

SPICES DAILY

May 20, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the primary markets continued to remain firm. Nizamabad market saw very thin arrivals today due to heavy rains last night. The prices recovered on high demand coupled with less supply. Sowing of turmeric crop has already started in Mysore. According to trading sources heavy rainfall would help in sowing activities. The demand for gattah grade in Nizamabad market is high and buyers from Uttar Pradesh and M.P. are purchasing. In Erode market traders are buying however market still lacks the interest of stockists at prevailing prices. Traders are buying in anticipation of price rise in future due to decrease in stock later. Similar price rise was seen in Warangal, and Duggirala markets. Traders are expecting some export demand from Srilanka can be seen in coming days. Turmeric prices might increase due to reduced arrivals and high demand in coming days.

FUTURES MARKETS:

NCDEX June Turmeric contract opened firm as against previous trading days close and thereafter declined continuously on profit booking. June contract saw a price movement of Rs. 100 during the day and traded lowest at Rs. 2545 per quintal. The days trading ended in red at Rs. 2577 a quintal.

PRICE DRIVERS:

Bullish:

1. Harvesting almost complete in Andhra Pradesh.
2. High demand from traders ahead of rainy season.
3. Rains may 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 over Andaman & Nicobar Island; at many places over Kerala, Lakshadweep and south Tamil Nadu; at a few places over Coastal & South Interior Karnataka and isolated 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 improve.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2533	2496	2629	2675

TRADE RECOMMENDATION:

Buy above 2550 with target of 2595 and then 2610 with a strict stop loss at 2518. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000- 2150	2500
	Gattah 1950 - 2050	
Erode	Finger 2550- 2625	7000 - 8000
	Gattah 2500 - 2525	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market recovered today on some buying interest at prevailing prices. The market saw arrivals of one MT and off take was of similar quantity. The exporters are not buying as Indian pepper prices lacks competitiveness against Vietnam even though Vietnam has increased its price slightly. The prices of pepper are likely to remain range bound until any strong news comes to propel it.

FUTURES MARKETS:

Black pepper prices at NCDEX June futures opened below previous days close. Thereafter the prices recovered due to May contracts expiry and in anticipation of rise in prices in June contract in future. The days trading ended firm at Rs. 6990 after making a high of Rs. 6997 during the days trading session.

PRICE DRIVERS:

Bullish:

1. Possibility to put Cap on imports from Srilanka
2. Karnataka crop harvesting complete
3. Vietnam harvesting about to end
4. 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 Kerala, Lakshadweep and south Tamil Nadu; at a few places over Coastal & South Interior Karnataka Weather is not a factor as harvesting in Karnataka has come to end.

TECHNICALS

Candlesticks are indicating bullish sentiments. Oscillators are showing the prices have entered oversold region and stochastic shows a bullish crossover. Short term moving averages are indicating prices might recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6873	6801	7079	7181

TRADE RECOMMENDATION:

Buy above 7020 with target of 7075 with a strict stop loss at 6982.
Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 6650	1
	Ungarbled 7050	1

RED CHILLIES

SPOT MARKETS

Red chilli in Warangal market traded at steady prices today 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 40 lakh 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 after yesterday's indecision opened below previous close and then recovered only to end firm at Rs. 5495. The prices remained between Rs. 5452 - 5506 a quintal. The market is repeatedly testing the major support of 5425 level.

PRICE DRIVERS:

Bullish:

1. Market closed for 21 days
2. Harvesting almost complete
3. High local consumption
4. Reduced Inflow
5. Expected improvement in demand

Bearish:

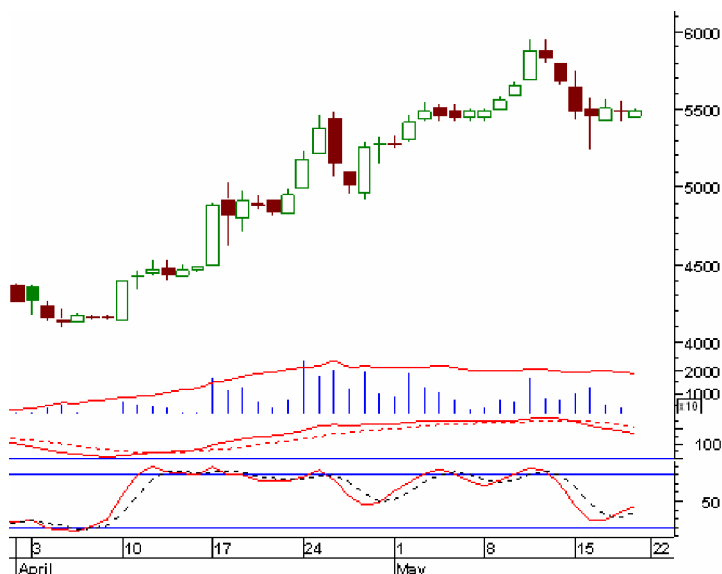
6. Bengal crop scarce arrivals

Weather

Rain/thundershowers are likely at most places over south Tamil Nadu; at a few places over Coastal & South Interior Karnataka and isolated over the rest region. 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 bullish sentiments. Oscillators are indicating recovery in prices. MACD is in positive zone. The contract might trade firm and show volatile price movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	5425	5331	5561	5652

TRADE RECOMMENDATION:

Buy above 5475 with a target of 5560 and then 5585 with a strict stop loss at 5415. 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 - 2500

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market remained steady to range bound today. The market again saw fewer arrivals. Market sources revealed the domestic demand might decline slightly due to Mango season and summer season. The farmers are not willing to sell at current prices and holding in anticipation of price rise in future. The market is expecting some demand might come from Egypt. Also, the surplus with the other producing countries is not large and their crop expectation is less this year thus providing good chances for the Indian exports. 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 recovered today after witnessing yesterday's reaction day. The contract got direction from spot market advices. The contract opened firm and traded firm throughout the day and was highest at Rs. 6890 and declined slightly only to settle at Rs. 6845.

PRICE DRIVERS:

Bullish:

1. Better export prospects
2. Reduced arrivals
3. Market expecting export demand to come in few days

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. Harvesting is complete in Gujarat and Rajasthan and weather is not a matter of concern at present.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6744	6644	6937	6980

TRADE RECOMMENDATION:

Buy above 6820 with a target at 6895 and then 6935 with a strict stop loss at 6770. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags)
Unjha	F.A.Q	1250 - 1350	7000 - 8000
	Ganesh	1300 - 1400	
	Machine Cleaned	1400 - 1550	

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