

## SPICES DAILY

June 01, 2006

### TURMERIC

#### SPOT MARKETS

Sentiments remained weak in turmeric markets. Arrivals though have reduced in major mandis like Cuddappa, Sangli, Erode, Nanded etc, demand for the same has also not been very aggressive. Arrivals of turmeric in Nizamabad mandi totalled at 3000 bags and in Erode at 5000 bags. Early onset of monsoon has facilitated the early sowing in turmeric markets. As per sources, sowing of turmeric in AP has been done in more than 50% of the total intended area. Since, prices of the turmeric are good, traders are expecting increase in acreage by approx 25% under turmeric in major producing states. Though demand in immediate is sluggish, traders are expecting emergence of demand from export front in coming months.

#### FUTURES MARKETS:

Opening of turmeric June futures was weak, but futures soon entered in to positive zone. Contracts touched high for today with in first hour. Futures moved in zigzag fashion later in the remaining session, but managed to stay in positive territory. June contract ended up 12 points at 2349.

#### PRICE DRIVERS:

##### Bullish:

1. Harvesting almost complete in Andhra Pradesh.
2. Rains affecting arrivals

##### Bearish:

3. Expectation of rise in acreage

#### Weather

Rain/thundershowers are likely at most places over Coastal Karnataka; at many places over Interior Karnataka and at a few places over the region outside Andhra Pradesh. Rains in turmeric growing regions might prove beneficial for sowing the crop.

#### TECHNICALS

Markets were less volatile today compared to previous session. White candlestick body formed 'short day' pattern and relatively big upper shadow shows limited upside potential Stochastic oscillator is still in oversold zone, but there is no signal to confirm reversal in trend. MACD is in negative zone and dipping further downward.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2325	2302	2377	2406

#### TRADE RECOMMENDATION:

Sell near 2345 with target of 2320 with a strict stop loss at 2360. Trade cautiously with intra day outlook.

Centers	Prices/Otts.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000 - 2100	3000
	Gattah 2000 - 2100	
Erode	Finger 2450	5000
	Gattah 2450	

## BLACK PEPPER

### SPOT MARKETS

Pepper markets continued to see lacklustre trading. According to traders, stock of pepper is good in accredited warehouses of NCDEX. Demand for the same is sluggish in both domestic and international markets. Since, the prices of pepper in Vietnam are rising gradually, we may see some diversion of importers towards India. According to traders, our produce commands premium for its superior quality compared to pepper from other exporting nations like Brazil, Vietnam etc.

### FUTURES MARKETS:

Pepper June contract opened firm versus yesterday closing, but set out moving downward soon after opening. Futures dipped into negative territory within 15 minutes, but did not stay there for long. Futures bottomed out by 10.25 hrs and sprang up soon turning green. Futures remained in positive zone during most of the remaining session. June contract eventually ended the day up 52 points at 6544.

### PRICE DRIVERS:

#### Bullish:

1. Low crop expectation of Indonesia and Brazil.
2. Rising prices of Vietnam Pepper

#### Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. No overseas demand in immediate

### Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka; at many places over Interior Karnataka and at a few places over the region outside Andhra Pradesh. Weather is not a major factor as harvesting in Karnataka has come to end.

### TECHNICALS

'Spinning top' formation by candlestick body shows little price action. Big shadows on either side reflect lacking conviction in the market. Prices closed below both the 9-days and 18-days EMA. %K line is in oversold zone, but there is no sign of reversal in trend. MACD is in negative territory and moving further downward.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6463	6382	6612	6680

### TRADE RECOMMENDATION:

Buy near 6545 with target of 6610 and then 6650 with a strict stop loss at 6600. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 6900	Nil
	Ungarbled 6500	Nil

## RED CHILLIES

### SPOT MARKETS

Red chilli markets continued to see weak trend. Demand for the same is low in domestic markets. Rains have affected the arrivals in Southern States. According to traders, people are unnecessarily worried about rains and do not see any kind of haste by farmers for sowing chilli crop. Further, prices are not very lucrative for chilli this year and farmers will be keener in other profitable crops like turmeric, groundnut, moong etc there in south. Stock of the chilli at present is good against immediate requirement. Harvesting of Sundari is in progress in West Bengal, which traders say will last with in 15 days. According to traders, size of this crop should not be more than one lakh bags.

### FUTURES MARKETS:

Chilli June contract opened weak and bottomed out with in 15 minutes after opening of the session. Futures though entered in to positive zone, but stayed there for a very brief period. June contract eventually ended the day off 45 points at 5125.

### PRICE DRIVERS:

#### Bullish:

1. Market closed upto June 6 th
2. Scarce arrivals in Andhra market
3. Rumor of expected demand from international markets

#### Bearish:

4. Bengal crop harvesting in progress

### Weather

Rain/thundershowers are likely at South Interior Karnataka, Andhra Pradesh and with isolated squall are likely at many places over Gangetic West Bengal and Jharkhand. 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

Candlestick body has formed 'doji star', which reflects indecisiveness in the market. Prices closed below both the 9-days and 18-days EMA. Stochastic oscillator has just made bearish crossover with %d line and is falling further downward. MACD also is in negative zone, but running above its trend line.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	5071	5016	5189	5252

### TRADE RECOMMENDATION:

Buy above 5115 with a target of 5180 with a strict stop loss at 5085. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334	Closed	NIL
Varangal	LCA 334 (loose)	3800-4500	2000

## JEERA (Cumin)

### SPOT MARKETS

Arrivals of Cumin in Unjha totalled at 7000 bags. Off take of the same today was reported at 5000 bags. Sentiments remained weak due to subdued demand in the physical markets. Traders credit reports of rains in some areas of Turkey for its demand in recent. Buyers however, soon have turned silent, which suggest that situation is not that concerning. Crop is in its last stage of maturity in Turkey and Syria. Recent rains rather had beneficial impact on the crop. Acreage under cumin in these countries is expected to decline by 20% this year. And its harvest in these nations is likely to start by 15<sup>th</sup> July. These nations compete with our cumin export in middle-eastern countries.

### FUTURES MARKETS:

Cumin June futures opened red gapping high versus yesterday closing, but set out improving swiftly to enter into positive zone. Futures saw its top with in first 45 minutes. This upside momentum did not last for long. Futures held up in negative zone for most of the time in remaining session.

### PRICE DRIVERS:

#### Bullish:

1. Reducing arrivals
2. Expectation of less crop in other major producing nations

#### Bearish:

1. Sluggish demand from Traders side

**Weather** Rain/thundershowers are likely at most places over south Madhya Maharashtra; at many places over north Madhya Maharashtra and south Gujarat Region; at a few places over Marathawada and rest of Gujarat and isolated over the rest region Harvesting is complete in Gujarat and Rajasthan and weather is not a matter of concern at present.

### TECHNICALS

Dark Candlestick body has formed 'short day' pattern. 'Spinning top' formation by candlestick body reflects state of indecision in the market. Both 9-days and 18-days EMA remained above price line. MACD has made centerline crossover and still have southwardly slant. Stochastic oscillator is tilting downward, but is in oversold zone.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6194	6127	6338	6415

### TRADE RECOMMENDATION:

Sell below 6265 with a target at 6200 with a strict stop loss at 6300. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1330 - 1430	5000 - 6000
	Ganesh 1330 - 1470	
	Machine Cleaned 1430 - 1570	

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