

## SPICES DAILY

November 20, 2006

### TURMERIC

#### SPOT MARKETS:

Domestic turmeric markets remain weak at the weekend. At Nizamabad prices were quoted lower as compared to last close. However, Erode and Delhi market remained closed on Saturday. The spillover weakness from its futures market has also pressurised 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 near future.

#### FUTURES MARKETS:

At the NCDEX the turmeric futures opened higher than previous settlement and tested day's high at the early hours of trade. However, the futures traded mostly downwards thereafter on increased selling interest. The most-active December contract tested an intraday low of Rs. 2032 and finished with losses. The near month November contract traded in the range of Rs. 2001-2031, while the most active December contract traded in the range of Rs. 2032-2057 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 the turmeric producing region. Heavy incessant rains in turmeric growing belts are not desirable for the crop at this stage.

#### TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic are moving slightly 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 in short-term. Volume as well as open interest has declined. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of upward movement later.

Turmeric 0612(NCTMCZ6)2006/11/18 - Daily

O 2050.00 H 2057.00 L 2032.00 C 2034.00 V 9,240 I 35,150 -16

EMA(9) 2043.5 (18) 2080.9



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1978	2002	2034	2079	2113

#### TRADE RECOMMENDATION:

Sell near Rs. 2040 with a target of Rs. 2020 and then Rs. 2010 with a strict stop loss at Rs. 2055. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2075	1000
	Gattah	1975	
Erode	Finger	Closed	-
	Gattah	Closed	

## BLACK PEPPER

### SPOT MARKETS

At Kochi, black pepper was traded with a bearish sentiment during Saturday's trade. Prices were quoted lower by Rs. 200 per quintal amidst no arrival and offtake of 20 Mt. Domestic pepper crop has delayed this season and likely to hit the market by late December to early January. Domestic production is expected to fall by around 30 percent in this season. 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 owing to its strong fundamentals.

### FUTURES MARKETS:

At the futures market the black pepper futures at the NCDEX opened higher than previous settlement and the most-active December contract tested an intraday high of Rs. 10800 at the early hours of trade. However, the futures traded mostly downwards thereafter on increased selling interest and finished in the negative territory. The near-month November contract traded in the range of Rs. 10402-10680, while the most active December contract traded in the range of Rs. 10631-10800 during Saturday'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 to weak opening and initial downtrend. 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 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	10200	10440	10660	10921	11161

### TRADE RECOMMENDATION:

Sell near Rs. 10650-10675 with a target at Rs. 10600 and then Rs. 10550 with a strict stop loss at Rs.10725. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Guntur chillies market remained closed on Saturday. At Delhi, prices quoted higher as compared to previous close. Chilli prices are witnessing a firm trend owing to reduced arrival amidst higher demand. Demand for red chillies is seen from international markets and most of the overseas requirements are met from Andhra Pradesh. Domestic demand for chillies is also expected to improve in near future. Red chilli crop is delayed and is expected to arrive only 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 extended the previous advances further after a gap up opening. Increased speculative buying has supported the futures throughout the day and the most active December contract finished above 4 percent upper circuit level in late action. However, the November contract registered significant losses ahead of its expiry on Monday. The near month November contract traded in the range of Rs. 5342-5737, while the December contract traded in the range of Rs. 5740-5970 during Saturday's trade.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

1. Lower demand at the higher price levels
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. However prolonged rains at this stage might delay the maturity of crop.

### TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic is moving flat and the %K-line has just entered the overbought region. MACD is moving upwards in the positive territory. Prices closed far above 9-day as well as 18-day EMA, supporting firmness in the market. Volume as well as open interest has declined. Red chillies futures are likely to witness moderately upward trade following a steady to firm opening initially with possibility of late downtrend.

CHLL334GTR 0612(NCGRZ6)2006/11/18 - Daily  
O 5798.00 H 5968.00 L 5748.00 C 5876.00 V 24,875 I 15,480 +227  
EMA(9) 5438.6 (18) 5356.9



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	5478	5613	5876	6050	6184

### TRADE RECOMMENDATION:

Sell near Rs. 5900-5925 targeting Rs. 5800 and then Rs. 5750 with a strict stop loss at Rs. 6000. 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 traded with a firm sentiment at the weekend. Prices were quoted higher by Rs. 25 per 20 kg at Unjha market amidst steady arrival and offtake. Sowing of jeera has started in Gujarat and traders are eyeing details of sowing report for future trend in jeera market. Traders anticipate the acreage in Gujarat to fall significantly during this season. However, acreage may increase in Rajasthan, where sowing is yet to begin. Traders are expecting increase in demand to continue in coming days. Jeera prices are likely to improve in the near future after some consolidation at the lower price levels.

### FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened higher than previous settlement and the most-active December contract tested an intraday high at Rs. 8515 during the early hours of trade. However, the futures traded mostly downwards thereafter on increased selling interest at the higher price levels and finished with marginal gains. The near month November contract traded in the range of Rs. 8420-8597.9, while the December contract traded in the range of Rs. 8415-8515 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 steady to weak opening and initial downtrend. Stochastic is moving upwards in the normal 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 downwards following a steady to weak opening with possibility of late uptrend.

JEERA 0612(NCJEEZ6)2006/11/18 - Daily

O 8445.00 H 8511.00 L 8416.00 C 8420.00 V 5,079 I 16,410 -10

EMA(9) 8447.9 (18) 8532.9



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8190	8313	8420	8558	8669

### TRADE RECOMMENDATION:

Sell near Rs. 8425-8450 with a target of Rs. 8375 and then Rs. 8350 with a strict stop loss of Rs. 8500. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1450-1600
	Ganesh	1650-1700
	Machine Cleaned	1750-1850

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2005 Indian Agribusiness Systems Pvt Ltd.