

SPICES DAILY

December 13, 2006

TURMERIC

SPOT MARKETS:

Domestic turmeric markets witnessed lacklustre trading activities on Tuesday. It was quoted in the previous price range in Nizamabad amidst slightly higher arrivals. Erode markets remain closed. 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 in the near future 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. 2048 at the early hours of trade. The futures traded on an average downwards thereafter on increased selling interest and tested an intraday low of Rs. 2025. The futures finished in the negative territory in final action. April contract traded in the range of Rs. 2025-2048 during Tuesday'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 steady to weak opening and initial downtrend. Stochastic are moving downwards in 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 has declined, while open interest has increased. Turmeric futures are likely to trade downwards following a steady to weak opening initially with possibility of some late upward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1970	1996	2029	2070	2096

TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2040 with a target of Rs. 2020 and then Rs. 2010 with a strict stop loss at Rs. 2055. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1950	700-800
	Gattah 1850	
Erode	Finger Closed	-
	Gattah Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper prices remained stable during Tuesday trade. It was quoted unchanged amidst arrival as well as offtake of 5 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 consolidation in coming few days.

FUTURES MARKETS:

Black pepper futures at NCDEX opened higher as compared to previous settlement and most-active January contract tested an intraday high of Rs. 10015 at the opening session. However, profit taking capped further advances and the futures traded mostly downwards thereafter to test an intraday low of Rs. 9676. Most active January contract traded in the range of Rs. 9676-10015 during Tuesday'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 initial downtrend. Stochastic has made a bullish crossover in the oversold region, hinting likely upward technical correction. MACD is moving flat 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 as compared to previous settlement. Black pepper futures are likely to trade moderately downwards initially following a steady to weak opening and upward thereafter.

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

O 9984.00 H 10010.00 L 9690.00 C 9796.00 V 13,275 I 11,779 -159

EMA(9) 10070 (18) 10438



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	9313	9519	9796	10343	10583

TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 9675-9700 with a target at Rs. 9850 and then Rs. 9875 with a strict stop loss at Rs.9575. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	9800	5
	Ungarbled	9200	

RED CHILLIES

SPOT MARKETS

Domestic red chillies market remains steady during Tuesday's trade. It was offered in previous price range in Guntur markets. 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. However, the fresh arrivals are limited in quantity and reported not to be of superior quality. 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 consolidation in the short-term.

FUTURES MARKETS:

Chilli futures at the NCDEX opened much higher than previous settlement and December contract tested an intraday low of Rs. 6485 at the opening session. Increased buying interest has supported the futures throughout the day. The futures surged up to breach the 4 percent upper circuit and tested an intraday high of Rs. 6774 during late hours. December contract traded in the range of Rs. 6485-6774 during Tuesday'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 firm opening and initial uptrend. Stochastic has made a bullish crossover and the %K-line has just entered the normal region, hinting an upward technical correction. MACD is also moving upwards in the positive territory. Prices closed above 9-day as well as 18-day EMA, supporting the short-term strength. Volume as well as open interest has declined as compared to previous settlement. Red chillies futures are likely to trade upwards following a firm opening with possibility of some downward movement later.

CHLL334GTR 0612(NCGTRZ6)2006/12/12 - Daily
O 6490.00 H 6766.00 L 6485.00 C 6707.00 V 19,785 I 15,685 +287
EMA(9) 6435.1 (18) 6341.6



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6439	6565	6707	6864	6990

TRADE RECOMMENDATION:

Buy NCDEX December Chilli near Rs. 6700 targeting Rs. 6800 and then Rs. 6850 with a strict stop loss at Rs. 6625. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 6000-6500	15000
	LCA 334 (Bilty) 6600-7100	

JEERA (Cumin)

SPOT MARKETS

Domestic jeera market maintains the previous stable sentiment during Tuesday'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 consolidation.

FUTURES MARKETS:

Jeera futures at the NCDEX opened lower than previous settlement and the most-active January contract tested an intraday low of Rs. 8352 at the early hours of trade. The futures traded mostly upward thereafter on moderate buying interest and tested an intraday high of Rs. 8435. The futures curbed most of the gains in late action and settled with some losses. January contract traded in the range of Rs. 8352-8435 during Tuesday'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. Likely 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 firm 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 has declined, while open interest has increased as compared to previous settlement. Jeera futures are likely to trade slightly downwards following a steady to weak opening with possibility of some upward movement thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8275	8316	8389.7	8494	8542

TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 8350 with a target of Rs. 8400 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	1500
	Ganesh	1600-1650	
	Machine Cleaned	1700-1750	

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