

## SPICES DAILY

### TURMERIC

May 18, 2006

#### SPOT MARKETS

The prices of Turmeric continue to loose its strength as there is reduced offtakes compared to arrivals. Futures market stumble as influenced by the weak futures. Demand is currently high but expected rains in the region may disrupt the supply chain. Moreover, traders are expecting rekindling of some export demand from Srilanka by next week. The prices might improve in coming days on good domestic and export demand and reducing supply.

#### FUTURES MARKETS:

Turmeric at NCDEX June contract opened weak and tried to recover the yesterday's fall but there got no firm support to maintain its firm position. Choppy trade was witnessed on account of high arrivals and respective low offtakes. The prices are expected to decline in near terms, as there is no bullish news and low offtakes.

#### PRICE DRIVERS:

##### Bullish:

1. Harvesting near completion in Andhra Pradesh.
2. High demand from both domestic and international markets.
3. Rains may disrupt the supply chain

##### Weather

Cloud formations over the Southern turmeric-growing region in AP. Rains over these regions have no effect on the crop as most of the crops are harvested but heavy rains may disrupt the supply chain.

#### TECHNICALS

Candlesticks are indicating indecision in the market sentiments. Oscillators are bearish and short-term moving averages are indicating decline in prices to continue. Volume and open interest both decline indicating weakness in the market.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2495	2483	2559	2667

#### TRADE RECOMMENDATION:

Sell below 2520 with target of 2495 with a strict stop loss at 2530. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1950- 2100	6000
	Gattah	1900 - 2000	
Erode	Finger	2475- 2575	8000
	Gattah	2425- 2500	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market remain at the same level as that of the previous day in the absence of any fresh news. Failure of auction of 1590 ton of pepper by Markfed at Rs. 6700 results into weakness in the market according to market sources. The export demand remains still weak as the Indian pepper lack competitiveness against Vietnam. The prices of pepper are likely to hover around these low levels in near term until any strong news to propelled it up.

### FUTURES MARKETS:

Black pepper prices at NCDEX futures market remain firm for an hour and got speculative buying support. Later on the market moved in range bound fashion in lack of any fresh news. Thereafter the futures remain stale for rest of the session with formation of Doji pattern. June contract traded bearish in the range between 6930-7019 and finally settle at Rs. 6945 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. Poor overseas demand
4. Failure of Auction by Markfed

### Weather

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

### TECHNICALS

Candlesticks are showing doji formation indicating indecisiveness. Almost all the indicators are in favour of bears and indicating expected price fall. Volume decline while open interest increased hinting towards profit booking stage.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6901	6869	7022	7049

### TRADE RECOMMENDATION:

Sell below 6990 with target of 6934 with a strict stop loss at 7010. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	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. Warangle market remains steady and likely to improve in coming days.

### FUTURES MARKETS:

Chilli futures at NCDEX showed some improvement with weak opening. The prices improved initially amid anticipation for slight upcoming demand from the mandi. Later the prices decline slightly with range bound movements. July Chilli traded in the range between 5430-5559 and finally settled at 5510. The prices are expected to recovered in near terms.

### PRICE DRIVERS:

#### Bullish:

1. Market closed for 21 days
2. Harvesting about to complete
3. Expected improvement in demand

#### Bearish:

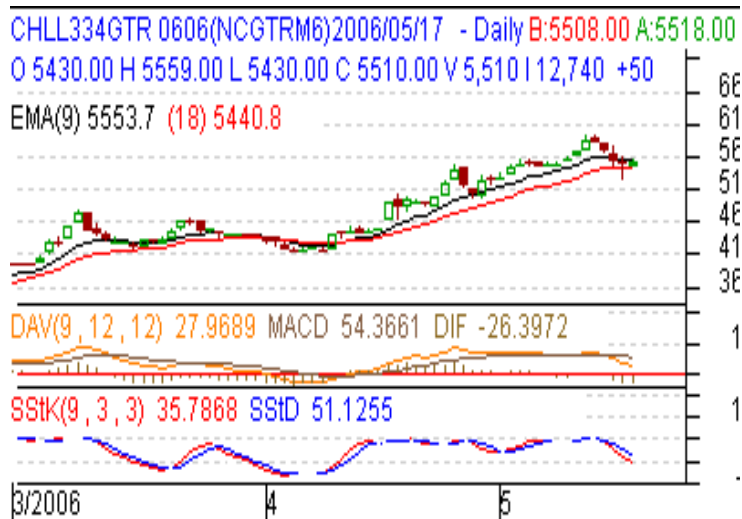
4. Bengal crop scarce arrivals

### Weather

Weather in Andhra Pradesh is hot and dry but costal areas are likely to receive thundershowers. Heat wave is likely to continue over other regions. Intense rainfall likely to hamper the chillies in the interior part of AP but there are very meager chances.

### TECHNICALS

Candlesticks are indicating improvement over previous day close and indicate improvement in near terms. The stochastic oscillators and momentum indicators are showing bearishness in the market to continue. The market is expected to s recovery from lower levels.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	5480	5437	5650	5701

### TRADE RECOMMENDATION:

Buy above 5515 with a target of 5540 and then 5550 with a strict stop loss at 5496. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Guntur	LCA 334 Closed	NIL
Warangle	LCA 334- 3900-4700	3000

## JEERA (Cumin)

### SPOT MARKETS

Jeera at Unjha market decline slightly on weak sentiments. Arrivals remain steady and expected to improve on expectation of fresh export demand from Egypt. As, the surplus with the other producing countries is not large, there is a good chance for the Indian exporters this year to grab the global demand. The prices are likely to remain on the firmer side in the scenario of higher demand and depleting supply.

### FUTURES MARKETS:

Jeera prices at NCDEX futures market opened weak and steep fall was witnessed then after. The fall in prices continues for the entire session and finally closed at 6815. The contract traded at the range between 6801.10-6980.00. No fresh demand in the spot and normal supply in the physical market may leads to the downward movement in the prices. The prices are expected to remain on the lower levels in near terms.

### PRICE DRIVERS:

Bullish:

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

### Weather

Harvesting is complete in Gujarat and Rajasthan and weather is not a matter of concern at present.

### TECHNICALS

Candlesticks are indicating slight improvement while other price oscillators indicating bearish sentiments. The prices are likely to recover after initial weakness. Volume and open interest both decline indicating weakness in the market.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6730	6700	6850	6870

### TRADE RECOMMENDATION:

Sell below 6810.00; T1-6770.00, T2-6750 with a strict stop loss at 6840. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1300 - 1400	10000
	Ganesh 1340 - 1440	
	Machine Cleaned 1430 - 1560	

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