

SPICES DAILY

May 31, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major markets declined today on slightly greater arrivals and steady demand. Buyers in Erode market are local stockists and traders from all over the country are also purchasing Turmeric. The demand for turmeric is moderate and is expected to decline by the onset of monsoon. Sowing has already started and traders are expecting greater acreage this year. The prices are expected to decline slightly and then trade steady to range bound for few days.

FUTURES MARKETS:

Prices of turmeric at NCDEX June contract continued with its bearish mood and were lowest at Rs. 2290 a quintal. The contract opened below previous close at 2370 a quintal and thereafter continued to decline and settled in red at Rs. 2338.

PRICE DRIVERS:

Bullish:

1. Harvesting almost complete in Andhra Pradesh.
2. Rains might disrupt the supply chain

Bearish:

3. Demand to reduce in rainy season

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

Candlesticks are indicating bearish sentiments. Stochastic has made bullish crossover. Short term moving averages are indicating a further decline in prices. The prices might remain volatile with technical recovery in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2289	2250	2375	2423

TRADE RECOMMENDATION:

Buy above 2340 with target of 2360 with a strict stop loss at 2325. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2000 - 2080	3000
	Gattah	2000 - 2080	
Erode	Finger	2450	6000 - 7000
	Gattah	2500	

BLACK PEPPER

SPOT MARKETS

Black pepper at Kochi market quoted at reduced prices. The market did not see any fresh arrivals in the market and off take was nil. The market is expecting some demand from overseas market. Also foreign buyers will be keeping an eye on harvesting of Indonesia's pepper crop. However stock of inferior quality of pepper with some major exchanges is not letting the prices to recover. This coupled with selling of pepper by traders, routed through Srilanka on fear of raids by government. The prices of pepper are likely to recover on international demand as this fall is momentary.

FUTURES MARKETS:

Black pepper prices at NCDEX June futures contract opened at Rs. 6549 that is Re.1 less than previous day's closing price. The prices thereafter continued to decline and ended in Red at Rs. 6488 after making the contracts fresh low of Rs. 6391 a quintal.

PRICE DRIVERS:

Bullish:

1. Low crop expectation of Indonesia and Brazil.
2. Market expects Overseas demand

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. Traders fear Government raids

Weather:

Rain/thundershowers are likely at most places over Lakshadweep, Kerala and Coastal Karnataka; at many places over Interior Karnataka and at a few places over the region outside Andhra Pradesh and Andaman Nicobar Islands where it may be isolated. Weather is not a major factor as harvesting in Karnataka has come to end.

TECHNICALS

Candlesticks are indicating bearish sentiments. Oscillators are indicating a reversal is likely and Short-term moving averages are indicating prices might decline. MACD is in negative zone. The contract might see volatile price movements and recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6391	6309	6554	6701

TRADE RECOMMENDATION:

Buy above 6500 with target of 6540 with a strict stop loss at 6472.
Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

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. Trading sources revealed more than 60 percent harvesting of Sundari crop has been done. The traders are expecting arrivals might increase on reopening of markets thus bringing down the prices. Harvesting of Red chilli in Uttar Pradesh (Bareilly) is expected to begin from next month.

FUTURES MARKETS:

Chilli (LCA 334) June contract at NCDEX saw mixed sentiments today with a bullish bias. The contract opened slightly above previous days close at Rs. 5103 a quintal and was lowest at Rs. 5010 and then settled firm at Rs. 5160. The total volume traded was of 10370 MT's.

PRICE DRIVERS:

Bullish:

1. Market closed upto June 6 th
2. Scarce arrivals in Andhra market

Bearish:

1. Bengal crop harvesting in progress

Weather:

Rain/thundershowers are likely at a few places over the region outside Andhra Pradesh. Rain/thundershowers are likely at many places over Sub-Himalayan West Bengal & Sikkim and isolated over the rest region. Rains over Red Chilli growing regions of east India might affect the crop.

TECHNICALS

Candlesticks are indicating bullish sentiments. Oscillators are bearish. MACD is bearish in positive zone. The contract might see volatile price movement during the session.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	5101	4957	5266	5376

TRADE RECOMMENDATION:

Buy above 5190 with a target of 5235 with a strict stop loss at 5158. 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)	N.A.	N.A.

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market declined today on less demand in summer season and arrival of Mango crop. The farmers are holding the commodity in anticipation of cashing in greater returns by selling at increased prices in future. According to trading sources estimates of loss from Rains in Kasuriya region is likely to be assessed in a weeks time there are bright chances of increase in Indian exports this year therefore the prices are likely to remain firm in the long term. Reduced demand along with reducing arrivals might keep prices range bound with bearish bias in coming days.

FUTURES MARKETS:

NCDEX June contract traded bearish throughout the day and was lowest at Rs. 6180 a quintal and thereafter ended at Rs. 6288.50 Volume figures of the day came out to be 1794 MT's.

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. Demand reducing from Traders side

Weather: Rain/thundershowers are likely at many places over south Madhya Maharashtra; at a few places over north Madhya Maharashtra and isolated over the rest region outside north Gujarat where weather will be mainly dry. Mainly dry weather over Gujarat. Harvesting is complete in Gujarat and Rajasthan and weather is not a matter of concern at present.

TECHNICALS

Candlesticks are indicating bearish sentiments and stochastic is in neutral region. MACD is bearish in positive zone. The contract might witness volatile movements in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6192	6093	6368	6493

TRADE RECOMMENDATION:

Buy above 6320 with a target at 6360 with a strict stop loss at 6292. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1200 - 1350	6000 - 7000
	Ganesh 1300 - 1450	
	Machine Cleaned 1400 - 1450	

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