

## SPICES DAILY

December 14, 2006

### TURMERIC

#### SPOT MARKETS:

Domestic turmeric markets remained steady to weak during Wednesday's trade. It was offered at a lower price in Nizamabad markets amidst higher arrivals. However, it was quoted steady in Erode markets despite higher arrivals. 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 slightly higher than previous settlement and most-active April contract tested an intraday low of Rs. 2015 at the early hours of trade. The futures traded on an average upwards thereafter to test an intraday high of Rs. 2035. However, the futures settled with losses in late selling pressure. April contract traded in the range of Rs. 2015-2035 during Wednesday'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 also 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 increased, while open interest has declined. 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	1965	1995	2021	2052	2079

#### TRADE RECOMMENDATION:

Sell NCDEX April Turmeric near Rs. 2035 with a target of Rs. 2015 and then Rs. 2005 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 1900	1000
	Gattah 1850	
Erode	Finger 2000-2050	6000-7000
	Gattah 2000-2050	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices maintained previous levels during Wednesday's trade. It was offered at a steady price amidst no arrival as well as offtake. 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 much lower as compared to previous settlement and most-active January contract traded on an average upwards thereafter to test an intraday high of Rs. 9890 at the early hours of trade. However, increased selling interest at the higher price levels capped further advances and the futures traded downwards thereafter to test an intraday low of Rs. 9725. Most active January contract traded in the range of Rs. 9725-9890 during Wednesday'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 downwards following a steady to weak opening with possibility of late upward movement.

Pepper 0701(NCPEPF7)2006/12/13 - Daily

O 9772.00 H 9890.00 L 9730.00 C 9755.00 V 7,324 I 11,823 -41

EMA(9) 10005 (18) 10365



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	9313	9519	9755	10068	10308

### TRADE RECOMMENDATION:

Sell NCDEX January Pepper near Rs. 9775-9800 with a target at Rs. 9700 and then Rs. 9650 with a strict stop loss at Rs.9875. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Domestic red chillies market remains steady to slightly firm during Wednesday's trade. It was quoted in a higher range in Guntur markets amidst lower arrivals. 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 higher than previous settlement and December contract tested an intraday low of Rs. 6625 at the early hours of trade. Increased buying interest has supported the futures throughout the day. The futures surged up to test an intraday high of Rs. 6924. Profit taking curbed some gains, but the futures finished with gains. December contract traded in the range of Rs. 6625-6924 during Wednesday'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 steady to firm opening and initial uptrend. Stochastic are moving upwards in the normal region, hinting further uptrend. 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 has increased, while open interest has declined as compared to previous settlement. Red chillies futures are likely to trade upwards following a steady to firm opening with possibility of some downward movement later.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6485	6599	6835	6979	7082

### TRADE RECOMMENDATION:

Buy NCDEX December Chilli near Rs. 6775 targeting Rs. 6875 and then Rs. 6925 with a strict stop loss at Rs. 6700. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) (NCDEX quality) 5800-6600	10000
	LCA 334 (Bilty) 6400-7200	

## JEERA (Cumin)

### SPOT MARKETS

Domestic jeera market firmed up once again during Wednesday's trade. It was quoted higher by Rs. 1 per kg in Unjha markets. Arrivals were lower, while offtake remain steady. 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. 8399 at the opening session. The futures traded mostly upward thereafter on increased buying interest and tested an intraday high of Rs. 8515. The futures curbed some of the gains in late action, but settled with gains. January contract traded in the range of Rs. 8399-8515 during Wednesday'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 opening and initial downtrend. Stochastic is moving flat in the oversold region. MACD is moving slightly upwards 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 opening and upward thereafter.

JEERA 0701(NCJEEF7)2006/12/13 - Daily

O 8399.00 H 8515.00 L 8399.00 C 8450.00 V 6,672 I 14,451 +60.3

EMA(9) 8464.7 (18) 8534.3



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8275	8352	8450	8554	8631

### TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 8400-8425 with a target of Rs. 8475 and then Rs. 8500 with a strict stop loss of Rs. 8350. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1520-1570
	Ganesh	1620-1670
	Machine Cleaned	1720-1770

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