

SPICES DAILY

December 11, 2006

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remained bearish during Saturday's trade. It was offered at a lower price range in Delhi markets amidst lacklustre demand. Erode markets as well as Nizamabad markets remained closed on Saturday. Turmeric markets remained under pressure on higher acreage this year in Tamil Nadu. Fresh crop arrivals are expected to hit the market during late January. However, market stock position is reported to be comfortable enough to offset the delay in the fresh crop arrivals. Amidst such circumstances, domestic turmeric markets are likely to consolidate followed by the recent downfalls.

FUTURES MARKETS:

Turmeric futures at NCDEX opened lower than previous settlement and most-active April contract tested an intraday high of Rs. 2077 at the early hours of trade. The futures traded mostly downwards thereafter on increased selling interest and tested an intraday low of Rs. 2044. The futures settled near day's low in late action. April contract traded in the range of Rs. 2044-2077 during Saturday's trade.

PRICE DRIVERS:

Bearish:

1. Comfortable stock of turmeric in the market
2. New crop to arrive during late January
3. Weather suitable for growth of crop

Bullish:

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

Weather:

Isolated rainfalls 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 weak opening and initial downtrend. Stochastic are moving slightly upwards in normal region, hinting further uptrend. 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 increased. Turmeric futures are likely to trade downwards following a weak opening.

Turmeric 0704(NCTMCJ7)2006/12/09 - Daily

O 2062.00 H 2077.00 L 2045.00 C 2046.00 V 11,590 I 33,630 -29

EMA(9) 2085.7 (18) 2099.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1975	2000	2046	2087	2111

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2050-2060 with a target of Rs. 2030 and then Rs. 2020 with a strict stop loss at Rs. 2080. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper remained bearish during Saturday's trade. It was quoted lower by Rs. 100 per quintal amidst arrival as well as offtake of 3 Mt. The market remains under pressure amidst report of fresh crop arrivals as well as its quality concerns. Moreover, international buyers are also seemed to be sidelined after some strong buying in the recent past. However, given the lower price of Indian pepper at the global markets, export opportunities are seen bright once the international buyers return into the market. Prices are likely to improve in near future from the recent downfall, though may witness some weakness in coming few days.

FUTURES MARKETS:

Black pepper futures at NCDEX opened steady as compared to previous settlement and most-active January contract tested a high of Rs. 9664 at the early hours of trade. Increased selling interest has pressurised the futures and the futures traded downwards thereafter to test a low of Rs. 9475. Most active January contract traded in the range of Rs. 9475-9664 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Pepper export has increased by 54 percent during April-October 2006-07
2. Low stocks with competitors, lower global production
3. Total quantum of import of pepper under Indo-Sri Lanka Free Trade Agreement is restricted to 2500 Mt per annum

Bearish:

1. Reports of fresh crop arrivals in the market of poor quality
2. Lower demand at the higher price levels
3. Absence of international buyers

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 weak opening and indecision in the market. Stochastic is moving flat in the oversold region. MACD is moving downwards in the negative territory. Prices closed well below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume has declined, while open interest has increased as compared to previous settlement. Black pepper futures are likely to trade slightly downwards initially following a steady to weak opening and upward thereafter.

Pepper 0701(NCPEPF7)2006/12/09 - Daily

O 9585.00 H 9664.00 L 9475.00 C 9571.00 V 8,376 I 11,791 -14

EMA(9) 10185 (18) 10581



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	9215	9400	9571	9811	9999

TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 9500-9525 with a target at Rs. 9600 and then Rs. 9650 with a strict stop loss at Rs.9425. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	9700	3
	Ungarbled	9100	

RED CHILLIES

SPOT MARKETS

Domestic red chillies market remains bearish during Saturday's trade. It was quoted in a lower price range in Delhi markets. Guntur markets remain closed on Saturday. After a prolonged rally, red chillies turned in favours of the bears on reports of fresh crop arrivals in the market. Moreover, buyers preferred to be on the side-line eyeing further fall in prices. Domestic 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. Red chillies prices are likely witness some bearish trend in the short-term.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and December contract tested an intraday high of Rs. 6297 at the early hours of trade. The futures traded mostly rangebound thereafter on some selling interest and tested an intraday low of Rs. 6178. The futures managed to settle with some gains in final action. December contract traded in the range of Rs. 6178-6297 during Saturday's trade.

PRICE DRIVERS:

Bullish:

1. Domestic crop arrival to pick up 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
3. Reports of fresh crop arrivals in the market

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 indecision. Stochastic are moving downwards in the oversold region, hinting further downtrend. MACD is also moving downwards in the positive territory. Prices closed below 9-day as well as 18-day EMA, supporting the short-term weakness. Volume as well as open interest has declined as compared to previous settlement. Red chillies futures are likely to trade moderately upwards following a steady to firm opening with possibility of some downward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	5968	6100	6225	6427	6565

TRADE RECOMMENDATION:

Buy NCDEX December Chilli near Rs. 6200 targeting Rs. 6275 and then Rs. 6350 with a strict stop loss at Rs. 6125. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Domestic jeera market remains steady at the lower price range during Saturday's trade. The arrivals as well as offtake were reported to be steady for last few days. Sowing of jeera is going on in full swing in Gujarat and traders are eyeing details of sowing report for future trend in jeera market. Preliminary reports suggest some decline in acreage under jeera in Gujarat. However, acreage may increase in Rajasthan. Jeera 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. Amidst such favourable fundamentals, jeera prices are likely to improve in the near future after some short-term weakness.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher than previous settlement and the most-active January contract tested an intraday high of Rs. 8460 at the early hours of trade. The futures traded mostly downward thereafter on moderate selling interest. January contract tested an intraday low of Rs. 8383 and finished in negative territory with some losses. January contract traded in the range of Rs. 8383-8460 during Saturday'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

Bearish:

1. Sowing of jeera going on in the country
2. Comfortable stock position
3. Anticipation of higher acreage in Rajasthan

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 flat in the oversold region. MACD is moving downwards 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 declined as compared to previous settlement. Jeera futures are likely to trade slightly downwards following a steady to weak opening and upward thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8275	8334	8395	8488	8554

TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 8350-8375 with a target of Rs. 8425 and then Rs. 8450 with a strict stop loss of Rs. 8300. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1500-1550
	Ganesh	1600-1650
	Machine Cleaned	1700-1750

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