

## SPICES DAILY

December 04, 2006

### TURMERIC

#### SPOT MARKETS:

Domestic turmeric markets remains on an average steady during Saturday's trade. It was quoted mostly unchanged in Nizamabad markets amidst lacklustre trading activities. Erode markets remain closed on Saturday. 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 April contract tested an intraday low of Rs. 2065 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. 2125 before it finishes in the positive territory. April contract traded in the range of Rs. 2065-2125 during Saturday'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:

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 firm 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 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. Turmeric futures are likely to trade slightly downward following a steady to firm opening and upwards thereafter.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	2040	2062	2101	2135	2155

#### TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2075-2090 with a target of Rs. 2115 and then Rs. 2125 with a strict stop loss at Rs. 2050. Trade cautiously with intra day outlook.

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

## BLACK PEPPER

### SPOT MARKETS

Domestic black pepper market remains weak at the weekend. It was quoted lower by Rs. 100 per quintal amidst no arrivals as well as offtake in Kochi markets. 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.

### FUTURES MARKETS:

Black pepper futures at NCDEX opened lower than previous settlement and the most-active January contract tested a high of Rs. 10927 at the early hours of trade. The futures traded mostly downwards thereafter on increased selling interest and test a low of Rs. 10701 to finish with losses in final action. Most active January contract traded in the range of Rs. 10701-10927 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. 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 to weak opening and initial downtrend. Stochastic is moving downwards in the normal 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 as compared to previous settlement. Black pepper futures are likely to trade moderately downwards following a steady to weak opening with possibility of late upward movement.

Pepper 0701(NCPEPF7)2006/12/02 - Daily

O 10811.00 H 10927.00 L 10702.00 C 10745.00 V 6,396 I 9,988 -85

EMA(9) 11109 (18) 11208



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	10371	10580	10745	11150	11389

### TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 10650-10675 with a target at Rs. 10775 and then Rs. 10850 with a strict stop loss at Rs.10550. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	10700	-
	Ungarbled	10100	

## RED CHILLIES

### SPOT MARKETS

Domestic red chillies market in Guntur remains closed during Saturday's trade. Chilli prices remain firm in the recent past on 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 lower than previous settlement and most-active December contract tested an intraday high of Rs. 6948 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the December contract surged tested an intraday low of Rs. 6731 during late hours of trading and finished in the negative territory. December contract traded in the range of Rs. 6731-6948 during Saturday'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 steady to weak opening and initial uptrend. Stochastic are moving flat in the overbought region. MACD is also moving flat 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 declined as compared to previous settlement. Red chillies futures are likely to trade slightly upwards following a steady to firm opening initially and downwards thereafter.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6521	6624	6820	6979	7070

### TRADE RECOMMENDATION:

Sell NCDEX December Chilli near Rs. 6900-6950 targeting Rs. 6800 and then Rs. 6750 with a strict stop loss at Rs. 7050. 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 firm during Saturday's trade. It was quoted at a higher 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 January contract tested an intraday low of Rs. 8644 at the opening session. The futures traded upwards thereafter to test an intraday high of Rs. 8740 during early hours of trading. However, the futures remain mostly rangebound before it finishes with some gains in final action. January contract traded in the range of Rs. 8644-8740 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
3. Improving domestic demand at the lower price tags

#### Bearish:

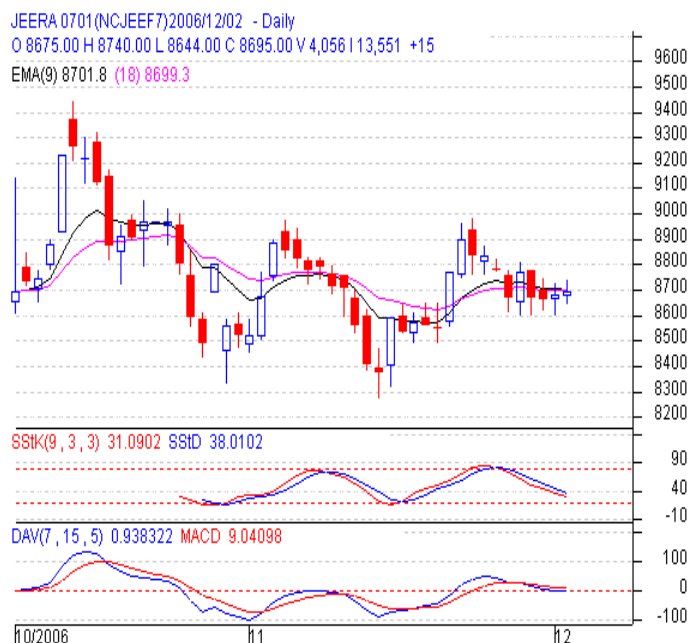
1. Sowing of jeera begins in the country
2. Comfortable stock position

### 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 just below 9-day as well as 18-day EMA, hinting slightly weak prices. Volume has declined, while open interest has increased. Jeera futures are likely to trade moderately upwards following a steady to firm opening.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8564	8623	8695	8771	8836

### TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 8650-8675 with a target of Rs. 8750 and then Rs. 8775 with a strict stop loss of Rs. 8590. Trade cautiously with intra day outlook.

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

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