

SPICES DAILY

November 21, 2006

TURMERIC

SPOT MARKETS:

Turmeric traded with a steady to firm sentiment on Monday. At Erode, prices quoted higher amidst lower arrival. However, prices remains steady at Delhi, while market remained closed at Nizamabad. 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 coming days.

FUTURES MARKETS:

At the NCDEX the turmeric futures opened lower than previous settlement and tested day's high at the early hours of trade. However, profit booking capped further advances and the futures slide to test day's low during late hours. However, the futures managed to finish with marginal gains in final action. The November contract traded in the range of Rs. 2014-2093 before its expiry on Monday, while most active December contract traded in the range of Rs. 20027-2064 during Monday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable 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 firm opening and initial downtrend. Stochastic are moving flat in the normal region, hinting indecision. MACD is 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 increased. Turmeric futures are likely to trade downwards following a steady to firm opening initially and upward thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1978	2006	2042	2090	2120

TRADE RECOMMENDATION:

Buy near Rs. 2030 with a target of Rs. 2050 and then Rs. 2060 with a strict stop loss at Rs. 2015. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2200-2275	2000
	Gattah	2150-2200	

BLACK PEPPER

SPOT MARKETS

Black pepper traded with a stable sentiment at Kochi market as compared to last Saturday. Prices were quoted unchanged amidst no arrival and offtake. 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 slightly lower than previous settlement and the most-active December contract tested a low of Rs. 10545 at the early hours of trade. However, the futures traded moderately upwards thereafter on some buying interest only to finish with marginal losses in final action. The near-month November contract traded in the range of Rs. 10200-10579 before its expiry on Monday, while the most active December contract traded in the range of Rs. 10545-10740 during Monday'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 indecision in the market. Stochastic is moving flat in the normal region. 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 and upward thereafter.

Pepper 0612(NCPEPZ6)2006/11/20 - Daily

O 10650.00 H 10740.00 L 10545.00 C 10649.00 V 6,443 I 13,966 -11

EMA(9) 10735 (18) 10969



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10170	10380	10649	10890	11100

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

Red chillies continue to trade with a firm sentiment at Guntur market. At, Delhi it was offered at a steady price as compared to last Saturday. 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 opened higher than the previous settlement. Increased speculative buying has supported the futures thereafter and the most active December contract crossed Rs. 6000 level to test an intraday high of Rs. 6120. However, profit booking curbed most of the advances and the futures finished with moderate gains in late action. The near month November contract traded in the range of Rs. 5416-5731 before its expiry on Monday, while the December contract traded in the range of Rs. 5856-6120 during Monday'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 weak opening and trend reversal. Stochastic are moving slightly upwards in 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 increased. Red chillies futures are likely to witness moderately downward trade following a steady to weak opening initially with possibility of late uptrend.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	5523	5657	5920	6050	6196

TRADE RECOMMENDATION:

Sell near Rs. 5925-5950 targeting Rs. 5850 and then Rs. 5800 with a strict stop loss at Rs. 6025. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 6800-7000	10000
	LCA 334 (Bilty) 7500-7800	

JEERA (Cumin)

SPOT MARKETS

At Unjha, jeera extended previous advances further on Monday. Prices were quoted higher by Rs. 1 per kg amidst slightly higher arrival and higher 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. 8509 during the early hours of trade. However, the futures traded mostly downwards thereafter on increased selling interest at the higher price levels and finished in the negative territory. The near month November contract traded in the range of Rs. 8155-8555 before its expiry on Monday, while the December contract traded in the range of Rs. 8335-8509 during Monday'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 as well as open interest has increased. Jeera futures are likely to trade downwards following a steady to weak opening with possibility of late uptrend.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8146	8246	8399	8558	8636

TRADE RECOMMENDATION:

Sell near Rs. 8400-8425 with a target of Rs. 8360 and then Rs. 8325 with a strict stop loss of Rs. 8475. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1470-1620
	Ganesh	1670-1720
	Machine Cleaned	1770-1870

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