

## SPICES DAILY

December 12, 2006

### TURMERIC

#### SPOT MARKETS:

Domestic turmeric markets remained bearish during Monday's trade. It was offered at a lower price range in Nizamabad as well as Erode markets amidst regular arrival and lacklustre demand. 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 higher than previous settlement and most-active April contract tested an intraday high of Rs. 2058 at the opening session. The futures traded on an average downwards thereafter on increased selling interest and tested an intraday low of Rs. 2026. The futures settled with some losses in late action. April contract traded in the range of Rs. 2026-2058 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:

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 slightly 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. Turmeric futures are likely to trade slightly downwards following a steady to weak opening initially and upward thereafter.

Turmeric 0704(NCTMCJ7)2006/12/11 - Daily

O 2048.00 H 2058.00 L 2026.00 C 2041.00 V 16,030 I 34,910 -5

EMA(9) 2076.1 (18) 2092.6



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1983	2010	2041	2079	2103

#### TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2025 with a target of Rs. 2050 and then Rs. 2055 with a strict stop loss at Rs. 2011. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 1950	500-700
	Gattah 1850	
Erode	Finger 2000-2050	3500-4000
	Gattah 2000-2050	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices retraced back again during Monday's trade. It was quoted higher by Rs. 100 per quintal 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 a low of Rs. 9513 at the early hours of trade. Increased buying interest at the lower price levels has supported the futures and the futures traded upwards thereafter to test a high of Rs. 9994 after breaching the 4 percent upper circuit level. Most active January contract traded in the range of Rs. 9513-9994 during Monday'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 firm opening and initial uptrend. Stochastic is about to make a bullish crossover in the oversold region, hinting likely upward technical correction. MACD is moving upwards in the negative territory. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of some late downward movement.

Pepper 0701(NCPEPF7)2006/12/11 - Daily

O 9589.00 H 9990.00 L 9513.00 C 9955.00 V 15,827 I 11,609 +384

EMA(9) 10135 (18) 10512



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	9333	9500	9955	10480	10686

### TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 9950-9975 with a target at Rs. 10100 and then Rs. 10200 with a strict stop loss at Rs.9825. 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 maintains the previous weakness during Monday's trade. It was offered in a lower 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 marginally lower than previous settlement and December contract tested an intraday low of Rs. 6163 at the early hours of trade. Increased buying interest at the lower price level supported the futures thereafter and the futures surged up to test an intraday high of Rs. 6450 during late hours. December contract traded in the range of Rs. 6163-6450 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. 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 are about to make a bullish crossover in the oversold region, hinting likely upward technical correction. MACD is also moving slightly upwards in the positive territory. Prices closed above 9-day as well as 18-day EMA, supporting the short-term strength. Volume has increased, while 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.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6186	6301	6420	6622	6726

### TRADE RECOMMENDATION:

Buy NCDEX December Chilli near Rs. 6375-6400 targeting Rs. 6475 and then Rs. 6525 with a strict stop loss at Rs. 6300. 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	20000
	LCA 334 (Bilty) 6600-7100	

## JEERA (Cumin)

### SPOT MARKETS

Domestic jeera market continues to remain steady at the previous price range during Monday'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 higher than previous settlement and the most-active January contract tested an intraday low of Rs. 8335 at the early hours of trade. The futures traded mostly upward thereafter on moderate buying interest and tested an intraday high of Rs. 8445. The futures curbed most of the gains in late action and settled with losses. January contract traded in the range of Rs. 8335-8445 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

#### 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 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	8370	8465	8512

### 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
	Ganesh	
	Machine Cleaned	
		1500-1550
		1600-1650
		1700-1750

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