

SPICES DAILY

December 05, 2006

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remains steady to weak during Monday's trade. It was offered at a lower price in Erode markets amidst lower offtake. Prices remain unchanged in Nizamabad markets owing to lacklustre trade. Market remains under pressure on higher acreage under turmeric 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 unlikely to witness any significant change in the near future. However, with a short-term outlook, prices may exhibit some weakness.

FUTURES MARKETS:

Turmeric futures at NCDEX opened lower than previous settlement and most-active April contract tested an intraday low of Rs. 2071 at the early hours of trade. Moderate buying interest supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 2100 before it finishes in the negative territory. April contract traded in the range of Rs. 2071-2100 during Monday'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:

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 steady opening and initial uptrend. Stochastic are moving downwards in the oversold region, hinting further downtrend. MACD is also moving downwards in the positive 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 slightly upward following a steady opening and downwards thereafter.

Turmeric 0704(NCTMCJ7)2006/12/04 - Daily

O 2094.00 H 2100.00 L 2071.00 C 2082.00 V 15,920 I 32,950 -19

EMA(9) 2120.8 (18) 2120.0



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2041	2061	2082	2127	2147

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2090-2100 with a target of Rs. 2075 and then Rs. 2060 with a strict stop loss at Rs. 2120. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000	500
	Gattah 1925	
Erode	Finger 2100-2150	4500
	Gattah 2050-2125	

BLACK PEPPER

SPOT MARKETS

Domestic black pepper market extended previous weakness further during Monday's trade. It was offered lower by Rs. 100 per quintal amidst arrival of 4 Mt, while offtake was reported at 4 Mt in Kochi markets. The market remains under pressure amidst talks of some fresh crop arrivals. The Government notification that the total quantum of import of pepper under Indo-Sri Lanka Free Trade Agreement shall be restricted to 2500 MT per annum supported the market sentiments earlier during the last week. However, prices come under pressure on talks of early harvest in Vietnam. Moreover, international buyers are also seemed to be sidelined after some strong buying in the recent past. 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 lower than previous settlement and the most-active January contract traded mostly rangebound thereafter till mid-session. The January contract tested an intraday high of Rs. 10795 during late hours of trading, but immediately ran into selling pressure. The futures slide thereafter to finish near day's low in final action. Most active January contract traded in the range of Rs. 10485-10795.

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. Talks of some fresh crop arrivals in the market
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 steady to weak opening and initial downtrend. Stochastic is moving downwards and the %K-line has 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 increased as compared to previous settlement. Black pepper futures are likely to trade downwards following a steady to weak opening with possibility of some upward movement later.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	10005	10282	10500	10914	11151

TRADE RECOMMENDATION:

Sell NCDEX January Pepper near Rs. 10550-10600 with a target at Rs. 10400 and then Rs. 10350 with a strict stop loss at Rs.10725. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10600	4
	Ungarbled	10000	

RED CHILLIES

SPOT MARKETS

Domestic red chillies market witness highly bearish sentiment during Monday's trade. It was quoted lower by Rs. 300 per quintal in Guntur markets amidst reports of some fresh crop arrivals in the market. 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. However, in value terms it has increased to Rs. 327 crore from Rs. 237.44 crore. Red chillies prices are likely witness some bearish trend in the short-term.

FUTURES MARKETS:

Chilli futures at the NCDEX opened gapped down as compared to previous settlement and most-active December contract tested an intraday high of Rs. 6789 at the opening session. Increased selling interest has pressurised the futures throughout the day and the December contract slide to test an intraday low of Rs. 6415 in final action. The futures hit the 6 percent lower circuit at close. December contract traded in the range of Rs. 6415-6789 during Monday'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. Talks of some 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 weak opening and initial downtrend. Stochastic are moving downwards in the overbought region, hinting downward technical correction. MACD is also moving downwards in the positive territory. Prices closed below 9-day EMA, supporting the short-term weakness. Volume has increased, while open interest has declined as compared to previous settlement. Red chillies futures are likely to trade downwards following a weak opening with possibility of some upward movement later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6053	6190	6415	6533	6670

TRADE RECOMMENDATION:

Sell NCDEX December Chilli near Rs. 6400-6450 targeting Rs. 6350 and then Rs. 6200 with a strict stop loss at Rs. 6575. 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

Domestic jeera market remains steady during Monday's trade. It was offered at an unchanged price amidst steady arrivals as well as offtake. 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. 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.

FUTURES MARKETS:

Jeera futures at the NCDEX opened higher than previous settlement and the most-active January contract tested an intraday high of Rs. 8730 at the opening session. The futures traded mostly rangebound thereafter before it slides during the late hours. January contract tested an intraday low of Rs. 8630.2 in late action and finished in negative territory. January contract traded in the range of Rs. 8630.2-8730 during Monday'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 going on 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 downwards 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 moderately downwards following a steady to weak opening with possibility of some late upward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8494	8554	8654	8750	8809

TRADE RECOMMENDATION:

Sell NCDEX January Jeera near Rs. 8675 with a target of Rs. 8625 and then Rs. 8575 with a strict stop loss of Rs. 8725. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1560-1710	1500
	Ganesh	1750-1800	
	Machine Cleaned	1850-1950	

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