

SPICES DAILY

May 25, 2006

TURMERIC

SPOT MARKETS

Turmeric prices recovered in Erode market on high demand. The market welcomed buyers from Delhi, Calcutta and Bihar. However in Nizamabad turmeric prices improved in the morning and by the evening declined sharply. The market saw higher arrivals and demand was moderate. 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. The Sangli crop harvesting is about to get over. 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 and then traded bullish to decline by the end of the day. The contract opened at Rs. 2631 quintal and then declined to a low of 2582.

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
5. Demand from markets of North India and East India

Weather

Market sources in Nizamabad reported rains in neighbouring turmeric growing regions are likely as weather is cloudy. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic oscillator has made bearish crossover in neutral region. MACD is in positive zone. The prices might remain volatile during the day.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2551	2497	2630	2675

TRADE RECOMMENDATION:

Sell below 2590 with target of 2570 with a strict stop loss at 2602. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2200 - 2275	4000
	Gattah 2200 - 2275	
Erode	Finger 2510 - 2560	8000 - 9000
	Gattah 2460 - 2510	

BLACK PEPPER

SPOT MARKETS

Black pepper market at Kochi continued to see steady prices on no fresh arrivals in the market. The market is expecting to attract some fresh demand as Indian prices have become competitive in world market and dollar has strengthened against rupee. 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.

FUTURES MARKETS:

Black pepper prices at NCDEX June futures contract opened firm by Rs. 17 up against the previous close of Rs. 6933 a quintal thereafter traded bullish and went to a high of 6980 and then declined to end in red at Rs. 6889 per quintal. The total volumes traded were 549 MT's and open interest was of 8966 MT's.

PRICE DRIVERS:

Bullish:

1. Expectation of demand from grinders before monsoon
2. MNC bought some pepper
3. Low crop expectation of Indonesia and Brazil.

Bearish:

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

Weather:

During past 24 hours, rainfall has occurred at many places over Andaman & Nicobar Islands, Kerala and Lakshadweep and isolated at a few places over Karnataka and Tamilnadu. Weather is not a factor as harvesting in Karnataka has come to end.

TECHNICALS

Candlesticks are indicating bearish sentiments. Oscillators are bearish and stochastic has made a bearish crossover. 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	6859	6802	6951	7020

TRADE RECOMMENDATION:

Sell below 6890 with target of 6860 and then 6825 with a strict stop loss at 6914. 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 traded range bound on approximately similar arrivals. 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 reducing arrivals, and moderate demand in coming few days.

FUTURES MARKETS:

Chilli June contract at NCDEX saw firm sentiments today on speculative buying. The contract opened below previous days close at Rs. 5221 a quintal and thereafter recovered on buying by speculators. The prices were highest at Rs. 5425 per quintal and settled at Rs. 5362 a quintal.

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

Bearish:

5. Bengal crop meager arrivals

Weather

During past 24 hours, rainfall has occurred isolated over Chhattisgarh, Madhya Pradesh, Madhya Maharashtra, Marathwada, Arunachal Pradesh, Karnataka and Tamilnadu 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 is in neutral region. MACD is in positive zone. Short - term moving averages are indicating that contract might see mixed sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	5273	5158	5425	5503

TRADE RECOMMENDATION:

Buy above 5305 with a target of 5410 and then 5440 with a strict stop loss at 5245. 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 - 2500

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market improved on high demand. The offtake was greater than fresh crop arrivals. The domestic demand at present is slightly less due to Mango crop arrivals and summer season. 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, however due to slightly less domestic demand, decreasing arrivals the prices might remain range bound in coming days.

FUTURES MARKETS:

NCDEX Jeera June contract reflected indecision in the market. The contract opened above previous day's close at Rs. 6550 a quintal and traded volatile throughout the session only to settle at Rs. 6587.40 per quintal.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Mango season
2. Demand reducing from Traders side

Weather

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

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6519	6425	6644	6744

TRADE RECOMMENDATION:

Sell below 6585 with a target at 6552 with a strict stop loss at 6608
Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1350 - 1410	7000
	Ganesh 1310 - 1450	
	Machine Cleaned 1420 - 1550	

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