

SPICES DAILY

November 30, 2006

TURMERIC

SPOT MARKETS:

Turmeric witnessed bearish sentiment at major markets during Wednesday's trade. It was quoted lower by Rs. 25 per quintal amidst weak demand. Arrivals were reported to have increase in Nizamabad as well as Erode markets. Acreage under turmeric in Tamil Nadu 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, prices may witness some weakness on lower demand at present.

FUTURES MARKETS:

Turmeric futures at NCDEX opened lower than previous settlement and most-active December contract tested an intraday high of Rs. 2032 at the early hours of trade. The futures traded mostly downwards thereafter on increased selling interest. The December contract tested an intraday low of Rs. 2002 and settled with losses in final action. December contract traded in the range of Rs. 2002-2032 during Wednesday'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 downwards with the %K-line just entered the oversold region, hinting further downtrend. MACD is moving downwards 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 declined. Turmeric futures are likely to trade downward following a steady to weak opening with possibility of late upward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1950	1978	2009	2060	2087

TRADE RECOMMENDATION:

Sell near Rs. 2010 with a target of Rs. 1990 and then Rs. 1980 with a strict stop loss at Rs. 2025. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2075	600-700
	Gattah 2000	
Erode	Finger 2150-2200	6000
	Gattah 2100-2150	

BLACK PEPPER

SPOT MARKETS

Black pepper witnessed weak sentiment in Kochi market on Wednesday. It was offered lower by Rs. 200 per quintal amidst much higher arrivals of 50 Mt and complete offtake of 50 Mt, signifying higher trading activities at lower price levels. 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. Meanwhile, pepper export has increased by 54 percent to 13825 tonne during April-Oct of current financial year. Pepper prices are likely to improve in the near future from the recent downfall.

FUTURES MARKETS:

Black pepper futures at NCDEX opened lower than previous settlement and the most-active December contract tested a high of Rs. 11490 at the opening session. The futures traded with a highly bearish sentiment thereafter on increased selling interest to breach the 4 percent lower circuit level and tested an intraday low of Rs. 10902. Most active December contract traded in the range of Rs. 10902-11490.

PRICE DRIVERS:

Bullish:

1. Pepper export has increased by 54 percent during April-October 2006-07
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. New crop arrivals likely during end-December to mid 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 weak opening and initial downtrend. Stochastic is moving flat in the normal region. MACD is moving slightly downwards in the positive 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 remained lower as compared to previous settlement. Black pepper futures are likely to trade downward following a weak opening initially with possibility of upward movement thereafter.

Pepper 0612(NCPEPZ6)2006/11/29 - Daily

O 11490.00 H 11490.00 L 10903.00 C 10935.00 V 11,769 I 10,384 -546

EMA(9) 11157 (18) 11126



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10363	10617	10935	11434	11688

TRADE RECOMMENDATION:

Sell near Rs. 10950-10975 with a target at Rs. 10875 and then Rs. 10825 with a strict stop loss at Rs.11050. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10900	50
	Ungarbled	10300	

RED CHILLIES

SPOT MARKETS

Red chillies maintained its firmness in Guntur market during Wednesday's trade. It was offered in a higher price range owing to improved demand. Domestic demand for chillies is 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. India has exported 66250 tonne of chilli during April-Oct 2006-07 as compared to 70540 tonne during the same period last year. However, in value terms it has increased to Rs. 327 crore from Rs. 237.44 crore. 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 and most-active December contract tested an intraday low of Rs. 6460 at the opening session. However, buoyed by increased buying support the futures immediately retraced back to test a 2 month high of Rs. 6825 during mid-session. Profit booking capped further advances and the futures settled with gains after paring some advances. December contract traded in the range of Rs. 6460-6825 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Delayed crop to arrive only during February
2. Higher demand for better quality of red chillies

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 opening and initial uptrend. Stochastic are moving flat in the overbought region, hinting indecision. MACD is moving flat in the positive territory. Prices closed far above 9-day as well as 18-day EMA, supporting the firm prices. Volume has increased, while open interest has declined as compared to previous settlement. Red chillies futures are likely to trade mostly rangebound following a steady opening with possibility some early uptrend.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6332	6440	6710	6828	6925

TRADE RECOMMENDATION:

Buy near Rs. 6700 targeting Rs. 6750 and then Rs. 6775 with a strict stop loss at Rs. 6665. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 6700-7400	10000
	LCA 334 (Bilty) 7700-8100	

JEERA (Cumin)

SPOT MARKETS

Jeera witnessed firm sentiment in Unjha markets amidst slightly improved demand. Arrivals were reported to be steady as compared to previous day, while offtake was slightly higher. 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. However, acreage may increase in Rajasthan. Cumin export has registered a 254 percent increase in quantity at 18500 tonne during April-Oct 2006-07 as compared to 5223 tonne during the same period last year. In value terms it has increased 239 percent to Rs. 136.80 crore from Rs. 40.32 crore. Jeera prices are likely to improve in the near future.

FUTURES MARKETS:

Jeera futures at the NCDEX opened lower than previous settlement and the most-active December contract tested an intraday high of Rs. 8575 at the opening session. The futures traded downwards thereafter on increased selling interest. December contract tested an intraday low of Rs. 8465 and finish with significant losses. December contract traded in the range of Rs. 8465-8575 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Anticipation of lower acreage in Gujarat
2. Cumin export has increased by 254 percent during April-October 2006-07
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 downwards in the normal region, hinting further downtrend. MACD is moving flat in the positive territory. Prices closed below 9-day as well as 18-day EMA, hinting weak prices. Volume as well as open interest has declined. Jeera futures are likely to trade downwards following a steady to weak opening with possibility of late upward movement.

JEERA 0612(NCJEEZ6)2006/11/29 - Daily

O 8575.00 H 8575.00 L 8465.00 C 8507.60 V 5,211 I 14,625 -96.4

EMA(9) 8562.0 (18) 8566.2



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8329	8405	8507.6	8675	8762

TRADE RECOMMENDATION:

Sell near Rs. 8500 with a target of Rs. 8450 and then Rs. 8425 with a strict stop loss of Rs. 8535. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1535-1685
	Ganesh	1725-1775
	Machine Cleaned	1835-1935

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.