

SPICES DAILY

November 25, 2006

TURMERIC

SPOT MARKETS:

Turmeric witnessed steady to slightly weak sentiment at major physical markets during Friday's trade. It was quoted lower in Nizamabad amidst higher arrival, while it remains unchanged in Erode amidst slightly higher arrivals and offtake. Delhi markets remained closed on Friday. In Tamil Nadu, the area under turmeric has increased during this year. However, the new crop arrivals are only likely during late January. With comfortable stock position in the market, prices are unlikely to witness any major changes in the near future. However, in short-term prices may increase slightly on improved demand.

FUTURES MARKETS:

Turmeric futures at NCDEX opened marginally lower than previous settlement and the most-active December contract tested day's low at Rs. 2050 during the opening session. However, the futures traded slightly upwards thereafter to test an intraday high of Rs. 2079, but finished in the negative territory. The December contract traded in the range of Rs. 2050-2079 during Friday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock of turmeric in the market
2. New crop to arrive only during late 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 owing to winter season

Weather:

Isolated rain/thundershowers are likely at few 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 flat in the normal region, hinting indecision. MACD is moving flat in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume has declined, while open interest has increased. Turmeric futures are likely to trade downward following a steady to weak opening with possibility of upward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1993	2021	2055	2105	2126

TRADE RECOMMENDATION:

Sell near Rs. 2060-2070 with a target of Rs. 2040 and then Rs. 2030 with a strict stop loss at Rs. 2090. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	1000
	Gattah 2050	
Erode	Finger 2225-2300	3500
	Gattah 2175-2250	

BLACK PEPPER

SPOT MARKETS

Black pepper firmed up again in Kochi markets. It was offered higher by Rs. 100 per quintal during Friday's trade. Arrivals were reported to be lower. However, offtake was 28 Mt, signifying improved demand at the market. Domestic pepper crop has delayed this season and likely to hit the market even beyond the earlier expected late December to early January. Domestic production is expected to fall by around 30 percent in this season. 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:

Black pepper futures at NCDEX opened higher than previous settlement and the most-active December contract tested a low of Rs. 10960 during opening session. However, the futures traded upwards thereafter on increased buying support and surged up to test an intraday high of Rs. 11323. Most active December contract traded in the range of Rs. 10960-11323 during Friday's trade.

PRICE DRIVERS:

Bullish:

1. Better Export prospects
2. Indian pepper remains competitive in international market
3. Low stocks with competitors, lower global production
4. Total quantum of import of pepper under Indo-Sri Lanka Free Trade Agreement is restricted to 2500 Mt per annum

Bearish:

1. Crop may delay beyond earlier expected mid-December to early January
2. Lower demand at the higher price levels

Weather:

Isolated rain/thundershowers are likely at few places over the pepper-growing regions. Rains might delay plucking of maturing pepper crop.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic is moving upwards in the normal region. MACD is also moving upwards in the negative territory. Prices closed above the 9-day as well as 18-day EMA, hinting firm prices in short-term. Volume as well as open interest remained lower as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady to firm opening with possibility of late downward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10556	10818	11219	11728	11987

TRADE RECOMMENDATION:

Buy near Rs. 11100-11150 with a target at Rs. 11300 and then Rs. 11400 with a strict stop loss at Rs.10950. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	11000	Nil
	Ungarbled	10400	

RED CHILLIES

SPOT MARKETS

Red chillies witnessed a bullish sentiment at the major physical market of Guntur during Friday's trade. Improved demand has supported the prices to firm up again. Recently, price got support from overseas demand. 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. Production of red chillies during this year is expected at the higher side. Red chillies prices are likely to improve in the coming days owing to its favourable fundamentals.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement, but traded mostly downwards thereafter. The most-active December contract slide to test day's low at Rs. 6313. However, the futures surged up again on increased buying interest at lower price levels and pared most of the early losses in late hours of trading to test an intraday high of Rs. 6498. The December contract traded in the range of Rs. 9313-6498 during Friday's trade.

PRICE DRIVERS:

Bullish:

1. Delayed crop to arrive only during February
2. Higher demand for better quality chilli

Bearish:

1. Lower demand at the higher price levels
2. Forthcoming crop is expected good due to higher acreage

Weather:

Isolated rain/thundershowers are likely at few places over the chilli growing regions. Prolonged rains at this stage might delay the maturity of crop as well as harvesting.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Stochastic are moving upwards in the overbought region, hinting further uptrend. MACD is moving upwards in the positive territory. Prices closed far above 9-day as well as 18-day EMA, supporting the firm prices. Volume has declined, while open interest has increased as compared to previous settlement. Red chillies futures are likely to witness upward trade following a steady to firm opening with possibility of late downtrend.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6132	6277	6475	6600	6725

TRADE RECOMMENDATION:

Buy near Rs. 6425-6450 targeting Rs. 6550 and then Rs. 6575 with a strict stop loss at Rs. 6350. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	20000
	LCA 334 (Bilty)	

JEERA (Cumin)

SPOT MARKETS

Jeera witnessed a stable sentiment in Unjha market during Friday's trade. It was quoted on an average unchanged as compared to previous day. Sowing of jeera is going on in Gujarat and traders are eyeing details of sowing report for future trend in jeera market. Preliminary reports suggest decline in acreage under jeera in Gujarat. 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.

FUTURES MARKETS:

Jeera futures at the NCDEX opened lower than previous settlement and most-active December contract tested an intraday low of Rs. 8590. However, increased buying interest supported the futures thereafter and the most-active December contract tested an intraday high of Rs. 8708 before it finishes with some losses in late action. The December contract traded in the range of Rs. 8590-8708 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 with possibility of some isolated rainfalls. Climate is suitable for sowing of jeera crop, which is in progress in Gujarat.

TECHNICALS

Candlestick pattern is indicating steady opening and initial uptrend. Stochastic is moving upwards and the %K-line has just entered the overbought region, hinting further uptrend. MACD is moving upwards in the negative territory. Prices closed above 9-day as well as 18-day EMA, hinting firm prices. Volume has declines, while open interest has increased. Jeera futures are likely to trade moderately upwards following a steady opening with possibility of late downward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8484	8567	8661	8811	8883

TRADE RECOMMENDATION:

Buy near Rs. 8625-8650 with a target of Rs. 8700 and then Rs. 8725 with a strict stop loss of Rs. 8575. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1500-2000
	Ganesh	
	Machine Cleaned	

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