

SPICES DAILY

November 13, 2006

TURMERIC

SPOT MARKETS:

Turmeric traded with a bearish sentiment in Delhi markets amidst lack of any significant demand. Lacklustre trade at the futures market has also failed to generate any direction to the physical market traders. Nizamabad and Erode markets remained closed on Saturday. Recent rainfalls in Tamil Nadu are reported to be beneficial, though incessant rainfall in the coming days is not desirable. Acreage in Tamil Nadu is reported to have increased this year. Market stock position is comfortable and the new crop arrivals are likely only during mid-January. Turmeric prices are likely to improve in the near future.

FUTURES MARKETS:

At the NCDEX the turmeric futures opened higher than last close and traded slightly upwards initially. However, the futures remained bearish thereafter on increased selling interest and finished in the negative territory in final action. The near month November contract traded in the range of Rs. 1950-1990, while the most active December contract traded in the range of Rs. 2021-2067 during Saturday'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. Crop is in rhizome forming stage; heavy incessant 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 are moving slightly upwards and the %K-line has just entered the normal region from below. 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 as well as open interest has declined. Turmeric futures are likely to trade moderately downwards following a steady to weak opening initially with possibility of upward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1953	1992	2028	2093	2136

TRADE RECOMMENDATION:

Buy near Rs. 2010 with a target of Rs. 2040 and then Rs. 2050 with a strict stop loss at Rs. 1990. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market remained steady at the weekend. Prices quoted unchanged no arrival and no 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 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 after some consolidation.

FUTURES MARKETS:

At the futures market the black pepper futures at the NCDEX opened higher than last settle and traded slightly upwards initially. Most-active December contract tested day's high at Rs. 11058 at the early hours of trade. However, increased selling interest at the higher price levels pressurised the futures thereafter. The futures settled with losses in final action. The near-month November contract traded in the range of Rs. 10551-10849, while the most active December contract traded in the range of Rs. 10755-11058 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Better Export prospects
2. Indian pepper remains cheapest 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 steady opening and initial downtrend. Stochastic are moving upwards in the normal region, hinting further uptrend. MACD is also moving upwards in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices. Volume has declined, while open interest has increased. Black pepper futures are likely to trade moderately downwards following a steady opening initially with possibility of upward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10199	10588	10860	11335	11724

TRADE RECOMMENDATION:

Buy near Rs. 10800 with a target at Rs. 11000 and then Rs. 11200 with a strict stop loss at Rs.10600. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remains closed on Saturday. During last few days, prices have shown increasing trend on reduced arrival amidst higher demand. 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. Exchange officials are reported to have met chilli traders to sort out the quality related issue. Concerns over quality of exchange deliverable chilli have lead to huge disparity in chilli prices in physical market and futures market in recent time. 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 much higher than the last close and traded sharply upwards. Increased buying interest has supported the futures throughout the trading session. The most-active December contract tested a 2-week high of Rs. 5520. The near month November contract traded in the range of Rs. 5242-5448, while the December contract traded in the range of Rs. 5281-5520 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Delayed crop to arrive only in 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 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.

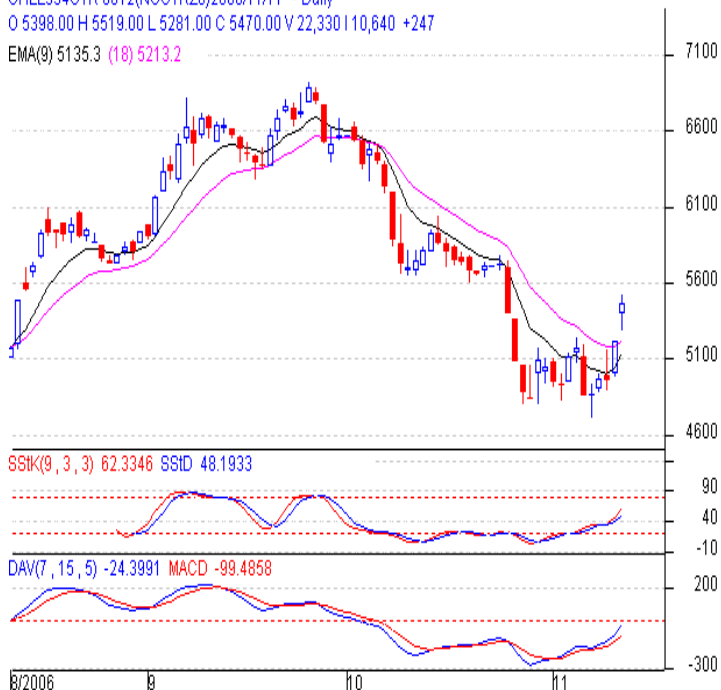
TECHNICALS

Candlesticks pattern indicates firm opening and initial upward movement. Stochastic are moving upwards in the normal region. MACD is also moving upwards in the negative territory. Prices closed above 9-day as well as 18-day EMA, supporting firmness in the market. Volume has increased, while open interest has declined. Red chillies futures are likely to witness moderately upward trade following a firm opening with possibility of late downward movement.

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SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	5117	5240	5470	5608	5708

TRADE RECOMMENDATION:

Buy near Rs. 5450-5475 targeting Rs. 5525 and then Rs. 5550 with a strict stop loss at Rs. 5400. 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

At Unjha, jeera continues to trade with a stable sentiment amidst no significant developments. The arrivals were reported to be steady at 1500 bags with a steady offtake of 4500 bags as against Friday. According to traders, market has a stock of around 10 lakh bags of jeera. 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.

FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened lower than last close and traded downwards thereafter. However, increased selling interest has pressurised the futures thereafter and the most-active December contract slide to test day's low at Rs. 8402. The near month November contract traded in the range of Rs. 8511.00-8795.40, while the December contract traded in the range of Rs. 8402.00-8640.00 during Saturday'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 weak opening and initial downtrend. Stochastic is moving downwards in the normal region, hinting further downtrend. MACD is also moving downwards in the negative territory. Prices closed below 9-day as well as 18-day EMA, hinting weak prices. Volume as well as open interest has increased. Jeera futures are likely to trade downwards following a weak opening initially with possibility of upward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8217	8320	8440	8555	8667

TRADE RECOMMENDATION:

Sell near Rs. 8450 with a target of Rs. 8400 and then Rs. 8375 with a strict stop loss of Rs. 8485. 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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