

## SPICES DAILY

November 15, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric witnessed mixed sentiment in major trading centres. At Erode, prices remains unchanged amidst steady arrival as well as offtake. However, at Nizamabad prices quoted higher on improved demand amidst slightly higher arrival. Late recovery in the futures market has also supported the physical market sentiments. The area 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.

#### FUTURES MARKETS:

At the NCDEX the turmeric futures opened higher than the previous settle and traded mostly downwards thereafter on increased selling interest. However, the futures recovered during the late hours on improved buying support at the lower price levels. The most-active December contract finished with marginal losses in late action. The near month November contract traded in the range of Rs. 1911-1944, while the most active December contract traded in the range of Rs. 1991-2025 during Tuesday'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 opening and likely trend reversal. Stochastic are moving upwards in the normal region, hinting further uptrend. 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 increased, while open interest has declined. Turmeric futures are likely to trade slightly downwards following a steady to opening initially and upward thereafter.

Turmeric 0612(NCTMCZ6)2006/11/14 - Daily

O 2021.00 H 2024.00 L 1992.00 C 2014.00 V 24,730 I 36,390 -1

EMA(9) 2037.7 (18) 2097.9



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1953	1982	2014	2060	2093

#### TRADE RECOMMENDATION:

Buy near Rs. 2005-2010 with a target of Rs. 2025 and then Rs. 2040 with a strict stop loss at Rs. 1985. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2050-2075	800-1000
	Gattah 1950	
Erode	Finger 2150-2250	1500
	Gattah 2150-2200	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market extended the earlier weakness further during Tuesday's trade. Black pepper was offered lower by Rs. 100 per quintal in Kochi market amidst no arrival, though the offtake was 10 Mt. 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 last settle and tested an intra-day high of Rs. 10660 initially. The futures traded mostly downwards thereafter on increased selling interest and slide to test an intra-day low at Rs. 10416. However, the futures curbed some of the early losses in late action only to finish in the negative territory. The near-month November contract traded in the range of Rs. 10241-10462, while the most active December contract traded in the range of Rs. 10416-10660 during Tuesday'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 steady opening and initial downtrend. Stochastic has made a bearish crossover in the normal region, hinting further downtrend. MACD is moving flat 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 slightly downwards initially following a steady to weak opening and upward thereafter.

Pepper 0612(NCPEPZ6)2006/11/14 - Daily

O 10630.00 H 10660.00 L 10418.00 C 10514.00 V 9,732 I 13,579 -161

EMA(9) 10804 (18) 11164



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10110	10380	10514	11131	11404

### TRADE RECOMMENDATION:

Buy near Rs. 10450-10475 with a target at Rs. 10600 and then Rs. 10650 with a strict stop loss at Rs.10350. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur remains on an average steady at the higher price levels as compared to the previous day. 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 the last 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 with gains. The near month November contract traded in the range of Rs. 4978-5186, while the December contract traded in the range of Rs. 5200-5395 during Tuesday'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 likely trend reversal. Stochastic are moving upwards and the %K-line has entered 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(NCGTRZ6)2006/11/14 - Daily  
O 5340.00 H 5395.00 L 5201.00 C 5344.00 V 25,290 I 11,075 +46  
EMA(9) 5203.1 (18) 5235.0



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	5130	5254	5344	5545	5657

### TRADE RECOMMENDATION:

Buy near Rs. 5300-5320 targeting Rs. 5400 and then Rs. 5450 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	10000
	LCA 334 (Bilty) 7800-7900	

## JEERA (Cumin)

### SPOT MARKETS

Jeera witnesses a stable sentiment at Unjha market 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 from the recent downfall.

### FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened lower than last close. The most-active December contract tested day's high at the early hours of trade, but traded downwards thereafter. However, the futures curbed some of the losses on some buying support at the lower levels only to finish in the negative territory. The near month November contract traded in the range of Rs. 7970.00-8294.90, while the December contract traded in the range of Rs. 8135.00-8334.00 during Tuesday'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 steady to weak opening and initial downtrend. Stochastic is moving downwards and the %K-linen has just entered the oversold region. MACD is also moving downwards 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 slightly downwards initially following a steady to weak opening and upward thereafter.

JEERA 0612(NCJEEZ6)2006/11/14 - Daily

O 8240.00 H 8330.00 L 8135.00 C 8210.00 V 12,438 I 15,627 -54.1

EMA(9) 8485.6 (18) 8594.7



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8001	8068	8210	8368	8446

### TRADE RECOMMENDATION:

Buy near Rs. 8175-8200 with a target of Rs. 8275 and then Rs. 8325 with a strict stop loss of Rs. 8100. 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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