

## SPICES DAILY

November 08, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices remained weak in major turmeric markets of the country. Arrivals were lower in Nizamabad, but subdued demand failed to lift the market sentiments. In Erode, arrivals were higher and consequently prices remained in the lower range. The weakness in futures market has also added to the bearish physical market sentiments. Activity was limited as most of the sellers eyeing some price hike before taking their produce to the market. 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 a downward trade following a steady to weak opening. The futures tested day's low at the early hours of trade and recovered thereafter on some buying support. However, the futures settled in the negative territory in final action. The near month November contract traded in the range of Rs. 1916-1948, while the most active December contract traded in the range of Rs. 1992-2020 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. 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 is moving indecisively in the oversold region. MACD is also moving flat 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)2006/11/07 - Daily

O 2016.00 H 2019.00 L 1992.00 C 2007.00 V 27,280 I 38,770 -16

EMA(9) 2082.1 (18) 2169.7



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1953	1992	2007	2082	2120

#### TRADE RECOMMENDATION:

Buy near Rs. 2000-2010 with a target of Rs. 2040 and then Rs. 2060 with a strict stop loss at Rs. 1970. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000	200-300
	Gattah 1925	
Erode	Finger 2150-2200	3000
	Gattah 2100-2150	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market quoted higher on Tuesday. The market registered arrivals of 40Mt, though offtake was reported nil in Kochi market. Buyers are eyeing the prices to come a bit lower. Domestic pepper crop has delayed this year and expected to hit the market by mid 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. Though in the international markets, Indian pepper is quoted at the lowest, yet it has failed to boost the market sentiments. 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 a range bound volatile trade following a mixed opening. The most active December contract opened lower at Rs. 10510. The futures traded upwards at the early hours of trade, but increased selling interest at the higher levels capped further advances thereafter and the December contract slide to day's low at Rs. 10430. However, the futures surged up again on increased buying interest at the lower price levels and the December contract tested an intraday high of Rs. 10765 in late action during Tuesday'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 tags

### 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 indecisively. MACD has started 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 declined, while open interest has increased. Black pepper futures are likely to move upwards following a steady to firm opening.

Pepper 0612(NCPEPZ6)2006/11/07 - Daily

O 10510.00 H 10761.00 L 10430.00 C 10724.00 V 16,818 I 13,773 +200

EMA(9) 10952 (18) 11527



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10110	10376	10724	11145	11411

### TRADE RECOMMENDATION:

Buy near Rs. 10700-10725 with a target at Rs. 10900 and then Rs. 11000 with a strict stop loss at Rs.10550. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10700	40
	Ungarbled	10100	

## RED CHILLIES

### SPOT MARKETS

Red chillies market in Guntur remains steady as the prices quoted almost in the previous range as against the last 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 from the recent downtrend owing to favourable fundamentals.

### FUTURES MARKETS:

At the futures market the chilli futures at the NCDEX opened weak and tested the day's low initially. The most-active December contract tested fresh contract month lows. However, the futures immediately retraced back on increased buying interest at the lower price levels. The near month November contract traded in the range of Rs. 4640-4964, while the December contract traded in the range of Rs. 4712-4940 during Tuesday'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 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 weakness in the market. Volume as well as open interest has increased. Red chillies futures are likely to witness an upward trade following a steady to firm opening.

CHLL334GTR 0612(NC6TRZ6)2006/11/07 - Daily

O 4861.00 H 4936.00 L 4716.00 C 4864.00 V 27,655 I 11,035 -2

EMA(9) 5032.9 (18) 5231.6



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	4603	4727	4864	5086	5209

### TRADE RECOMMENDATION:

Buy near Rs. 4850-4875 targeting Rs. 4900 and then Rs. 4925 with a strict stop loss at Rs. 4815. 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
		50000

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market were quoted unchanged as against the previous close. The market registered steady arrivals of 1500 bags, while the offtake was higher at 5000-5500 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 coming days.

### FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened weaker than last close and traded downwards initially. However, on moderate buying support the futures curbed most of the losses in late action, though it finished in the negative territory. The near month November contract traded in the range of Rs. 8753-8891, while the December contract traded in the range of Rs. 8611-8731 during Tuesday'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:

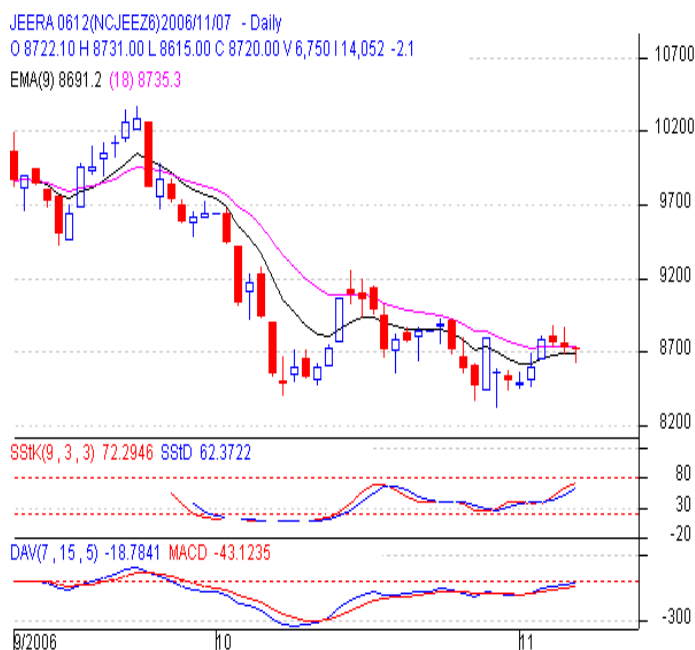
1. Sowing of jeera begins
2. Comfortable stock position

### Weather:

Rain/thundershowers are likely over few places of south Madhya Maharashtra and isolated over Marathawada. 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 steady to firm opening and initial upward trade. Stochastic are moving upwards in the normal region, leaving scope for further uptrend. MACD is moving flat in the negative territory. Volume as well as open interest has increased. Jeera futures are likely to trade upwards following a steady to firm opening.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8534	8636	8720	8871	8984

### TRADE RECOMMENDATION:

Buy near Rs. 8700-8715 with a target of Rs. 8750 and then Rs. 8775 with a strict stop loss of Rs. 8665. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1375-1500	5000-5500
	Ganesh	1600-1650	
	Machine Cleaned	1700-1800	

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