

SPICES DAILY

November 28, 2006

TURMERIC

SPOT MARKETS:

Turmeric witnessed mixed sentiment at major physical markets during Monday's trade. It was quoted lower in Erode markets amidst weak demand, while in Nizamabad it was offered at a higher price. However, in Delhi markets it was quoted lower as compared to previous close. 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 marginally higher than previous settlement and most-active December contract tested an intraday high of Rs. 2060 at the early hours of trade. The futures traded mostly downwards thereafter on increased selling interest and tested an intraday low of Rs. 2035. However, in final action the futures managed to finish in positive territory. December contract traded in the range of Rs. 2035-2060 during Monday'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 opening and initial uptrend. Stochastic are moving downwards after a bearish crossover in the normal region, hinting further downtrend. MACD is moving slightly downwards 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 upward following a steady opening with possibility of downward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1978	2010	2049	2097	2124

TRADE RECOMMENDATION:

Buy near Rs. 2035-2045 with a target of Rs. 2055 and then Rs. 2065 with a strict stop loss at Rs. 2010. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	500
	Gattah 2050	
Erode	Finger 2200-2250	3000
	Gattah 2150-2200	

BLACK PEPPER

SPOT MARKETS

Black pepper traded with a firm sentiment in Kochi market on Monday. It was offered higher by Rs. 100 per quintal amidst no arrival. However, offtake was reported at 10 Mt, signifying improvement in demand scenario. 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. 11270 at the opening session. However, the futures traded upwards thereafter on increased buying support and surged up to test an intraday high of Rs. 11628 in late action. Most active December contract traded in the range of Rs. 11270-11628 during Monday'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 firm opening and initial uptrend. Stochastic is moving upwards in the normal region. MACD is moving upwards in the positive territory. Prices closed far above the 9-day as well as 18-day EMA, hinting firm prices in short-term. Volume has increased, while open interest remained lower as compared to previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of downward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10955	11180	11621	12026	12308

TRADE RECOMMENDATION:

Buy near Rs. 11600-11625 with a target at Rs. 11700 and then Rs. 11800 with a strict stop loss at Rs.11500. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	11100	Nil
	Ungarbled	10500	

RED CHILLIES

SPOT MARKETS

Red chillies traded with a firm sentiment in Guntur market during Monday's trade. It was quoted higher owing to improved demand. 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 and most-active December contract tested an intraday low of Rs. 6500 at the early hours of trade. However, the futures traded upwards thereafter on some buying support and tested an intraday high of Rs. 6578. The futures finished in positive region, though profit talking curbed some of the advances. The December contract traded in the range of Rs. 6500-6578 during Monday'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 possibility of trend reversal. 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 as well as open interest has declined as compared to previous settlement. Red chillies futures are likely to witness moderately upward trade following a steady opening with possibility of late downtrend.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6321	6396	6541	6634	6709

TRADE RECOMMENDATION:

Sell near Rs. 6575-6600 targeting Rs. 6500 and then Rs. 6475 with a strict stop loss at Rs. 6650. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	25000
	LCA 334 (Bilty)	

JEERA (Cumin)

SPOT MARKETS

Jeera eased in Unjha markets amidst slightly weak demand. Arrivals were reported to be higher 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 high of Rs. 8625 at the opening session. However, increased selling interest has pressurised the futures thereafter and the most-active December contract slide to test an intraday low of Rs. 8450. December contract traded in the range of Rs. 8450-8625 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 has made a bearish crossover and 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 increased. Jeera futures are likely to trade moderately downwards following a steady to weak opening with possibility of late upward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8243	8340	8500	8632	8729

TRADE RECOMMENDATION:

Sell near Rs. 8500 with a target of Rs. 8450 and then Rs. 8425 with a strict stop loss of Rs. 8540. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1520-1670	2000
	Ganesh	1710-1760	
	Machine Cleaned	1820-1920	

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