

SPICES DAILY

June 20, 2006

TURMERIC

SPOT MARKETS

Turmeric prices remained steady to range bound in most of the major markets on almost similar demand supply conditions. The arrivals are reducing day by day and the demand is also low. The markets lack export demand and domestic demand is also reducing due to rains in some of the major buying states. In Maharashtra markets the arrivals are of inferior quality. The sowing is in progress in Andhra Pradesh, Mysore and other turmeric producing regions of Karnataka. According to market sources the crop requires water at this stage and if rains are not seen in a weeks time prices might recover. In normal conditions the prices might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract opened below previous close at Rs. 2422 a quintal. The prices declined to a low of Rs. 2410 and thereafter recovered to firm at Rs. 2434 a quintal.

PRICE DRIVERS:

Bullish:

1. Decreasing arrivals

Bearish:

2. Low demand
3. Expectation of rise in acreage

Weather:

Isolated Rain/thundershowers are likely over turmeric producing regions of South India. This activity is likely to increase after 48 Hrs. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are reflecting bullish sentiments; stochastic is in oversold region. MACD is in its negative zone. The contract might open firm and trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2411	2379	2471	2505

TRADE RECOMMENDATION:

Buy above 2434 with a target of 2444 and then 2452 with a strict stop loss at Rs. 2426 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2025 - 2100	1000 - 1200
	Gattah	2000 - 2050	
Erode	Finger	2300 - 2350	4000
	Gattah	2300	

BLACK PEPPER

SPOT MARKETS

Pepper at Kochi market quoted at steady prices on lack of any selling interest and no fresh buying activity. The farmers are disinterested in selling at current prices. The market is behaving in such a fashion on no big orders from international markets despite Indian prices being competitive against other major producing nations. Only slight trade was seen with international players which is helpless in boosting the prices as the exchanges have hefty stock of poor quality of pepper and reduced consumption in rainy season. The prices of pepper might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

NCDEX July pepper futures contract opened Rs. 3 above the previous days close at Rs. 6650 a quintal, and thereafter declined to Rs. 6620 a quintal and traded bearish and recovered in the late hours of the trading session to finally settle in green at Rs. 6701 a quintal. The total volumes traded during the day were 1088 MT's.

PRICE DRIVERS:

Bullish:

1. Rains might reduce arrivals
2. Indian prices competitive in world market

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. Srilanka and Brazil offering at lower prices
3. Less domestic consumption in monsoon Season

Weather:

Rain/thundershowers are likely at a few places Kerala, and Coastal Andhra Pradesh and isolated over the rest region. This activity is likely to increase after 48 Hrs. Weather is not a major factor as harvesting is complete and rains at this stage are suitable for flowering of pepper.

TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic has made bearish crossover in neutral region. MACD is in negative zone. The contract might open firm and remain volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6649	6551	6748	6813

TRADE RECOMMENDATION:

Buy above 6700 with target of 6725 and then 6735 with a strict stop loss at 6680. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chilli prices at Guntur market remained at their previous levels as arrivals increased today and demand was moderate and around half of the total inflow got sold. The demand for chilli is low and the stock is increasing in cold storages. The market has a stock of around 45 lakh bags of red chilli. The sowing is expected to begin by some time in mid July to August beginning. The prices might remain steady to range bound with bearish inclination on no fresh domestic or overseas demand.

FUTURES MARKETS:

Chilli prices at NCDEX July contract opened below previous day's close at Rs. 4930 a quintal. The prices hovered between Rs. 4850 - 5100 a quintal. The volumes traded during the day increased to 11820 MT's.

PRICE DRIVERS:

Bearish:

1. Less consumption demand
2. Hefty stock
3. Bags containing red chillies in exchange warehouses are of inferior quality

Weather:

Rain/thundershowers are likely at a few places in Coastal Andhra Pradesh and isolated over the rest region. This activity is likely to increase after 48 Hrs. 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 bearish crossover, MACD is in negative zone. The contract might open firm and trade firm initially.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4938	4792	5218	5387

TRADE RECOMMENDATION:

Buy above 5054 with a target of 5082 and then 5120 with a strict stop loss at 5033. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	4700 - 5100	20000
	LCA 334 (loose) Non Cold Storage	3200 - 4100	

JEERA (Cumin)

SPOT MARKETS

Jeera at Unjha market continued to trade at similar prices.. The demand for jeera is high from export front and might increase in domestic markets also. The Traders are expecting increase in export demand in the coming days on reports of less crop and low stock in other producing nations. The crop from Syria is expected to be of inferior quality. The prices might remain steady to range bound and with firm bias.

FUTURES MARKETS:

Jeera at NCDEX July contract traded firm throughout the day, after the contract opened low at Rs. 6333.60 a quintal and thereafter surged to a high of Rs. 6475 only settle at Rs. 6459.20 per quintal. The total volumes traded increased to three times than previous days turnover and the figures came out at 3021 MT's.

PRICE DRIVERS:

Bullish:

1. Expectation of less crop in other major producing nations
2. Turkey, Syria selling at higher prices.
3. Syria crop of inferior quality

Bearish:

1. Low domestic demand due to Mango Crop season
2. Dry weather keeping domestic demand low

Weather:

Isolated Dust storm/Thunderstorm are likely over Rajasthan. Mainly dry weather is likely over Harvesting of jeera is complete and sowing season is still far the weather is not a matter of much concern.

TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic is bearish in neutral region. MACD is in negative zone. The prices might most likely to trade with mixed sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6360	6231	6520	6625

TRADE RECOMMENDATION:

Buy above 6460 with a target at 6495 with a strict stop loss at 6434. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1350 - 1400	5000
	Ganesh 1350 - 1500	
	Machine Cleaned 1450 - 1550	

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