

21 July 2009

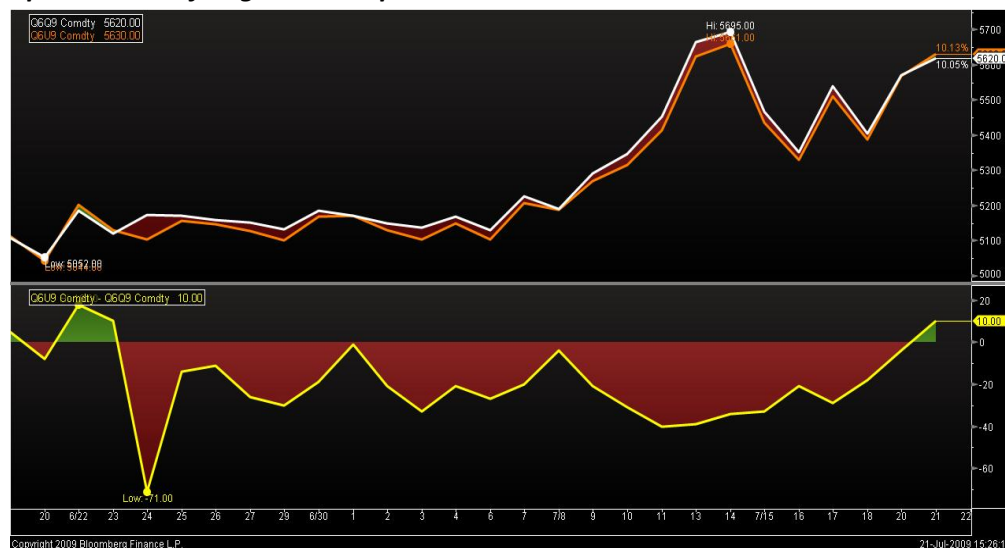
TURMERIC-NCDEX: Bull - Spread Strategy

The current difference between August and September is around +10. The difference is likely to increase to Rs 90-100.

Trading strategy:

TURMERIC-NCDEX: Buy Sep & Sell Aug- PAYOFF MATRIX					
Lots	Current diff	Target- 1	SL	Profit	Loss
1st	5	90	-50	8500	-5500
2nd	-5	90	-50	9500	-4500
Pay off			Total	18000	-10000

Spread chart of August and September



WHY? Turmeric futures August and September contracts are trading in backwardation. But, we are expecting it to come in contango as the long term fundamentals for turmeric are bullish. Turmeric spot rates have gained from Rs 5350 per Kg to Rs 6050 per Kg at Nizamabad in one month. Emergence of export demand from Dubai and Pakistan and gain in domestic demand near the festival season are the other supporting factors. Turmeric carry forwards stocks are less. Although the acreage under the crop has gone upto 20 percent to 1, 20,000 hectares but fresh arrivals will come to market from next year in the month of February- March.

Note: While taking position in spread contract, the initial margin will be charged on both the contracts, but the next day the margin charged will be for one contract of higher value only.

To unsubscribe please mail us at commodity@karvy.com

Disclaimer

The report contains the opinions of the author, which are not to be construed as investment advice. The author, directors and other employees of Karvy and its affiliates cannot be held responsible for the accuracy of the information presented herein or for the results of the positions taken based on the opinions expressed above. The above mentioned opinions are based on the information which is believed to be accurate and no assurance can be given for the accuracy of this information. There is risk of loss in trading in derivatives. The author, directors and other employees of Karvy and its affiliates cannot be held responsible for any losses in trading.

Commodity derivatives trading involve substantial risk. The valuation of underlying may fluctuate, and as a result, clients may lose entire of their original investment. In no event should the content of this research report be construed as an express or an implied promise, guarantee or implication by or from Karvy Comtrade that you will profit or that losses can or will be limited in any manner whatsoever. Past results are no indication of future performance. Information provided on this report is intended solely for informative purposes and is obtained from sources believed to be reliable. Information is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted.

We do not offer any sort of portfolio advisory, portfolio management or investment advisory services. The reports are only for information purpose and not to be construed as investment advices.

For Detailed disclaimer please go to following URL's:

<http://www.karvycomtrade.com/disclaimer.asp>

<http://www.karvycomtrade.com/riskDisclaimer.asp>