

SPICES DAILY

June 21, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in most of the markets recovered today on slightly improved demand as prices declined to very low levels. Nizamabad market saw increased arrivals and similar demand. Turmeric growing regions of Nizamabad witnessed rains yesterday that are beneficial for sowing. The market has a hefty stock of around 2.50 - 3.00 lakh bags of turmeric. Erode market received steady arrivals and demand was slightly improved as days off take was of around 75 percent of the total inflow. The markets lack export demand and domestic demand is also low. 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. The prices might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract jumped to open above previous days close at Rs. 2440 a quintal. The highest price during the day was Rs. 2464 a quintal and the days trading finally settled at Rs. 2444 per quintal. The total volumes traded were 1800 MT's.

PRICE DRIVERS:

Bullish:

1. Decreasing arrivals

Bearish:

2. Low demand
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 the rest of the turmeric producing regions of south India. 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 bearish sentiments; stochastic has made bullish crossover in oversold region. MACD is in its negative zone. The contract might open firm and thereafter prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2412	2379	2483	2517

TRADE RECOMMENDATION:

Sell below 2448 with a target of 2440 and then 2432 with a strict stop loss at Rs. 2454 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2050 - 2125	1500
	Gattah	2025 - 2075	
Erode	Finger	2325 - 2375	4000
	Gattah	2325	

BLACK PEPPER

SPOT MARKETS

Pepper at Kochi market continued to quote at similar prices on lack of any fresh selling interest and absence of buying activity. However slight buying interest was seen from exchange with a view to reprocess and sell in international markets. The exchanges have hefty stock of poor quality of pepper. Domestic consumption is low in rainy season thus decreasing the demand. The prices of pepper might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

NCDEX July pepper futures contract opened above previous days close at Rs. 6710 and traded mostly firm to finally settle in green at a price similar to the days opening price. The total volumes traded during the day increased and were 1757 MT's.

PRICE DRIVERS:

Bullish:

1. Rains might reduce arrivals
2. Indian prices competitive in world market
3. processors show interest in buying from exchange with a view to reprocess

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 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 open firm and thereafter decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6648	6610	6801	6848

TRADE RECOMMENDATION:

Sell at 6724 with target of 6704 and then 6692 with a strict stop loss at 6738. 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 slightly firm today and around half of the day's total inflow got sold. The day's arrivals comprised of a greater proportion of that from cold storage. The demand for chilli is still less 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. According to trading sources the acreage might increase this year. 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. 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

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 over Kerala, Coastal Karnataka and Coastal Andhra Pradesh and isolated over the rest region. This activity is likely to increase after 24 Hrs.region. 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 contract might trade firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	5037	4910	5218	5388

TRADE RECOMMENDATION:

Buy above 5125 with a target of 5170 and then 5188 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 4800 - 5100	20000
	LCA 334 (loose) Non Cold Storage 3400 - 4300	

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market remained steady today on demand supply balance. The market does not have any demand from export front at present however domestic demand is preventing the prices to decline. The domestic demand is yet to increase in coming days and 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 high at Rs. 6486 and thereafter declined to Rs. 6393 a quintal. The days trading ended in red at Rs. 6454.50 per quintal. The total volumes traded increased to 3042 MT's.

PRICE DRIVERS:

Bullish:

1. Expectation of low 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. Harvesting of jeera is complete and sowing season begins in October. 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	6404	6319	6509	6602

TRADE RECOMMENDATION:

Sell between 6472 - 6475 with a target at 6430 and then 6405 with a strict stop loss at 6504. 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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