

SPICES DAILY

June 22, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in most of the markets continued to recover today on improved demand as prices declined to very low levels. In Erode market prices increased on buying from stockists. However in Erode market there is no demand from export front. Nizamabad market saw increased arrivals however demand also increased to the same level. The market is waiting for 2 - 3 rains that may prove beneficial for the crop. The market has a hefty stock of around 2.50 - 3.00 lakh bags of turmeric. The sowing is in progress in Andhra Pradesh, Mysore and other turmeric producing regions of Karnataka. The prices at this stage largely depend upon rains and might remain steady to range bound with slightly firm bias on no rains in the region.

FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract opened above previous days close at Rs. 2450 a quintal and were highest at Rs. 2467. The days trading settled at Rs. 2454 per quintal. The total volumes traded decreased to 1090 MT's.

PRICE DRIVERS:

Bullish:

1. Stockists buying
2. Insufficient rains in Andhra Pradesh

Bearish:

3. Hefty stock in Nizamabad market
4. Expectation of rise in acreage

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and Coastal Andhra Pradesh and isolated over rest of the turmeric producing regions. This activity is likely to increase after 24 Hrs. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2459	2401	2483	2506

TRADE RECOMMENDATION:

Buy above 2454 with a target of 2465 with a strict stop loss at Rs. 2445 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2075 - 2125	2000
	Gattah	2025 - 2075	
Erode	Finger	2400 - 2450	4000
	Gattah	2350	

BLACK PEPPER

SPOT MARKETS

Pepper prices at Kochi market remained similar today on no fresh arrivals in the market. The domestic demand is low due to rainy season. However the market has unconfirmed news of some fresh buying from US markets. The Indian prices are competitive in world markets. There are reports of delay of Indonesia's crop and also the production this year is low. In same line Brazil too has low production estimates this year and the quality of crop is expected to be poor. The prices of pepper might remain steady to range bound.

FUTURES MARKETS:

NCDEX July pepper futures contract opened firm at Rs. 6725 a quintal, and surged to see the highs of Rs. 6753 per quintal. The trading for the day settled in green at Rs. 6729.00 a quintal. The total volumes traded during the day declined to 565 MT's.

PRICE DRIVERS:

Bullish:

1. Indian prices competitive in world market
2. processors show interest in buying from exchange with a view to reprocess
3. Unconfirmed news of fresh export order from US
4. Indonesia crop delays
5. Brazil, Indonesia low crop estimates

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. Less domestic consumption in monsoon Season

Weather:

Rain/thundershowers are likely at a few places over Kerala, Coastal Karnataka and Coastal Andhra Pradesh and isolated over the rest region. This activity is likely to increase after 24 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 indecision. Stochastic is in neutral region. MACD is in negative zone. The contract might trade firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6648	6610	6801	6848

TRADE RECOMMENDATION:

Buy above 6730 with target of 6748 and then 6758 with a strict stop loss at 6717. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chilli at Guntur market traded at reduced prices today on low demand and increased supply. Producers are selling their produce at current prices. According to trading sources the market has a stock of around 43 - 45 lakh bags of red chilli. The buyers are from Bangladesh, however domestic demand is poor. The area under chilli cultivation is expected to increase this year. The prices might remain steady to range bound with bearish inclination on poor demand.

FUTURES MARKETS:

Chilli prices at NCDEX July contract opened below previous day's close at Rs. 5035 a quintal and thereafter traded firm upto a high of Rs. 5170 a quintal. The days trading ended firm at Rs. 5127. The volumes traded during the day were 10500 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Slight Export to Bangladesh

Bearish:

1. High arrivals
2. Less consumption demand
3. Hefty stock
4. Poor Packing of red chillies

Weather:

Rain/thundershowers are likely at a few places over Kerala, Coastal Karnataka and Coastal Andhra Pradesh and isolated over the rest region. This activity is likely to increase after 24 Hrs. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

TECHNICALS

Candlesticks are indicating indecision and stochastic is in overbought area, MACD is in negative zone. The contract might trade bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	5034	4925	5187	5332

TRADE RECOMMENDATION:

Sell below 5050 with a target of 5015 and then 4986 with a strict stop loss at 5090. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4500 - 4900	N.A.
	LCA 334 (loose) Non Cold Storage 3500 - 4000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market declined on low demand and steady supply. The market does not have any demand from export front and domestic demand is also low. However, the market is waiting for demand to recover and is expecting the domestic demand to increase in coming days. Also export demand is expected to come up in a fortnight. Most of the major producing nations have less crop and low carry over stock thus bringing bright chances for increase in Indian exports. The prices might remain steady to range bound.

FUTURES MARKETS:

Jeera at NCDEX July contract opened below previous days close at Rs. 6445 and thereafter declined to Rs. 6410 a quintal. The days trading ended in red and settled at Rs. 6420.80 per quintal. The total volumes traded declined to 900 MT's.

PRICE DRIVERS:

Bullish:

1. Expectation of low crop in other major producing nations
2. Syria crop of inferior quality

Bearish:

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

Weather:

Harvesting of Jeera is complete and sowing season begins in October. The weather is not a matter of much concern however any rains might affect arrivals of commodity in the market.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6358	6255	6499	6565

TRADE RECOMMENDATION:

Sell below 6432 with a target at 6382 with a strict stop loss at 6472. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1300 - 1350	5000
	Ganesh 1320 - 1450	
	Machine Cleaned 1400 - 1500	

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