

SPICES DAILY

May 26, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in Erode market recovered today. The market saw reduced arrivals and the demand for the commodity is steady. The stockists are waiting for the monsoon season. However in Nizamabad turmeric prices remained range bound to slightly bearish today. The market saw reduced arrivals and the demand was high. The arrivals in almost all the major markets are decreasing and the demand for turmeric is moderate and will decrease after a few days from pickle making industry due to arrival of monsoon. The sowing of turmeric has begun in Karnataka (Mysore), TamilNadu and Andhra Pradesh. Harvesting is complete in Andhra Pradesh and Tamil Nadu. Traders believe the demand for turmeric might decline in coming days with the onset of monsoon. However, with decreasing arrivals and high demand the prices might remain slightly firm coming days.

FUTURES MARKETS:

Prices at NCDEX June Turmeric contract opened firm at Rs. 2596 and thereafter traded firm in early trading hours and then declined and ended in red at Rs. 2566 a quintal. The prices were in the range of 2562 - 2610 per quintal.

PRICE DRIVERS:

Bullish:

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

Weather

Rain/thundershowers are likely at few places over coastal Karnataka and Andhra Pradesh and at isolated places over the rest region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Oscillators are indicating a fall in prices. MACD is in positive zone. Short term moving averages are indicating a further decline in prices. The prices might remain volatile during the day with bearish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2533	2495	2594	2629

TRADE RECOMMENDATION:

Sell below 2565 with target of 2545 with a strict stop loss at 2578. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2200	3000
	Gattah 2200 - 2225	
Erode	Finger 2550	7000
	Gattah 2450	

BLACK PEPPER

SPOT MARKETS

Black pepper Kochi at market continued with its dull and lack lustrous trade. The market did not see any arrivals in the market and off take was nil. The prices remained steady on lack of sellers and buyers in the market. The market doesn't have any overseas demand and international buyers are expecting prices to decline further. However Indian prices have become competitive in world market. However stock of inferior quality of pepper with some major exchanges is not letting the prices recover. The prices of pepper are likely to remain range bound with bearish inclination.

FUTURES MARKETS:

Black pepper prices at NCDEX June futures contract opened below previous close and thereafter traded bullish and went to a high of 6940. The days trading finally settled at Rs. 6898 which is slightly above the opening price of Rs. 6885 a quintal. The total volumes traded were thin and were of 516MT's and open interest was of 8871 MT's.

PRICE DRIVERS:

Bullish:

1. Expectation of demand from grinders before monsoon
2. Low crop expectation of Indonesia and Brazil.

Bearish:

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

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Island, Lakshadweep and Kerala, at few places over coastal Karnataka. Southwest monsoon likely to set in over Kerala within next 2-3 days. Weather is not a factor as harvesting in Karnataka has come to end.

TECHNICALS

Candlesticks are indicating indecision. Oscillators are bearish and Short-term moving averages are indicating prices might decline. MACD is in negative zone. The contract might trade bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6800	6753	6932	6989

TRADE RECOMMENDATION:

Sell below 6900 with target of 6860 with a strict stop loss at 6926. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chilli in Varangal market continued to trade at steady prices and the market saw reduced arrivals. Trading sources revealed more than 60 percent harvesting of Sundari crop has been done. Market sources informed there is a rumour in the market that some demand might be seen from international markets in couple of days. Bangladesh is showing some interest in Indian red chilli. 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. 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 continued with bullish sentiments today. The contract opened above previous close at Rs. 5380 a quintal and thereafter recovered to highest at 5525 highest per quintal and then settled at Rs. 5506. The volume traded increased to 8415 MT's and open interest was of 11650 MT's

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 in Andhra market
5. Rumor of expected demand from international markets

Bearish:

6. Bengal crop harvesting in progress

Weather

Rain/thundershowers are likely at few places over coastal Karnataka and Andhra Pradesh and at isolated places over the rest region. Rain/thundershowers with isolated squall are likely at a few places over West Bengal. 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 bullish sentiments. Stochastic Oscillator has made bullish crossover. MACD is in positive zone. Short - term moving averages are indicating prices might be bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	5444	5328	5589	5686

TRADE RECOMMENDATION:

Buy above 5475 with a target of 5550 with a strict stop loss at 5425. 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)	3800-4700	2000

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market continued to improve today on reduced arrivals and high demand. The off take was greater than fresh crop arrivals. The domestic demand at present is slightly less due to Mango crop arrivals and summer season. Exporters from Mumbai are buying Jeera for exporting it to Singapore. They purchased around 1000 - 1500 bags of inferior quality of jeera. However market sources reported demand is still from Delhi, Calcutta and Madras markets. 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. High demand along with reducing arrivals might keep prices firm in coming days.

FUTURES MARKETS:

NCDEX Jeera June contract traded firm and by the end of the day reflected indecision in the market. The contract opened far above the previous day's close at Rs. 6675 a quintal and traded volatile throughout the session only to settle at Rs. 6663.50 per quintal.

PRICE DRIVERS:

Bullish:

1. Better export prospects
2. Reducing arrivals
3. Expectation of less crop in other major producing nations
4. Export demand

Bearish:

1. Mango season
2. Demand reducing from Traders side

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

Candlesticks are indicating indecision and stochastic has made bullish crossover. MACD is bearish in positive zone. Short term moving averages are indicating bullish sentiments. The contract might witness volatile movements in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6542	6491	6746	6833

TRADE RECOMMENDATION:

Buy above 6665 with a target at 6700 and then 6715 with a strict stop loss at 6638 Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1320 - 1420	5000
	Ganesh 1320 - 1460	
	Machine Cleaned 1420 - 1560	

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