

## SPICES DAILY

June 02, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric in major spot markets traded almost steady to range bound as arrivals were of the similar quantity and demand was also not high. The prices of Gattah and finger grades have come in same line on improved demand for gattah grade. 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 decline for few days.

#### FUTURES MARKETS:

NCDEX Turmeric June futures contract opened firm at Rs. 2350 thereafter tried to recover but could not sustain high levels and declined to 2301, to finally settle at Rs. 2325 a quintal. The market saw 3270 MT's of turmeric trading in June contract.

#### PRICE DRIVERS:

##### Bullish:

1. Rains affecting arrivals
2. Moderate demand

##### Bearish:

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

#### Weather

Rain/thundershowers are likely at most places over Coastal Karnataka; 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 bearish sentiments, Oscillators are bearish and stochastic is in oversold region. MACD is in its negative zone. Short term moving averages are indicating prices might decline. The prices might continue to decline.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2286	2250	2370	2399

#### TRADE RECOMMENDATION:

Sell below 2325 with target of 2305 and then 2288 with a strict stop loss at 2339. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	3000
	Gattah 2100	
Erode	Finger 2450	5000
	Gattah 2450 - 2500	

## BLACK PEPPER

### SPOT MARKETS

Pepper at Kochi market saw some inflow in the market and all got sold. The prices remained steady and the market still lacks lustre. 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.

### FUTURES MARKETS:

NCDEX pepper June contract opened bearish and thereafter continued to trade in red and was lowest at Rs. 6455. The contract finally managed to settle at 6488 a quintal. The volumes were thin and the figures came out to be of 581 MT's.

### 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.
2. No overseas demand in immediate

### Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka; at many places over Andaman & Nicobar Islands, Kerala and Lakshadweep Weather is not a major factor as harvesting in Karnataka has come to end.

### TECHNICALS

Candlesticks are reflecting bearish sentiments. Shortterm moving averages, oscillators and MACD are indicating the prices might fall.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6450	6392	6547	6599

### TRADE RECOMMENDATION:

Sell below 6488 with target of 6460 and then 6430 with a strict stop loss at 6510. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 6900	5
	Ungarbled 6500	5

## RED CHILLIES

### SPOT MARKETS

Red chilli in most of the markets continued steady to weak. Rains are affecting arrivals of chilli in Southern States. However today Warangal market saw similar arrivals. Harvesting of Bengal crop (Sundari) will complete in about a fortnights time. Guntur market is closed and will reopen on 6th June. Stock of the chilli at present is good against immediate requirement.

### FUTURES MARKETS:

Chilli June contract at NCDEX opened weak today and traded low to 4955 a quintal. The market saw bearish sentiments throughout the day and ended in red at Rs. 5023 a 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 Andhra Pradesh and Tamil Nadu where it may be isolated. Rain/thundershowers are likely at many places over West Bengal & Sikkim, at a few places over the rest region outside Orissa where it may be isolated. Isolated squall are also likely over the region. Rains over Red Chilli growing regions might affect the crop kept for drying by the farmers.

### TECHNICALS

Candlesticks are indicating bearish sentiments and other indicators are reflecting that prices might decline. Short term moving averages are indicating the prices will continue to fall.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	4915	4802	5127	5220

### TRADE RECOMMENDATION:

Sell below 5010 with a target of 4965 with a strict stop loss at 5040. 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 traded steady today due to prevailing subdued demand and decreasing arrivals in the market. In Turkey the crop is in its last stage of maturity and the recent rains had beneficial impact on the crop. As the prices have already bottomed out and the demand is still not picking up the prices might remain steady to range bound at these levels and might recover by middle of this month on possibilities of export demand that time.

### FUTURES MARKETS:

NCDEX Cumin June futures opened slightly above previous close. The prices moved both ways and could not sustain at either levels and ended bearish at Rs. 6229.10 a quintal. the volume figures for days trade were of 1044 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Reducing arrivals
2. 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 Gujarat region, at many places over rest of Gujarat and Madhya Maharashtra; at a few places over Rajasthan and isolated over Marathwada. Scattered squall also likely over Rajasthan and Gujarat. 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 is in oversold region. MACD is in positive zone. The prices might show range bound movements with bearish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6181	6098	6305	6370

### TRADE RECOMMENDATION:

Sell below 6228 with a target at 6190 and then 6160 with a strict stop loss at 6255. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags)
Unjha	F.A.Q	1330 - 1430	5000
	Ganesh	1330 - 1470	
	Machine Cleaned	1430 - 1570	

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