

SPICES DAILY

December 02, 2006

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remains steady to weak during Friday's trade. It was quoted lower by Rs. 25 per quintal in Nizamabad markets amidst dull trading activities. However, prices remain mostly in previous range in Erode markets with weak undertone. 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 consolidate at the present lower levels.

FUTURES MARKETS:

Turmeric futures at NCDEX opened lower than previous settlement and most-active December contract tested an intraday low of Rs. 1930 during mid-session. Moderate buying interest supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 1970. However, the futures finished with some losses in final action. December contract traded in the range of Rs. 1930-1970 during Friday'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 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 steady to weak opening and indecision. Stochastic are moving downwards in the oversold region, hinting further downtrend. MACD is also 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 as well as open interest has declined. Turmeric futures are likely to trade slightly downward following a steady to weak opening and upwards thereafter.

Turmeric 0612(NCTMCZ6)2006/12/01 - Daily

O 1954.00 H 1970.00 L 1930.00 C 1952.00 V 14,810 I 30,590 -8

EMA(9) 2012.2 (18) 2040.3



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	1900	1923	1952	1995	2020

TRADE RECOMMENDATION:

Buy near Rs. 1950 with a target of Rs. 1970 and then Rs. 1980 with a strict stop loss at Rs. 1935. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000	-
	Gattah 1925	
Erode	Finger 2100-2200	5000
	Gattah 2100-2150	

BLACK PEPPER

SPOT MARKETS

Domestic black pepper market remains steady during Friday's trade. Arrivals were reported at 30 Mt with complete offtake of 30 Mt in Kochi market. Domestic pepper crop has delayed this season and likely to hit the market even beyond the earlier expected late December to early January. 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 at the start of the week. However, prices come under pressure on talks of an 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. However, prices may consolidate at the lower levels in short-term.

FUTURES MARKETS:

Black pepper futures at NCDEX opened higher than previous settlement and the most-active December contract traded mostly downwards thereafter to test an intraday low of Rs. 10355 at the early hours of trade. However, the futures retraced back again and tested an intraday high at Rs. 10716 during late hours. Most active December contract traded in the range of Rs. 10355-10716 during Friday'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. 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 steady opening and possibility of trend reversal. Stochastic is moving downwards in the normal region, hinting further downtrend. MACD is 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 as well as open interest remained lower as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady opening.

Pepper 0612(NCPEPZ6)2006/12/01 - Daily

O 10650.00 H 10715.00 L 10355.00 C 10605.00 V 11,293 I 9,784 -43

EMA(9) 10963 (18) 11025



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	10132	10360	10605	11045	11273

TRADE RECOMMENDATION:

Buy near Rs. 10500-10550 with a target at Rs. 10700 and then Rs. 10750 with a strict stop loss at Rs.10375. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10800	30
	Ungarbled	10200	

RED CHILLIES

SPOT MARKETS

Domestic red chillies market extended previous advances further during Friday's trade. It was offered in a higher range in Guntur owing to improved demand. Demand for better quality chilli continues to improve in the market. 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 remain firm in the coming days owing to its bullish fundamentals.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and most-active December contract tested an intraday low of Rs. 6782 at the opening session. Increased buying interest has supported the futures thereafter and the December contract surged up to test a fresh contract month high of Rs. 6979 during late hours of trading and finished in the positive territory. December contract traded in the range of Rs. 6782-6979 during Thursday'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 firm opening and initial uptrend. Stochastic are moving slightly upwards in the overbought region. MACD is moving slightly upwards 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 increased as compared to previous settlement. Red chillies futures are likely to trade upwards following a firm opening. However, a downward technical correction is expected in near future.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6691	6806	6955	7100	7199

TRADE RECOMMENDATION:

Buy near Rs. 6900-6910 targeting Rs. 6999 and then Rs. 7050 with a strict stop loss at Rs. 6825. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 6800-7600	10000
	LCA 334 (Bilty) 7800-8300	

JEERA (Cumin)

SPOT MARKETS

Domestic jeera market witnessed a stable sentiment during Friday'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 lower than previous settlement and the most-active December contract tested an intraday low of Rs. 8444 at the early hours of trade. The futures traded mostly upwards thereafter on moderate buying interest and December contract tested an intraday high of Rs. 8558 during late hours of trading. December contract traded in the range of Rs. 8444-8558 during Friday'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 firm opening and initial uptrend. 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 has increased, while open interest has declined. Jeera futures are likely to trade moderately upwards following a steady to firm opening.

JEERA 0612(NCJEEZ6)2006/12/01 - Daily

O 8490.00 H 8555.00 L 8445.00 C 8514.00 V 4,632 I 13,926 -1

EMA(9) 8547.6 (18) 8558.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	8361	8420	8514	8625	8679

TRADE RECOMMENDATION:

Buy near Rs. 8450-8475 with a target of Rs. 8550 and then Rs. 8600 with a strict stop loss of Rs. 8375. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1550-1700
	Ganesh	1735-1785
	Machine Cleaned	1845-1945

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