

SPICES DAILY

TURMERIC

May 17, 2006

SPOT MARKETS

The prices of Turmeric extended the yesterday's losses at almost all the major markets. Though arrivals at most of the markets are decreasing the prices fell in sympathy with weakness in the futures markets of Turmeric despite good demand. Demand is high in domestic markets. Moreover, traders are expecting rekindling of some export demand from Sri Lanka 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 gap down and traded red throughout the day extending its recent corrective mood. The prices fell sharply in the morning and then buying support at lower levels capped the further losses and the futures culminated the day with moderate losses at Rs 2528.

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. These conditions are suitable for harvesting and drying of turmeric.

TECHNICALS

Candlesticks are indicating slight indecision in the market sentiments. Oscillators are bearish and short-term moving averages are indicating decline in prices to continue.

EMA(9) 2565.1 (18) 2504.3



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2483	2461	2581	2619

TRADE RECOMMENDATION:

Buy above 2500 with target of 2560 with a strict stop loss at 2467. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	1850 - 2050	5000
	Gattah	1800 - 1925	
Erode	Finger	2500 - 2600	8000
	Gattah	2400 - 2500	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market remained stand still today in the absence of any fresh arrivals in the market. Markfed was expected to sell some of its stock today, but the auction couldn't take place due to some unknown reasons according to market sources. The export demand is also subdued as importers are waiting for the more attractive prices. The prices of pepper are likely to linger around these levels in short term until any boosting news comes in.

FUTURES MARKETS:

Black pepper prices at NCDEX futures market started the day on a firm note but prices plunged sharply within a short span of time in the morning. Thereafter the futures adapted the sinusoidal path during the rest of the session, culminating the day with moderate losses. June contract jumped to open gap up at Rs. 7020 per quintal as against previous close of 6993 per quintal and thereafter it traded bearish to settle at Rs. 6949 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

Weather

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

TECHNICALS

Candlesticks are showing lower prices are not sustainable 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	6821	6725	7037	7119

TRADE RECOMMENDATION:

Buy above 6888 with target of 6990 with a strict stop loss at 6820. Trade cautiously with intra day outlook.

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 futures at NCDEX showed some roller coaster movements today after steady opening and closed the day with moderate loses. The prices plunged initially and then buying support at lower levels helped recoup some of the initial losses. June Chilli at NCDEX opened slightly firm at Rs 5505 before plunging to the lows of Rs. 5238. The prices recovered thereafter to end the session at Rs. 5460.

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 and the same has hampered drying process of chillies and thus trading centres are closed in the area as usual during this time of the year.

TECHNICALS

Candlesticks are indicating tentativeness at lower levels. The stochastic oscillators and momentum indicators are showing bearishness in the market to continue. The market is expected to show volatile movements and recovery from lower levels is likely.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	5417	5276	5642	5804

TRADE RECOMMENDATION:

Buy above 5432 with a target of 5540 and then 5620 with a strict stop loss at 5358. 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 slightly firm today supported by good demand from domestic as well as export markets. Arrivals were routine and are expected to decline in the forthcoming days. 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 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.

TECHNICALS

Candlesticks are indicating tentativeness at higher levels. However stochastic is in neutral region. MACD is showing slowing down in the momentum. The prices are likely to recover after initial weakness.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6898	6796	7148	7249

TRADE RECOMMENDATION:

Buy above 6960 with target of 7064 and then 7110 with a strict stop loss at 6898. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1320 - 1420	10000
	Ganesh 1360 - 1460	
	Machine Cleaned 1450 - 1580	

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