

SPICES DAILY

May 27, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in most of the major turmeric markets declined today. The prices declined in Erode market due to increased arrivals unlike the usual arrivals during this season thud declining prices. The demand for turmeric was high and around 80 percent of the total inflow got sold and the buyers were from the markets of Delhi and Punjab. In same line turmeric prices in Nizamabad declined today despite reduced arrivals in the market due to rains last night in nearby producing areas. The arrivals in almost all the major markets are decreasing and the demand for turmeric is moderate and will decrease 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 in coming days.

FUTURES MARKETS:

Prices at NCDEX June Turmeric contract followed spot market sentiments and traded bearish. The contract opened below previous close at 2562 a quintal and thereafter continued to decline and settled in red at Rs. 2532. The total volumes traded during the day were 4490 MT's that was almost double than yesterday and open interest was of 9620 MT's.

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 most places over coastal Karnataka; at many places over South Interior Karnataka, Andhra Pradesh and at few 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 bearish. 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	2495	2439	2563	2611

TRADE RECOMMENDATION:

Sell below 2532 with target of 2518 with a strict stop loss at 2543. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2175	2500
	Gattah 2175 - 2200	
Erode	Finger 2525	10000
	Gattah 2425	

BLACK PEPPER

SPOT MARKETS

Black pepper at Kochi market continued to quote at steady prices. The market did not see any arrivals in the market and off take was nil. The market doesn't have any overseas demand and international buyers are expecting prices to decline further. Also foreign buyers will be keeping an eye on harvesting of Indonesia's pepper crop. 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 to recover. The prices of pepper are likely to remain range bound with slightly bearish inclination.

FUTURES MARKETS:

Black pepper prices at NCDEX June futures contract opened slightly above previous days close and traded bearish for most of the time. During the day prices were lowest at Rs. 6761 and the trading ended at Rs. 6796 a quintal.

PRICE DRIVERS:

Bullish:

1. 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 most places over Lakshadweep, Kerala coastal Karnataka; at many places over South Interior Karnataka and Andaman & Nicobar Islands and at few places over the rest region. Weather is not a major factor as harvesting in Karnataka has come to end.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6708	6627	6860	6917

TRADE RECOMMENDATION:

Sell below 6795 with target of 6765 and then 6740 with a strict stop loss at 6818. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Chilli in Warangal market traded at same prices despite slightly increased arrivals today. Market sources informed there is a rumour in the market that some demand might be seen from international markets (Bangladesh, Saudi Arabia) in couple of days. Trading sources revealed more than 60 percent harvesting of Sundari crop has been done. 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. Chilli prices might continue to trade range bound to slightly firm due to low arrivals, and moderate demand in coming few days.

FUTURES MARKETS:

Chilli (LCA 334) June contract at NCDEX saw selling activity and traded bearish. The contract opened below previous close at Rs. 5490 a quintal and thereafter recovered to highest at 5535 highest per quintal and was lowest at Rs. 5344 and then settled at Rs. 5363. The total volume traded was of 6945 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:

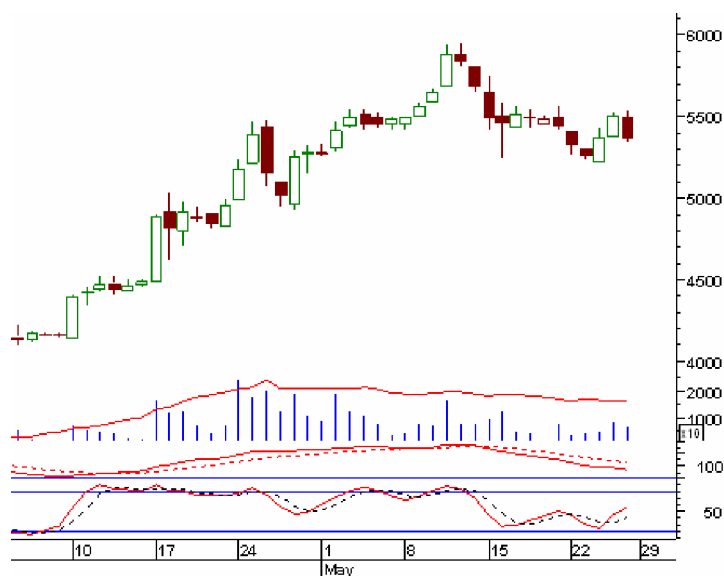
6. Bengal crop harvesting in progress

Weather

Rain/thundershowers are likely at South Interior Karnataka, Andhra Pradesh and with isolated squall are likely at many places over coastal Orissa and Gangetic 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 bearish sentiments. Oscillators are bullish. 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	5265	5155	5425	5544

TRADE RECOMMENDATION:

Buy above 5390 with a target of 5440 with a strict stop loss at 5352. 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 at Unjha market continued to trade firm today on reduced arrivals and high demand. The off take was greater than fresh crop arrivals. Demand is from Delhi, Calcutta and Madras markets. The domestic demand at present is slightly less due to Mango crop arrivals and summer season. Exporters from Mumbai are buying 1000 - 1500 bags of Jeera daily for exporting it to Singapore. 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. Moderate demand along with reducing arrivals might keep prices range bound in coming days.

FUTURES MARKETS:

NCDEX June contract Jeera opened firm and thereafter recovered to a high at Rs. 6770 and then end low at Rs. 6659 a quintal. Volume figures of the day came out to be 1989 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. Mango season
2. Demand reducing from Traders side

Weather Rain/thundershowers likely at a few places over south Madhya Maharashtra and Marathwada and Isolated over rest Maharashtra. Isolated dust-storm/thunder-storm may occur over Rajasthan. 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	6542	6426	6746	6833

TRADE RECOMMENDATION:

Sell below 6655 with a target at 6608 with a strict stop loss at 6688. 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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