

SPICES DAILY

December 15, 2006

TURMERIC

SPOT MARKETS:

Domestic turmeric markets remained mostly closed on Thursday. It was offered at an unchanged price in Delhi markets. 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 low of Rs. 2012 at the early hours of trade. The futures traded on an average upwards thereafter on increased buying interest at the lower price levels to test an intraday high of Rs. 2048. The futures settled near day's high in final action. April contract traded in the range of Rs. 2012-2048 during Thursday'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 firm opening and initial uptrend. Stochastic are moving downwards in the oversold region, hinting further downtrend. 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 increased, while open interest has declined. Turmeric futures are likely to trade upwards following a steady to firm opening with possibility of some late downward movement.

Turmeric 0704(NCTMCJ7)2006/12/14 - Daily

O 2020.00 H 2048.00 L 2013.00 C 2046.00 V 18,070 I 32,980 +22

EMA(9) 2056.1 (18) 2076.2



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX April	1975	2002	2046	2073	2097

TRADE RECOMMENDATION:

Buy NCDEX April Turmeric near Rs. 2045 with a target of Rs. 2060 and then Rs. 2065 with a strict stop loss at Rs. 2035. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper prices maintained previous steadiness during Thursday's trade. It was quoted at an unchanged price amidst higher arrival as well as offtake of 30 Mt. 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 tested a low of Rs. 9733 at the opening session. However, increased buying interest at the lower price levels supported the futures thereafter and the futures traded upwards to test a high of Rs. 10035. Most active January contract traded in the range of Rs. 9733-10035 during Thursday'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 firm opening and initial uptrend. Stochastic are moving upwards and the %K-line has just entered the normal region, hinting further uptrend. 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 as well as open interest has increased as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady to firm opening with possibility of late downward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	9494	9691	9938	10259	10412

TRADE RECOMMENDATION:

Buy NCDEX January Pepper near Rs. 9850-9900 with a target at Rs. 10050 and then Rs. 10150 with a strict stop loss at Rs.9700. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Tonnes)
Kochi	Garbled	9800	30
	Ungarbled	9200	

RED CHILLIES

SPOT MARKETS

Domestic red chillies maintained previous price levels during Thursday's trade. It was quoted in an unchanged price range in Guntur markets amidst steady 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 lower than previous settlement and December contract tested an intraday low of Rs. 6825 at the early hours of trade. Increased buying interest has supported the futures throughout the day. The futures surged up to test a fresh contract high of Rs. 7024. Profit taking curbed some gains, but the futures finished with gains. December contract traded in the range of Rs. 6825-7024 during Thursday'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 well 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 steady to firm opening with possibility of some downward movement later.

CHLL334GTR 0612(NCGTRZ6)2006/12/14 - Daily

O 6868.00 H 7020.00 L 6825.00 C 6979.00 V 22,630 I 14,685 +94

EMA(9) 6615.8 (18) 6459.9



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX December	6704	6832	6979	7101	7207

TRADE RECOMMENDATION:

No recommendation for intraday trading in near-month contract. Avoid taking fresh intraday positions in far month contracts as well.

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

JEERA (Cumin)

SPOT MARKETS

Domestic jeera market remained firm during Thursday's trade. It was offered higher by Rs. 1 per kg in Unjha markets. Arrivals were steady, while offtake was higher. 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. 8460 at the opening session. The futures traded mostly upward thereafter on increased buying interest and tested an intraday high of Rs. 8555. The futures curbed some of the gains in late action, but settled with gains. January contract traded in the range of Rs. 8460-8555 during Thursday'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 upwards and the %K-line has just entered the normal region. MACD is moving upwards in the negative territory. Prices closed above 9-day EMA, hinting short-term strength in 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 opening and upward thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX January	8381	8435	8515	8601	8655

TRADE RECOMMENDATION:

Buy NCDEX January Jeera near Rs. 8480-8500 with a target of Rs. 8575 and then Rs. 8600 with a strict stop loss of Rs. 8420. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1540-1590
	Ganesh	1640-1690
	Machine Cleaned	1740-1790

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