

SPICES DAILY

June 03, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in major spot markets traded slightly firm as the prices were at very low levels. The arrivals of turmeric are decreasing and improvement in demand is visible due to low price levels. Erode market saw greater arrivals today as tomorrow the market will remain closed and the traders from Delhi and Kolkata are buying at current prices. Foreign buyers are from Srilanka. Nizamabad market saw reduced arrivals and traders are expecting a fall in arrivals will continue with rains in the adjoining turmeric producing regions. Due to rains and early onset of monsoon the traders believe turmeric sowing might increase in this season. As per sources, sowing of turmeric in AP has been done in more than 50% of the total intended area. Since, prices of turmeric are good; traders are expecting increase in acreage by around 25 percent under turmeric in major producing states. Turmeric sowing in Tamil Nadu and some parts of Karnataka will continue till mid August and in Andhra till mid July. The prices might recover for few days on improved demand, reducing supply and foreign demand.

FUTURES MARKETS:

NCDEX Turmeric June futures contract traded firm today. The contract opened low following its previous downtrend at Rs. 2340 and thereafter recovered to high of Rs. 2374, to finally settle in green at Rs. 2365 a quintal. The market saw 2230 MT's of turmeric trading in June contract.

PRICE DRIVERS:

Bullish:

1. Rains affecting arrivals
2. Export demand

Bearish:

3. Expectation of rise in acreage
4. Rains favorable for sowing

Weather

Rain/thundershowers are likely at most places over Coastal Karnataka and at a few places over the rest region outside Andhra Pradesh and Tamil Nadu where it may be isolated. Rain/thundershowers are likely at many places over Madhya Maharashtra; at Andhra Pradesh and Tamil Nadu where it may be isolated. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are indicating bullish sentiments and chances of recovery, Oscillators are bullish and stochastic is in neutral region. MACD is in its negative zone far away from its signal line. The prices might continue to recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2365	2311	2399	2438

TRADE RECOMMENDATION:

Buy above 2372 with target of 2385 with a strict stop loss at 2363. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2125	2500
	Gattah 2125	
Erode	Finger 2500 - 2600	6000 - 7000
	Gattah 2450 - 2475	

BLACK PEPPER

SPOT MARKETS

Pepper prices quoted at the same levels at Kochi pepper market. The market did not see any selling as the arrivals were not seen. According to traders, the stock of pepper with some exchanges is high in quantity and poor in terms of quality. Since, the prices of pepper in Vietnam are rising gradually, and India is slashing its prices some demand could be seen from overseas buyers at reduced prices.

FUTURES MARKETS:

NCDEX pepper June contract opened bearish and thereafter recovered and settled with firm sentiments at Rs. 6542 a quintal. The total number of volumes and open interest were thin.

PRICE DRIVERS:

Bullish:

1. Low crop expectation of Indonesia and Brazil.
2. Rising prices of Vietnam Pepper
3. Enquiries from foreign buyers

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.

Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka; at many places over Kerala and Lakshadweep and at a few places over the rest region outside Andhra Pradesh and Tamil Nadu where it may be isolated. Weather is not a major factor as harvesting in Karnataka has come to end.

TECHNICALS

Candlesticks are reflecting indecision. Short term moving averages, oscillators and MACD are indicating the prices might recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6488	6450	6600	6704

TRADE RECOMMENDATION:

Buy above 6530 with target of 6575 and then 6588 with a strict stop loss at 6500. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chilli in Warangal market continued with similar sentiments and the prices remained steady. The exports from Warangal market were nominal and the market is waiting for Guntur market to reopen on Monday which is the major hub for red chilli trading. Rains are affecting arrivals of chilli in Southern States. Harvesting of Bengal crop (Sundari) will complete in about a fortnights time. Stock of the chilli at present is good against immediate requirement.

FUTURES MARKETS:

Chilli June contract at NCDEX continued with its bearish sentiments and opened weak today and thereafter declined to a level of Rs. 4853 a quintal. The prices recovered only to settle at Rs. 5039 per quintal.

PRICE DRIVERS:

Bullish:

1. Market closed upto June 6 th
2. Scarce arrivals in Andhra market

Bearish:

3. Bengal crop harvesting in progress

Weather

Rain/thundershowers are likely at most places over Coastal Karnataka, at a few places over the rest region outside Andhra Pradesh and Tamil Nadu where it may be isolated. Rain/thundershowers are likely at many places over West Bengal & Sikkim, and coastal Orissa. 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. Short term moving averages are indicating the prices will continue to fall. The contract might trade bearish initially and thereafter improve.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	4918	4819	5159	5202

TRADE RECOMMENDATION:

Buy above 5025 with a target of 5070 with a strict stop loss at 4994. 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)	3800-4500	2000

JEERA (Cumin)

SPOT MARKETS

Jeera prices recovered today from its earlier bottomed out levels. The prices recovered on reduced arrivals due to rains and demand from export front. The off take was higher than the arrivals in the market reflecting improvement in demand. Exporters from Singapore are buying medium quality of Jeera and from European nations are buying superior quality of commodity. In Turkey the crop is in its last stage of maturity and the recent rains had beneficial impact on the crop. Jeera might trade firm for few days on increasing export demand in near term.

FUTURES MARKETS:

NCDEX Cumin June near contract opened below previous close. The prices improved and the days trading ended with indecision at Rs. 6300.10 a quintal. The volume figures reduced and were of 723 MT's.

PRICE DRIVERS:

Bullish:

1. Reducing arrivals due to rains
2. Demand from Export front
3. Expectation of less crop in other major producing nations

Bearish:

1. Sluggish demand from Traders side

Weather:

Rain/thundershowers are likely at most places over and Gujarat Region; at many places over Saurashtra & Kutch, Madhya Maharashtra and Rajasthan and at a few places over Marathawada. Scattered squall also likely over Rajasthan. Harvesting is complete in Gujarat and Rajasthan and weather is not a matter of concern at present. However rains might reduce arrivals in the market.

TECHNICALS

Candlesticks are indicating indecision. Stochastic has made bullish crossover in oversold region. MACD has just entered in negative zone. The prices might remain range bound with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6187	6093	6373	6519

TRADE RECOMMENDATION:

Buy above 6288 with a target at 6348 with a strict stop loss at 6250. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1350- 1450	4000
	Ganesh 1360 - 1500	
	Machine Cleaned 1450 - 1600	

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