

SPICES DAILY

June 08, 2006

TURMERIC

SPOT MARKETS

Turmeric Prices remained steady to range bound in major turmeric markets today. Turmeric market at Erode saw reduced arrivals and low demand. According to market sources acreage of turmeric might increase and sowing is in progress in almost all the major producing regions. The prices might remain steady to range bound with slight bearish inclination on reduced demand from the domestic markets.

FUTURES MARKETS:

NCDEX June turmeric contract opened far below previous days close at Rs. 2323 a quintal and remained bearish for most of the time however in later trading hours the market saw increased buying activity, lifting the prices to the days maximum of Rs. 2419 and finally settled firm at Rs. 2392 per quintal. The volumes increased to around thrice of yesterdays figures.

PRICE DRIVERS:

Bullish:

1. Rains affecting arrivals

Bearish:

2. Expectation of rise in acreage
3. Rains favorable for sowing
4. Less domestic demand

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and isolated over the rest of turmeric growing region of South. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are indicating bullish sentiments, stochastic has made bearish crossover. MACD is in its negative zone. The contract might see volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2351	2322	2419	2448

TRADE RECOMMENDATION:

Sell below 2382 with a target of 2372 and then 2364 with a strict stop loss at Rs. 2390 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	2500
	Gattah 2050	
Erode	Finger 2450 - 2500	4500 - 5000
	Gattah 2400- 2450	

BLACK PEPPER

SPOT MARKETS

Kochi market saw pepper trading at the earlier price levels. The arrivals were similar in number with the off take. The demand for pepper in domestic markets is low due to rainy season and the pepper with most of the major commodities exchanges is of inferior quality. Harvesting of pepper in Srilanka has begun thus decreasing the chances of India's export. India is quoting the highest prices as against other exporting nations. The prices might remain steady to range bound with bearish inclination until any export demand comes up.

FUTURES MARKETS:

The NCDEX June pepper futures contract opened below previous days close at Rs. 6482 a quintal and thereafter traded bearish. However prices increased in the later trading hours and the contract settled in green at Rs. 6539 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. Harvesting in Srilanka
3. Less domestic consumption in monsoon Season
4. Rains might reduce arrivals

Weather:

Rain/thundershowers are likely at a few places over Kerala, Lakshadweep, Andaman & Nicobar Islands and Coastal Karnataka and isolated over the rest region. Weather is not a major factor as harvesting in Karnataka has come to end and rains at this stage are suitable for flowering of pepper.

TECHNICALS

Candlesticks are reflecting range bound to slightly firm sentiments. Short term moving averages are indicating slight recovery. Stochastic has made a bearish crossover. The prices might open firm and decline later.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6488	6433	6600	6648

TRADE RECOMMENDATION:

Sell below 6540 with target of 6510 with a strict stop loss at 6562. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 6900	22
	Ungarbled 6500	22

RED CHILLIES

SPOT MARKETS

Red Chilli prices at Guntur market improved today on reduced arrivals and steady demand. The demand for red chilli is less due to reduced consumption, however the prices are at their lowest expected levels, thus has invited some buying from companies like ITC and countries like Singapore and Malaysia. The market has a good stock of red chilli of around 42 - 43 lakh bags that is higher than the immediate consumption requirement. The prices might remain steady to range bound with slightly firm side.

FUTURES MARKETS:

Chilli June contract at NCDEX opened low at Rs. 4375 a quintal and thereafter traded firm to the days high at Rs. 4618 per quintal. The volumes traded declined to 12775 MT's.

PRICE DRIVERS:

Bearish:

1. Hefty arrivals
2. Less consumption demand
3. Heavy stock

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and isolated over the rest of the chilli growing region of south India. Rain/thundershowers are likely at most places over Bihar and at many places over the rest of East India. Significant decrease in rainfall activity is likely after 48 hours. Isolated squall are likely over East Uttar Pradesh. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

TECHNICALS

Candlesticks are indicating bullish sentiments and stochastic has made a bullish crossover. MACD is in negative zone. The prices might remain bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	4461	4359	4717	4896

TRADE RECOMMENDATION:

Buy above 4570 with a target of 4615 and then 4690 with a strict stop loss at 4540. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334	4400 - 4600	30000 - 35000

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha remained steady on similar arrivals and steady demand. The demand for jeera is less due to less consumption in Mango crop season however inflow in the market is decreasing. Jeera prices might remain range bound and then might trade firm for few days on high export demand in near term and reducing arrivals due to rains. The demand for jeera on domestic front might also improve on ending of peak harvesting season of Mango.

FUTURES MARKETS:

NCDEX June Jeera contract recovered today as the prices went highest to Rs. 6255 a quintal after a bearish opening at 6151 per quintal. The total volumes traded during the day declined to 822 MT's as against previous days 1164 MT's.

PRICE DRIVERS:

Bullish:

1. Demand from domestic markets might improve in a fortnight
2. Expectation of less crop in other major producing nations

Bearish:

1. Low domestic demand due to Mango Crop season

Weather:

Isolated rain/thundershowers are likely over Konkan & Goa and south Madhya Maharashtra. Mainly dry weather is likely over the rest of the West India. Day temperatures are likely to increase by 2-3 °C. Weather at present has no effect on trading of Jeera.

TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic has made a bearish crossover. MACD has is in negative zone. The prices might recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6150	6093	6300	6371

TRADE RECOMMENDATION:

Buy above 6230 with a target at 6280 and then 6310 with a strict stop loss at 6192. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1330 - 1400	4000 - 5000
	Ganesh 1350 - 1500	
	Machine Cleaned 1400 - 1550	

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