

## SPICES DAILY

November 11, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric traded with mixed sentiment at the major trading centres. At Nizamabad, prices quoted lower amidst higher arrival. However, turmeric was offered at a higher price tag at Erode despite a higher arrival. Late uptrend in turmeric futures market has supported the physical market sentiments. 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 slightly lower and traded downwards at the early hours of trade. However, supported by increased buying at the lower price levels, futures retraced back to settle near the day's high in final action. The near month November contract traded in the range of Rs. 1897-1981, while the most active December contract traded in the range of Rs. 1976-2055 during Friday'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 firm opening and initial uptrend. Stochastic are moving slightly upwards in the oversold region, hinting possibilities of an upward technical correction. 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 upwards following a steady to firm opening.

Turmeric 0612(NCTMCZ6)2006/11/10 - Daily

O 2010.00 H 2055.00 L 1978.00 C 2045.00 V 44,270 I 35,980 +33

EMA(9) 2057.0 (18) 2129.7



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1934	1978	2045	2113	2151

#### TRADE RECOMMENDATION:

Buy near Rs. 2040-2050 with a target of Rs. 2065 and then Rs. 2080 with a strict stop loss at Rs. 2020. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1975	1000
	Gattah 1900	
Erode	Finger 2125-2275	3000
	Gattah 2125-2200	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market recovered from Thursday's slide. Prices quoted higher by Rs. 100/qtl amidst arrival of 5 Mt 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 pepper futures at the NCDEX witnessed a bearish trade initially after a higher opening. The most active December contract opened higher at Rs. 10811 and slide to an intra-day low of Rs. 10566. However, increased buying interest has supported the futures thereafter and the futures surged up to an intra-day high of Rs. 11034. The near-month November contract traded in the range of Rs. 10368-10816, while the most active December contract traded in the range of Rs. 10566-11034 during Friday'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 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 below the 9-day as well as 18-day EMA, hinting weak prices. Volume as well as open interest has increased along with prices, indicating market is strong. Black pepper futures are likely to trade upwards following a steady to firm opening.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10376	10583	10950	11323	11559

### TRADE RECOMMENDATION:

Buy near Rs. 10900 with a target at Rs. 11100 and then Rs. 11200 with a strict stop loss at Rs.10750. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10900	5
	Ungarbled	10300	

## RED CHILLIES

### SPOT MARKETS

Red chillies prices in Guntur extended previous advances further. Prices were quoted in a higher range 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 firm and traded with a highly bullish sentiment. Increased buying interest has supported the futures throughout the day and the most-active December contract surged up to test day's high at Rs. 5223 in final action. The near month November contract traded in the range of Rs. 4965-5210, while the December contract traded in the range of Rs. 4970-5223 during Friday'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 declined, while open interest has increased. Red chillies futures are likely to witness moderately an upward trade following a firm opening with possibility of late downward movement.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	4805	4917	5223	5400	5512

### TRADE RECOMMENDATION:

Buy near Rs. 5225-5250 targeting Rs. 5300 and then Rs. 5350 with a strict stop loss at Rs. 5160. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	5000-6000
	LCA 334 (Bilty)	

## JEERA (Cumin)

### SPOT MARKETS

Jeera was traded with a stable sentiment in Unjha as compared to the previous day. The arrivals were reported to be lower at 1500 bags; however with a relatively lower offtake of 4500 bags as against Thursday, prices remained unchanged. 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 slightly higher than last close and traded downwards initially. However, increased buying interest has supported the futures thereafter and the futures curbed most of the early losses in final action. The near month November contract traded in the range of Rs. 8750-8895, while the December contract traded in the range of Rs. 8501-8677 during Friday'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 firm opening and initial uptrend. Stochastic is moving downwards 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 increased, while open interest has declined. Jeera futures are likely to trade upwards following a steady to firm opening.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8432	8555	8630	8800	8912

### TRADE RECOMMENDATION:

Buy near Rs. 8600-8615 with a target of Rs. 8650 and then Rs. 8660 with a strict stop loss of Rs. 8570. 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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