

SPICES DAILY

November 09, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices quoted in a higher range in major turmeric markets of the country as against the last close. Arrivals were reported to be mostly steady in Nizamabad and Erode markets. Improved demand at the lower price levels supported the market sentiments. Moreover, the spillover strength from futures market has added to the firmness. The market has comfortable stock position at present and the new crop arrivals are likely from the mid-January onwards. 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 NCDEX the turmeric futures witnessed an upward trade following a firm opening. Increased buying interest at the lower price levels supported the futures. Notably, the December contract tested contract month low on Tuesday. The near month November contract traded in the range of Rs. 1936-1974, while the most active December contract traded in the range of Rs. 2008-2043 during Wednesday'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. Moderate 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. 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 firm opening. Stochastic are moving downwards in the oversold region. MACD is moving upwards 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 declined, while open interest has increased. Turmeric futures are likely to trade upwards following a steady to firm opening.

Turmeric 0612(NCTMCZ6)2006/11/08 - Daily

O 2003.00 H 2041.00 L 2003.00 C 2034.00 V 21,100 I 38,450 +27

EMA(9) 2072.0 (18) 2154.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1953	1992	2034	2082	2120

TRADE RECOMMENDATION:

Buy near Rs. 2020-2030 with a target of Rs. 2050 and then Rs. 2060 with a strict stop loss at Rs. 2000. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2000-2050	200
	Gattah	1925-1975	
Erode	Finger	2150-2250	3000
	Gattah	2100-2200	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market firmed up once again. Prices quoted higher by Rs. 200/qlt amidst no arrival and offtake. Domestic pepper crop has delayed this year and expected to hit the market by late December to early January, which should give some support to the falling prices in the short-term. Domestic demand particularly from retail market is expected to improve slightly. Export demand is also likely to pick up. In the international markets, Indian pepper is presently quoting at the lowest. Amidst such circumstances, pepper prices are likely to improve in the near future.

FUTURES MARKETS:

At the futures market the pepper futures at the NCDEX witnessed an upward trade after a gapped up opening. The most active December contract opened higher at Rs. 10740. The futures extended previous advances further on increased buying support and the December contract tested day's high at Rs. 11249. The near-month November contract traded in the range of Rs. 10500-10996, while the most active December contract traded in the range of Rs. 10700-11249 during Wednesday'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 mid-December to early January
2. Improved demand at the lower price levels

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 firm opening and initial uptrend. Stochastic are moving upwards in the normal region. MACD is also moving upwards in the negative territory. Prices closed above the 9-day EMA, supporting the firmness in the market. Volume has increased, while open interest has declined. Black pepper futures are likely to trade with a firm sentiment following a steady to firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10169	10553	11181	11707	12003

TRADE RECOMMENDATION:

Buy near Rs. 11175-11200 with a target at Rs. 11400 and then Rs. 11500 with a strict stop loss at Rs.11025. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chillies in Guntur continue to remain steady as compared to previous 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 owing to favourable fundamentals.

FUTURES MARKETS:

At the futures market the chilli futures at the NCDEX opened firm and traded upwards thereafter. The most-active December contract retraced back again from the fresh contract month lows tested on Tuesday. The futures finished near day's high in final action. The near month November contract traded in the range of Rs. 4915-5020, while the December contract traded in the range of Rs. 4883-4999 during Wednesday'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 steady to firm opening and initial upward movement. Stochastic are moving slightly upwards in the normal region. MACD is also started moving upwards in the negative territory. Prices closed below 9-day as well as 18-day EMA, supporting weakness in the market. Volume has declined, while open interest has increased marginally. Red chillies futures are likely to witness an upward trade following a steady to firm opening.

CHLL334GTR 0612(NCGTRZ6)2006/11/08 - Daily

O 4853.00 H 4999.00 L 4853.00 C 4980.00 V 14,900 I 10,860 +116

EMA(9) 5022.1 (18) 5204.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	4716	4839	4980	5130	5243

TRADE RECOMMENDATION:

Buy near Rs. 4980-4990 targeting Rs. 5020 and then Rs. 5040 with a strict stop loss at Rs. 4950. 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
	LCA 334 (Bilty)	6900-7200
		30000

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market were quoted on an average steady to higher as against the previous close. The market registered slightly higher arrivals of 2000 bags, while the offtake was higher at 5500-6000 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 improve in the near future.

FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened higher than last close and traded downwards initially. Increased buying interest supported the futures thereafter. However, the future managed to settle with marginal gains as profit booking curbed some of the gains. The near month November contract traded in the range of Rs. 8822-8958, while the December contract traded in the range of Rs. 8655-8749 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Confusion regarding 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 position

Weather:

Rain/thundershowers are likely over few places of south Madhya Maharashtra and Marathwada. 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 indecision in the market and steady opening. Stochastic are moving upwards in the normal region, leaving scope for further uptrend. MACD is moving flat in the negative territory. Volume has declined, while open interest has increased. Jeera futures are likely to trade range bound upwards following a steady opening.

JEERA 0612(NCJEEZ6)2006/11/08 - Daily

O 8692.00 H 8749.00 L 8655.00 C 8703.00 V 5,466 I 14,310 +17.2

EMA(9) 8688.1 (18) 8728.7



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8503	8595	8703	8851	8953

TRADE RECOMMENDATION:

Buy near Rs. 8700-8715 with a target of Rs. 8740 and then Rs. 8760 with a strict stop loss of Rs. 8670. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1375-1550	2000
	Ganesh	1600-1650	
	Machine Cleaned	1700-1800	

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