

SPICES DAILY

November 10, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices remained in the previous ranges amidst no significant changes in its demand-supply front. Arrivals and offtake remains almost steady in Nizamabad and Erode markets. Moderate demand at the lower price levels supported the market sentiments. However, the weakness in its futures market has kept the physical market prices steady. Market has comfortable stock position at present and the new crop arrivals are likely from the mid-January onwards. Acreage under turmeric has increased in Tamil Nadu this year and the recent rains are reported to be beneficial for the crop. Prices are likely to improve in the near future after some consolidation.

FUTURES MARKETS:

At the NCDEX the turmeric futures witnessed a downward trade following a steady opening. The futures traded moderately upwards at the early hours of trade. However, late selling interest has pressurised the futures and the futures finished in negative territory in late action. The near month November contract traded in the range of Rs. 1925-1981, while the most active December contract traded in the range of Rs. 2002-2054 during Thursday's trade.

PRICE DRIVERS:

Bearish:

1. Hefty stock of turmeric in the market
2. New crop to arrive in mid-January
3. Weather suitable for growth of turmeric crop

Bullish:

1. Moderate demand at the lower price tags
2. Demand expected to improve from North India

Weather:

Rain/thundershowers are likely at many places over the 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 weak opening and initial downtrend. Stochastic are moving downwards in the oversold region. MACD is moving upwards 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 has increased. Turmeric futures are likely to trade moderately downwards following a steady to weak opening initially and upwards thereafter.

Turmeric 0612(NCTMCZ6)2006/11/09 - Daily

O 2034.00 H 2053.00 L 2003.00 C 2012.00 V 25,690 I 39,190 -22

EMA(9) 2059.7 (18) 2139.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1950	1992	2012	2087	2125

TRADE RECOMMENDATION:

Buy near Rs. 2000 with a target of Rs. 2020 and then Rs. 2030 with a strict stop loss at Rs. 1985. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2000-2050	500
	Gattah	1925-1975	
Erode	Finger	2150-2250	2500
	Gattah	2100-2200	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market witnessed weak sentiment. Prices quoted lower by Rs. 100/qtl amidst no arrival and offtake. Domestic pepper crop has delayed this year and expected to hit the market by late December to early January, which should give some support to the prices in the short-term. Domestic demand particularly from retail market is expected to improve slightly. Export demand is also likely to pick up. In the international markets, Indian pepper is presently quoting at the lowest. Amidst such circumstances, pepper prices are likely to improve in the near future after some consolidation.

FUTURES MARKETS:

At the futures market the pepper futures at the NCDEX witnessed a bearish trade after a higher opening. The most active December contract opened higher at Rs. 11220 tested day's high at Rs. 11290 initially. However, increased selling interest at the higher prices levels pressurised the futures thereafter and the futures slide to test day's low at Rs. 10725. The near-month November contract traded in the range of Rs. 10525-11075, while the most active December contract traded in the range of Rs. 10725-11290 during Thursday'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 mid-December to early January
2. Improved demand at the lower 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 steady to weak opening and initial downtrend. Stochastic are moving upwards in the normal region. MACD is also moving upwards in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices. Volume as well as open interest has declined. Black pepper futures are likely to trade slightly downwards initially following a steady to weak opening and upwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10169	10465	10800	11411	11707

TRADE RECOMMENDATION:

Buy near Rs. 10650-10700 with a target at Rs. 10900 and then Rs. 11100 with a strict stop loss at Rs.10475. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10800	Nil
	Ungarbled	10200	

RED CHILLIES

SPOT MARKETS

Red chillies in Guntur were offered in slightly lower range as compared to previous close. According to traders, demand for red chillies is seen from international markets and domestic demand for chillies is expected to improve in near future. 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 improve in the coming day owing to its favourable fundamentals.

FUTURES MARKETS:

At the futures market the chilli futures at the NCDEX opened firm and traded upwards at the early hours of trade. The most-active December contract surged up to test day's high at Rs. 5161. However, profit taking capped further advances and late selling pressure dragged the futures in the negative territory. The near month November contract traded in the range of Rs. 4852-5147, while the December contract traded in the range of Rs. 4890-5161 during Thursday'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.

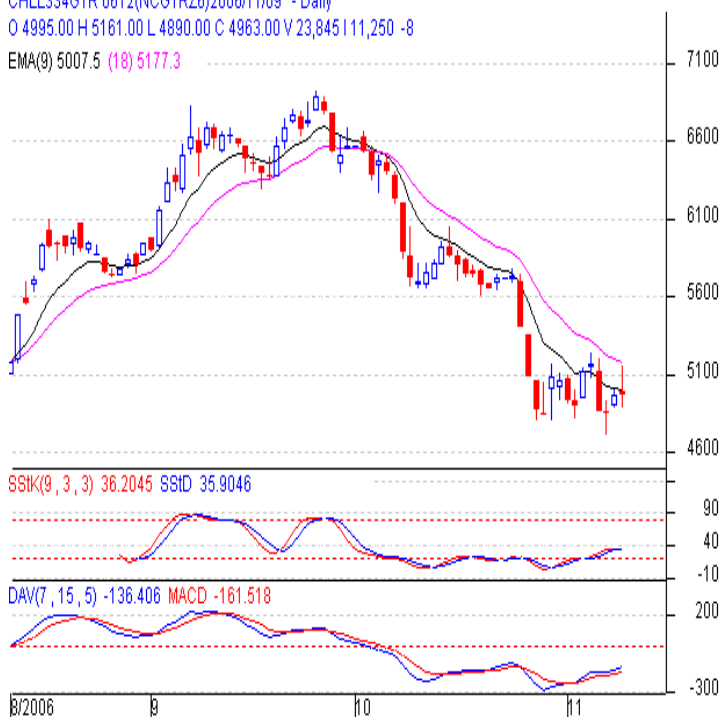
TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downward movement. Stochastic are moving indecisively in the normal region. MACD is moving upwards in the negative territory. Prices closed below 9-day as well as 18-day EMA, supporting weakness 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 and upwards thereafter.

CHLL334GTR 0612(NCGTRZ8)2006/11/09 - Daily

O 4995.00 H 5161.00 L 4890.00 C 4963.00 V 23,845 111,250 -8

EMA(9) 5007.5 (18) 5177.3



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	4716	4805	4963	5119	5209

TRADE RECOMMENDATION:

Buy near Rs. 4900 targeting Rs. 4975 and then Rs. 5000 with a strict stop loss at Rs. 4850. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality)	5500-6600
	LCA 334 (Bilty)	6900-7100
		25000

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market were quoted mostly unchanged as against the previous close. The market registered steady arrivals of 2000 bags, while the offtake was higher at 5000-5500 bags. According to traders, market has a stock of around 10 lakh bags of jeera. Sowing of jeera has started in Gujarat 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 improve in the near future.

FUTURES MARKETS:

At the futures market the jeera futures at the NCDEX opened higher than last close and traded marginally upwards initially. However, increased selling interest has pressurised the futures thereafter and the futures settled near day's low in final action. The near month November contract traded in the range of Rs. 8883-9030, while the December contract traded in the range of Rs. 8610-8740 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Confusion regarding 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 position

Weather:

Rain/thundershowers are likely over few places of 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 steady to weak opening and initial downtrend. Stochastic has made a bearish crossover in the normal region. MACD is moving flat in the negative territory. Volume as well as open interest has increased. Jeera futures are likely to trade moderately downwards following a steady to weak opening initially and upwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8463	8555	8641	8769	8861

TRADE RECOMMENDATION:

Buy near Rs. 8600-8615 with a target of Rs. 8650 and then Rs. 8660 with a strict stop loss of Rs. 8570. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1400-1550	2000
	Ganesh	1600-1650	
	Machine Cleaned	1700-1800	

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