Rs. 10500 with a strict stop loss at Rs.10750. Trade cautiously with intra day outlook.

| Centers | Prices/Qtl. | | Arrivals (Tonnes) |
|---------|-------------|-------|-------------------|
| Kochi | Garbled | 10700 | Nil |
| | Ungarbled | 10100 | |

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained closed on Saturday. 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 remain firm in the coming day with favourable fundamentals.

FUTURES MARKETS:

At the futures market the chilli futures at the NCDEX started the day with a higher opening. The futures extended previous advances further, but profit taking curbed the gains during mid-session. However, late buying pushed up the futures again and the futures managed to finish with gains in late action. The near month November contract traded in the range of Rs. 4975-5150, while the December contract traded in the range of Rs. 5075-5240 during Saturday'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 many 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 steady to firm opening and initial upward movement. Stochastic are moving upwards and has entered the normal region. MACD is also moving upwards in the negative territory. Prices closed above 9-day EMA, hinting strength in the market. Volume has declined, while the open interest has increased. Red chillies futures are likely to witness a firm trend following a steady to higher opening.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------------|------|------|------|------|------|
| NCDEX December | 4920 | 5017 | 5168 | 5330 | 5416 |

TRADE RECOMMENDATION:

Buy above Rs. 5120-5130 targeting Rs. 5200 and then Rs. 5220 with a strict stop loss at Rs. 5070. 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 prices in Unjha market were quoted in a slightly higher range on improved demand from both domestic as well as international market. Market registered higher arrivals of 4000 bags and offtake was also higher at 8000 bags. 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 remain firm in the coming days.

FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX witnessed an upward during the early hours following a firm opening. However, the futures immediately ran into selling pressure and entered the negative territory. The futures finally finished with losses. The near month November contract traded in the range of Rs. 8887-9045, while the December contract traded in the range of Rs. 8725-8883 during Saturday's trade.

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. 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. MACD is also moving upwards in the negative territory, supporting the strength in the market. Volume as well as open interest has declined. Jeera futures are likely to trade moderately downwards following a steady to weak opening with possibility of late uptrend.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-------------------|------|------|------|------|------|
| NCDEX December | 8555 | 8626 | 8766 | 8943 | 9025 |

TRADE RECOMMENDATION:

Sell near Rs. 8775 with a target of Rs. 8750 and then Rs. 8725 with a strict stop loss of Rs. 8800. Trade cautiously with intra day outlook.

| Centers | Prices/20 Kgs. | Arrivals (Bags) 1 bag = 55 to 60 Kgs. |
|---------|-----------------|---------------------------------------|
| Unjha | F.A.Q | 1400-1525 |
| | Ganesh | 1650-1675 |
| | Machine Cleaned | 1700-1825 |

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