

SPICES DAILY

November 16, 2006

TURMERIC

SPOT MARKETS:

Turmeric witnessed mixed sentiment in major trading centres. At Nizamabad, prices were quoted unchanged amidst slightly lower arrivals and offtake. However, at Erode, prices quoted higher by Rs. 25 per quintal amidst higher arrival and offtake. The spillover strength from the futures market has also supported the physical market sentiments. 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 the short-term. Prices are likely to retrace back from recent downtrend in the short-term.

FUTURES MARKETS:

At the NCDEX the turmeric futures opened lower than the previous settle and immediately retrace back on increased buying interest. The most-active December contract breached the 4 per cent upper circuit level to test day's high at Rs. 2120. The near month November contract traded in the range of Rs. 1917-1998, while the most active December contract traded in the range of Rs. 2011-2120 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. 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 region. Heavy incessant rains in turmeric growing belts are not desirable for turmeric crop at this stage.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic are moving upwards in the normal region, hinting further uptrend. MACD is also moving upwards in the negative territory. Prices closed above the 9-day EMA, hinting firm prices in short-term. Volume has increased considerably, while open interest has declined. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of some early downtrend.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1953	1992	2080	2195	2243

TRADE RECOMMENDATION:

Buy near Rs. 2060-2070 with a target of Rs. 2090 and then Rs. 2100 with a strict stop loss at Rs. 2040. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2050-2075	700-800
	Gattah	1950	
Erode	Finger	2175-2275	4000
	Gattah	2175-2225	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market remained firm during Wednesday's trade. Black pepper was quoted higher by Rs. 100 per quintal in Kochi market amidst no arrival and offtake. The recent downtrend in pepper prices are likely to get support from the delayed crop this year, which is likely to hit the market by late December to early January. 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 after some consolidation at the lower price levels.

FUTURES MARKETS:

At the futures market the black pepper futures at the NCDEX opened lower than previous settlement and tested an intra-day low of Rs. 10451 at the opening session. However, increased buying interest supported the futures thereafter and the futures retraced back to test an intra-day high of Rs. 10735. The futures finished near day's high in final action. The near-month November contract traded in the range of Rs. 10275-10545, while the most active December contract traded in the range of Rs. 10451-10735 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Better Export prospects
2. Indian pepper remains competitive in international market
3. Low stocks with competitors

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 downwards in the normal region, hinting further downtrend. MACD is moving slightly upwards in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices. Volume has increased, while open interest has declined. Black pepper futures are likely to trade upwards following a firm opening.

Pepper 0612(NCPEPZ6)2006/11/15 - Daily

O 10500.00 H 10735.00 L 10455.00 C 10730.00 V 10,146 I 13,345 +219

EMA(9) 10794 (18) 11123



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10170	10410	10730	11161	11401

TRADE RECOMMENDATION:

Buy near Rs. 10700-10725 with a target at Rs. 10850 and then Rs. 10950 with a strict stop loss at Rs.10575. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur maintains the firm sentiment at the higher price levels. Red chillies prices have shown increasing trend on reduced arrival amidst higher demand recently. According to traders, demand for red chillies is seen from international markets and domestic demand for chillies is expected to improve in near future. Market has a stock of around 15 lakh bags of chillies. 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 its favourable fundamentals.

FUTURES MARKETS:

At the futures market the chilli futures at the NCDEX opened higher than previous settlement. The futures traded mostly downwards during the early hours of trade. However, increased buying interest at the lower price levels supported the futures thereafter and the futures retraced back again to finish in the positive territory. The near month November contract traded in the range of Rs. 5011-5141, while the December contract traded in the range of Rs. 5243-5380 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Delayed crop to arrive only during February
2. Better export demand

Bearish:

1. Concerns of availability of inferior quality stock from exchange
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. 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 indecision in the market. Stochastic are moving flat in the overbought region. MACD is also moving upwards. Prices closed above 9-day as well as 18-day EMA, supporting firmness in the market. Volume has declined, while open interest has increased. Red chillies futures are likely to witness slightly downward trade following a steady to firm opening initially and upward thereafter.

CHLL334GTR 0612(NCGRZ6)2006/11/15 - Daily

O 5301.00 H 5378.00 L 5249.00 C 5315.00 V 16,590 I 11,290 -44

EMA(9) 5227.9 (18) 5244.8



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	5108	5198	5315	5523	5613

TRADE RECOMMENDATION:

Buy near Rs. 5275-5300 targeting Rs. 5350 and then Rs. 5375 with a strict stop loss at Rs. 5225. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 7000-7100	15000
	LCA 334 (Bilty) 7800-7900	

JEERA (Cumin)

SPOT MARKETS

At Unjha market, jeera rules steady for the past few days. Prices were quoted mostly unchanged amidst lack of any fresh fundamental developments. Market arrivals as well as offtake remains steady as compared to Monday. Sowing of jeera has started in Gujarat and likely to take a month's time to complete. Traders anticipate the acreage in Gujarat to fall this season. However, acreage may increase in Rajasthan, where sowing 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 after some consolidation.

FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened higher than last close. The most-active December contract tested day's low at the early hours of trade, but traded upwards thereafter on increased buying support. The near month November contract traded in the range of Rs. 8040-8321, while the December contract traded in the range of Rs. 8186-8448 during Wednesday'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 downwards and the %K-lien has entered the oversold region. MACD is moving flat in the negative territory. Prices closed below 9-day as well as 18-day EMA, hinting weak prices. Volume has declined, while open interest has increased. Jeera futures are likely to trade upwards following a firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8001	8135	8440	8669	8803

TRADE RECOMMENDATION:

Buy near Rs. 8425-8450 with a target of Rs. 8525 and then Rs. 8575 with a strict stop loss of Rs. 8350. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1400-1550
	Ganesh	1600-1650
	Machine Cleaned	1700-1800

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