

## SPICES DAILY

November 04, 2006

### TURMERIC

#### SPOT MARKETS:

Turmeric prices witness a firm trend in most of the major turmeric markets. Arrivals are reported steady in Erode, while increased slightly in Nizamabad. Demand is reported to be higher at the lower price tags following the recent downtrend. However, sellers are eyeing further rise in prices to sell their produce. The recent downtrend was attributed to the higher stock position of the commodity as well as expectation of the new crop to hit the market in early part of the coming year. The new crop is expected to be good as the cultivators in Tamil Nadu increased acreage this year. Crop condition is good and the rains proved beneficial for the crop. Prices are likely to witness some more improvement in the coming day.

#### FUTURES MARKETS:

At the futures market the turmeric futures at the NCDEX started the day with a slightly lower opening. However, increased buying interest at the lower price levels as well as short coverings supported the future thereafter. The futures traded with a firm sentiment thereafter and finished the day in positive territory. The near month November contract traded in the range of Rs. 1991-2054, while the most active December contract traded in the range of Rs. 2057-2123 during Friday'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 most of the turmeric-growing 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 and initial uptrend. Stochastic is turning bullish with the %K-line just entered the normal region from below. MACD is moving upwards, but 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 increased along with prices, hinting strength in the market. Turmeric futures are likely to remain firm following a steady to higher opening.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	2015	2052	2101	2177	2214

#### TRADE RECOMMENDATION:

Buy near Rs. 2090-2100 with a target of Rs. 2115 and then Rs. 2120 with a strict stop loss at Rs. 2075. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2050	800
	Gattah	1955	
Erode	Finger	2150-2250	3000
	Gattah	2150-2200	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market retraced back from Thursday's sharp losses. Improved demand at the lower prices levels supported the market sentiments. Moreover, the spillover strength from the futures market has also supported the physical market sentiments. Presently, Indian pepper prices are quoting at lowest in global markets. The market did not register any fresh arrivals as sellers are eyeing the prices to improve further. However, market witnessed some demand with offtake of 8 Mt of pepper at the Kochi. 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. Domestic demand particularly from retail market is expected to improve slightly. Export demand is also likely to pick up. Amidst such circumstances, pepper prices are likely to improve further in the days ahead.

### FUTURES MARKETS:

At the futures market the black pepper futures at the NCDEX witnessed a highly bullish sentiment on increased buying support. The futures started the day with a higher opening and after some initial weakness started rallying. The futures registered hefty gains and finished near day's high in final action. The near month November contract traded in the range of Rs. 9935-10790, while the most active December contract traded in the range of Rs. 10150-11059 during Friday'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 December
2. Improved demand at the lower price tags

### 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 firm opening and upward trade. Stochastic are showing further uptrend in the normal region. 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. Prices increased along with volume; while open interest declined slightly hinting market is strong. Black pepper futures are likely to trade firm following a higher opening in the day ahead.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10008	10602	11059	11704	12340

### TRADE RECOMMENDATION:

Buy near Rs. 11050-11075 with a target at Rs. 11300 and then Rs. 11500 with a strict stop loss at Rs.10800. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red chillies prices in Guntur market increased during Friday's trade. The arrivals were reported to be higher, however, demand also improved at the lower price tags. 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 remain firm in the coming day.

### FUTURES MARKETS:

At the futures market the chilli futures at the NCDEX started the day with a higher opening. Increased buying interest at the lower price levels supported the futures throughout the day. The futures registered significant gains and settled in the positive territory. The near month November contract traded in the range of Rs. 4800-5045, while the December contract traded in the range of Rs. 4950-5144 during Friday'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 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 and nearing the normal region. MACD is also moving upwards in the negative territory. Prices closed below 9-day and 18-day EMA, hinting the weakness in the market. Prices improved along with volume, while the open interest has declined. Red chillies futures are likely to witness a firm trend following a higher opening.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	4888	5000	5112	5300	5416

### TRADE RECOMMENDATION:

Buy above Rs. 5100-5110 targeting RS. 5175 and then Rs. 5210 with a strict stop loss at Rs. 5050. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	5800-6700
	LCA 334 (Bilty)	7000-7200
		50000

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market continue the uptrend owing to improved demand from both domestic as well as international market. Market registered higher arrivals of 2000 bags and offtake was also high. 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 remain firm in the coming days.

### FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX witnessed an upward trade following a firm opening. Increased buying interest has supported the futures throughout the day and the futures finished near day's high in late action. The near month November contract traded in the range of Rs. 8745-8995, while the December contract traded in the range of Rs. 8638-8805 during Friday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Confusion as to 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

### Weather:

Isolated rain/thundershowers are likely over Marathawada; south Madhya Maharashtra 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 firm opening and upward trade. Stochastic are moving indecisively in the normal region. MACD is moving upwards in the negative territory, supporting the strength in the market. Prices increased along with volume and open interest, indicating market is strong. Jeera futures are likely to trade firm following a higher opening.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8555	8657	8805	9035	9168

### TRADE RECOMMENDATION:

Buy near Rs. 8800 with a target of Rs. 8880 and then Rs. 8920 with a strict stop loss of Rs. 8740. 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	1650-1700
	Machine Cleaned	1700-1850

### 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.