

SPICES DAILY

TURMERIC

May 16, 2006

SPOT MARKETS

The prices of Turmeric declined today at almost all the major markets. The arrivals of turmeric at most of the markets are decreasing and the demand for turmeric is high. In Erode market buyers are from Calcutta, Uttar Pradesh and Bihar. Also traders are expecting some export demand from Srilanka might be seen by next week. The demand is high at Nizamabad market and local traders are buying at current prices. The prices might improve in coming days on high demand and reducing supply.

FUTURES MARKETS:

Turmeric at NCDEX June contract traded bearish on technical correction. The contract opened firm and recovery was seen initially and thereafter the sellers came active to finally settle in red at Rs. 2593 per quintal.

PRICE DRIVERS:

Bullish:

1. Harvesting near completion in Andhra Pradesh.
2. High demand from both domestic and international markets.

Weather

Weather is dry in Andhra Pradesh, Vidarbha and north Madhya Maharashtra where heat wave to severe heat wave conditions is prevailing, and is suitable for harvesting and drying of turmeric.

TECHNICALS

Candlesticks are indicating bearish sentiments. Oscillators are bearish and short term moving averages are indicating decline in prices to continue.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2549	2523	2630	2660

TRADE RECOMMENDATION:

SELL below 2590 with target of 2570 with a strict stop loss at 2602. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1950 - 2100	7000
	Gattah	1900 - 1950	
Erode	Finger	2600	12000
	Gattah	2450	

BLACK PEPPER

SPOT MARKETS

Black pepper market at Kochi did not witness any major activity as market did not get any fresh arrivals. Also off take was nil and the prices remained steady for most of the grades. The market seems to be waiting for some fresh news to react.

FUTURES MARKETS:

Black pepper prices at NCDEX futures market traded bearish ahead of expiry of May futures contract. June contract jumped to open gap up at Rs. 7180 per quintal as against previous close of 7071 per quintal and thereafter it traded bearish to settle at Rs. 6993 per quintal.

PRICE DRIVERS:

Bullish:

1. possibility to put Cap on imports from Srilanka

Bearish:

1. Vietnam and Karnataka crop harvesting
2. Futures exchanges have hefty stock of inferior quality of pepper.
3. No overseas demand

Weather

Weather in Karnataka is suitable for harvesting as most of it is near completion.

TECHNICALS

Candle sticks and oscillators are indicating bearish sentiments. Short term moving averages are indicating prices might remain bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6868	6799	7152	7278

TRADE RECOMMENDATION:

SELL below 6990 with target of 69 20 with a strict stop loss at 7040. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 6650	NIL
	Ungarbled 7050	NIL

RED CHILLIES

SPOT MARKETS

Red chilli market at Guntur remained closed today 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.

FUTURES MARKETS:

Chilli remained in its original red colour at NCDEX June futures market. The prices recovered initially on news of rains in chilli growing and drying regions of south India and thereafter declined. The contract opened below previous close at Rs. 5652 and the prices recovered thereafter and declined later to settle at Rs. 5496. The volumes figures came out to be around 9990 MT's.

PRICE DRIVERS:

Bullish:

1. Market closed for 21 days
2. Harvesting about to complete

Bearish:

3. Bengal crop scarce arrivals

Weather

Weather in Andhra Pradesh is hot and dry. Heat wave is likely to continue this has stopped further drying of crop and stopped trading in the area.

TECHNICALS

Candle sticks are indicating bearish sentiments in the market, which is supported by different price oscillators. MACD has made bearish crossover. The market is expected to follow the current trend and likely to remain on the lower side.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	5417	5276	5656	5804

TRADE RECOMMENDATION:

Sell below 5495 with a target of 5450 with a strict stop loss at 5528. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Guntur	LCA 334 Closed	NIL

JEERA (Cumin)

SPOT MARKETS

Jeera at Unjha market traded steady today on high arrivals after Saturday's holiday. The prices did not fluctuate due to high demand in the market. The buyers are from domestic as well as overseas markets. As the days pass on arrivals in the markets will decrease and demand will continue to be high thus elevating the prices.

FUTURES MARKETS:

Jeera prices at NCDEX futures market followed spot market advices and hefty buying was seen today. The prices recovered from 6745 to a high of 7065 and traded bullish throughout the day. The volumes figures were of 6543 MT's.

PRICE DRIVERS:

Bullish:

1. High demand stockists, domestic traders, exporters.
2. Better export prospects
3. Reduced arrivals

Weather

Harvesting is complete in Gujarat and Rajasthan and weather is not a matter of concern at present. Isolated dust storm /thunderstorm may occur over Rajasthan. Mainly dry weather over the rest region. Heat wave conditions are still likely over north Rajasthan.

TECHNICALS

Candlesticks are indicating bullish sentiments. However stochastic is in neutral region. MACD is in positive zone. The prices might recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6886	6796	7148	7249

TRADE RECOMMENDATION:

Buy above 6980 with target of 7065 with a strict stop loss at 6918.
Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1300 - 1400	18000
	Ganesh 1320 - 1420	
	Machine Cleaned 1400 - 1580	

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.