

## SPICES DAILY

May 23rd, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices remained steady in Nizamabad market and declined at Erode market. The arrivals in almost all the major markets are decreasing and the demand for turmeric is moderate and will decrease from pickle making industry. However, in coming days due to arrival of monsoon the demand for turmeric might decline. The sowing of turmeric has begun in Karnataka (Mysore), TamilNadu and Andhra Pradesh. Harvesting is complete in Andhra Pradesh and Tamil Nadu. The Sangli crop harvesting is about to get over. Traders believe the demand for turmeric might decline in coming days with onset of monsoon. With decreasing arrivals and moderate demand the prices might remain range bound in coming days.

#### FUTURES MARKETS:

NCDEX June Turmeric contract opened above previous trading days close and thereafter declined and improved in the late trading hours and settled above previous days close at Rs. 2590 per quintal. During the session prices hovered between Rs. 2552 - 2622 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 a few places over south Tamil Nadu, South Madhya Maharashtra and Kerala and at isolated places over the rest region of South India outside North Interior Karnataka and Andhra Pradesh where mainly dry weather is likely. Rains in turmeric growing regions might prove beneficial for sowing the crop.

#### TECHNICALS

Candlesticks are indicating indecision. Oscillators are turning flat and short-term moving averages are indicating prices might recover. Momentum indicator is indicating prices might decline. The contract might open firm and then decline.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2546	2496	2630	2674

#### TRADE RECOMMENDATION:

Sell below 2578 with target of 2548 with a strict stop loss at 2598. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2025 - 2175	4000
	Gattah 1975 - 2080	
Erode	Finger 2500 - 2550	7000
	Gattah 2450 - 2500	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market remained slightly firm today on slightly improved domestic demand and arrivals in the market were of 21 MT's. The off take was of similar quantity. The Indian Government in its FTA has announced to impose tariff rate quota on import of pepper in the country from some Asean nations from January/ 07. The market is expecting to see some fresh demand as Indian prices have become competitive in world market. The prices of pepper are likely to remain range bound.

### FUTURES MARKETS:

Black pepper prices at NCDEX June futures opened firm as against yesterdays close. The prices declined thereafter to make a low of 6855 and then recovered slightly to settle in red at Rs. 6916 a quintal. The prices hovered between Rs. 6855 - 6995 per quintal.

### PRICE DRIVERS:

Bullish:

1. Karnataka crop harvesting complete
2. Expectation of demand from grinders before monsoon
3. Government announces TRQ's on import of 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 many places over Andaman & Nicobar Island; at a few places over Kerala and at isolated places over the rest region outside North Interior Karnataka. Weather is not a factor as harvesting in Karnataka has come to end.

### TECHNICALS

Candlesticks are indicating bearish sentiments. 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	6860	6755	6994	7080

### TRADE RECOMMENDATION:

Sell below 6915 with target of 6872 and then 6840 with a strict stop loss at 6945. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7100	21
	Ungarbled 6700	21

## RED CHILLIES

### SPOT MARKETS

In Warangal market Red chilli continued to trade at steady prices on same 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. Chilli prices might continue to trade range bound to slightly firm due to reducing arrivals, and moderate demand in coming few days.

### FUTURES MARKETS:

Chilli June contract at NCDEX opened below previous days close and traded bearish throughout the day on active participation of sellers in the market. The contract opened at Rs. 5410 a quintal and fell to Rs. 5260 and then improved only to settle bearish at Rs. 5327 per quintal.

### PRICE DRIVERS:

#### Bullish:

1. Market closed upto June 6 th
2. Harvesting almost complete
3. Moderate Local demand and demand from other states
4. Scarce arrivals

#### Bearish:

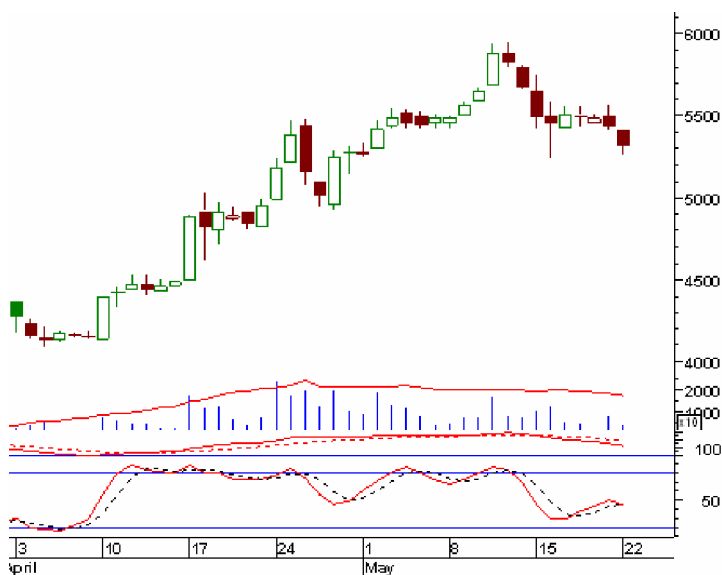
5. Bengal crop meager arrivals

### Weather

Rain/thundershowers are likely at a few places over south Tamil Nadu at isolated places over outside Andhra Pradesh where mainly dry weather is likely. Rains over Red Chilli growing 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 has made bearish crossover. 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	5251	5101	5447	5587

### TRADE RECOMMENDATION:

Sell below 5325 with a target of 5278 and then 5252 with a strict stop loss at 5360. 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 declined today on slightly greater arrivals. The off take however was high and most of the commodity got sold. As per trading sources demand is from European countries and Gulf countries. The domestic demand at present is slightly less due to Mango crop arrivals and summer season. The farmers are holding the commodity in anticipation of cashing in greater returns by selling at increased prices in future. 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 range bound with bearish bias and thereafter recover.

### FUTURES MARKETS:

NCDEX Jeera June contract traded bearish today after yesterday's indecision. The contract opened below previous day's close and traded low throughout the session. The prices declined to Rs. 6570.20 a quintal and recovered only to end at Rs. 6663.30 per quintal.

### PRICE DRIVERS:

#### Bullish:

1. Better export prospects
2. Reducing 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/thunder-storm may occur over Rajasthan and isolated 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 bearish sentiments and oscillators indicating prices are in neutral region. MACD has made bearish crossover. Short term moving averages are indicating bearish sentiments. The prices might continue to decline.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6520	6426	6796	6937

### TRADE RECOMMENDATION:

Sell below 6660 with a target at 6555 with a strict stop loss at 6725. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags)
Unjha	F.A.Q	1350 - 1400	8000 - 10000
	Ganesh	1310 - 1450	
	Machine Cleaned	1420 - 1550	

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