

SPICES DAILY

May 20, 2006

TURMERIC

SPOT MARKETS

Major Turmeric markets of Nizamabad and Erode remained closed today. The prices at most of the markets are increasing due to high demand and less supply. Inflow of turmeric is decreasing in most of the markets. The sowing of turmeric has begun in Mysore. In Erode market traders are buying in anticipation of price rise in future. Traders are expecting exports to increase in coming days. Monday market might see greater arrivals and turmeric prices might show a slight fall due to this.

FUTURES MARKETS:

NCDEX June Turmeric contract opened below previous trading days close and thereafter recovered but could not sustain at higher levels and settled near days opening price at Rs. 2585 a quintal.

PRICE DRIVERS:

Bullish:

1. Harvesting almost complete in Andhra Pradesh.
2. High demand from traders ahead of rainy season.
3. Rains might disrupt the supply chain

Bearish:

1. Less consumption in markets of north India due to summer season.

Weather

Rain/thundershowers are likely at most places at many places over north coastal Andhra Pradesh; at a few places over Kerala and south Tamil Nadu and at isolated places over the rest region. Rains might prove beneficial for sowing of crop in Andhra Pradesh.

TECHNICALS

Candlesticks are indicating bearish sentiments. Oscillators are showing bullishness and short-term moving averages are indicating prices might decline. Momentum indicator is indicating prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2521	2484	2630	2674

TRADE RECOMMENDATION:

Sell below 2565 with target of 2535 and then 2500 with a strict stop loss at 2586. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market remained steady today on no fresh demand and arrivals in the market. The exporters are not buying Indian pepper as its prices lacks competitiveness against Vietnam and other pepper exporting nations. Rise in prices by Vietnam is also not helping the prices to change colour. The prices of pepper are likely to remain range bound with bearish undertone until any strong news comes to propel it.

FUTURES MARKETS:

Black pepper prices at NCDEX June futures opened firm. The prices remained volatile with bearish bias and ended low at Rs. 6910. The contract showed a movement of Rs. 140 during the trading session. The volumes traded were less in numbers due to few trading hours being Saturday today.

PRICE DRIVERS:

Bullish:

1. Karnataka crop harvesting complete
2. Vietnam harvesting about to end
3. Vietnam increases price of its pepper

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. No overseas demand
3. Failure of Auction by Markfed

Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Island; at a few places over Kerala and south Tamil Nadu and at isolated places over the rest region. Weather is not a factor as harvesting in Karnataka has come to end.

TECHNICALS

Candlesticks are indicating indecision. Stochastic shows prices are in neutral region. The Short term moving averages are indicating prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6871	6801	7033	7150

TRADE RECOMMENDATION:

Sell below 6960 with target of 6882 with a strict stop loss at 7018. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 6650	Nil
	Ungarbled 7050	Nil

RED CHILLIES

SPOT MARKETS

In Warangal market Red chilli continued to trade at steady prices on reduced arrivals and steady demand. Red chilli market at Guntur remained closed due to annual summer vacations in the market. The market will remain closed up to June 06. Guntur cold storage has a stock of around 40lakh bags of chilli of 40 Kgs each. The prices of chilli at other trading and producing centres might remain firm due to shift in demand. Chilli prices might continue to trade firm on reducing arrivals, and increase in demand in coming few days.

FUTURES MARKETS:

Chilli June contract at NCDEX opened below previous close and then tried to recover but could not sustain that level and finally ended low at Rs. 5448. The prices remained between Rs. 5418 - 5570 a quintal.

PRICE DRIVERS:

Bullish:

1. Market closed upto June 6 th
2. Harvesting almost complete
3. High local consumption
4. Scarce arrivals
5. Expected improvement in demand

Bearish:

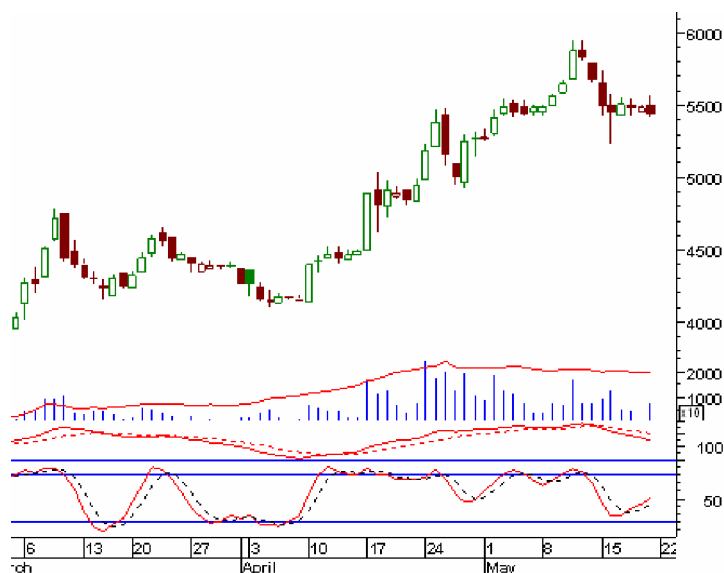
6. Bengal crop meager arrivals

Weather

Rain/thundershowers are likely at most places at many places over north coastal Andhra Pradesh; at a few places over Kerala and south Tamil Nadu Rains over these regions might affect the crop kept for drying by the farmers. However as Guntur the major red chilli market is closed the loss might be minimal.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic Oscillator is indicating prices are in neutral region. MACD is in positive zone. Short - term moving averages are indicating that prices might decline. The contract might trade bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	5388	5274	5561	5684

TRADE RECOMMENDATION:

Sell below 5420 with a target of 5362 with a strict stop loss at 5458. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334	Closed	NIL
Warangal	LCA 334 (loose)	3800-4700	2000

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market recovered today. The market again saw steady arrivals and off take was equal to the inflow. The farmers are holding the commodity in anticipation of cashing in greater returns by selling at increased prices in future. The market is expecting some demand might come from Egypt. There are bright chances of increase in Indian exports this year therefore the prices are likely to remain firm in the long term, however due to slightly less domestic demand, decreasing arrivals the prices might remain steady to range bound and thereafter recover.

FUTURES MARKETS:

NCDEX Jeera June contract continued to trade firm today following yesterday's bullish sentiments. The contract opened firm and traded volatile during the day only to end at Rs. 6844 that is near the days opening price.

PRICE DRIVERS:

Bullish:

1. Better export prospects
2. Reduced arrivals
3. Expectation of less crop in other major producing nations
4. Market expects high export demand

Bearish:

1. Mango season
2. Less consumption in North India
3. Demand reducing from Traders side

Weather

Isolated dust storm/thunderstorm may occur over Rajasthan and rain/thundershowers likely over south Madhya Maharashtra and Marathwada and Mainly dry weather over the rest region. Harvesting is complete in Gujarat and Rajasthan and weather is not a matter of concern at present.

TECHNICALS

Candlesticks are indicating indecision and oscillators indicating prices might recover. Short term moving averages are indicating bullish sentiments. The contract might see volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6794	6701	6979	7064

TRADE RECOMMENDATION:

Buy above 6876 with a target at 6950 and then 6975 with a strict stop loss at 6800. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1270 - 1370	8000
	Ganesh 1320 - 1420	
	Machine Cleaned 1420 - 1570	

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