

## SPICES DAILY

June 05, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric market at Erode and Nizamabad remained closed. The prices have come down to lower levels and the arrivals are still decareasing on completion of harvesting and rain in major turmeric growing regions. Both the markets have demand for turmeric and Srilanka is buying from Erode market. Traders are expecting sowing might increase this season due to rains and early onset of monsoon and acreage might expand this year. 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 opened below previous days close at Rs. 2357 per quintal. The contract opened low and traded bearish initially and thereafter recovered and saw sharp increase in prices in late trading hours. The prices however did not sustain at higher level however ended bullish at Rs. 2390 a quintal. The market saw 2460 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 many places over Coastal Karnataka at a few places over South Interior Karnataka, and isolated over the rest region Rains in turmeric growing regions might prove beneficial for sowing the crop.

#### TECHNICALS

Candlesticks are indicating bullish sentiments, 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	2363	2322	2425	2492

#### TRADE RECOMMENDATION:

Buy above 2380 with target of 2415 and then 2422 with a strict stop loss at Rs. 2358 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	Closed	-
	Gattah	Closed	

## BLACK PEPPER

### SPOT MARKETS

Pepper prices remained steady and quoted at the same levels at Kochi pepper market. The market saw arrivals of 1 MT of pepper and off take was of similar quantity. According to traders, the market lacks lustre and the Indian prices are in parity with prices of other international players thus might attract demand from overseas market however inferior quality of pepper is not letting the prices recover. The prices are expected to remain steady to range bound.

### FUTURES MARKETS:

NCDEX Black pepper June futures contract opened firm and thereafter traded sideways and finally settled with indecision at Rs. 6536 a quintal. The total volume figures for the day were of 286 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.

### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands and Coastal Karnataka at a few places over South Interior Karnataka, Kerala and Lakshadweep and isolated over the rest region. 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	6452	6390	6601	6700

### TRADE RECOMMENDATION:

Buy above 6522 with target of 6570 with a strict stop loss at 6488.  
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 remained steady in Warangal market and the market saw similar sentiments. 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. On reopening of Guntur market after long holidays the supply might increase in the market thus bringing down the prices initially and then price might recover after a few days on buying at low prices.

### FUTURES MARKETS:

Chilli June contract at NCDEX came up with complete bearish sentiments as fresh selling took place after a few days range bound movement. The prices declined by Rs. 235 and the days trading ended in red at Rs. 4889 a quintal. The total number of volumes traded was 4075 MT's.

### PRICE DRIVERS:

#### Bearish:

1. Guntur Market to reopen on Monday
2. Bengal crop harvesting in progress

#### Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands and Coastal Karnataka at a few places over South Interior Karnataka, Kerala and Lakshadweep and isolated over the rest region. Isolated heavy rainfall is likely over Coastal Karnataka, Uttar Pradesh, and West Bengal. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

### TECHNICALS

Candlesticks are indicating bearish sentiments and stochastic has made a bearish crossover. MACD is in negative zone. Short term moving averages are indicating the prices will continue to fall. The contract might trade bearish.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	4711	4581	5000	5103

### TRADE RECOMMENDATION:

Sell below 4850 with a target of 4800 and then 4740 with a strict stop loss at 4882. 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 remained steady today on similar supply demand position. According to market sources export is being made to Singapore and European countries. Jeera might trade firm for few days on high export demand in near term and reducing arrivals due to rains. The demand for jeera on domestic front might also improve on ending of peak harvesting season of Mango.

### FUTURES MARKETS:

NCDEX Jeera near month contract opened at Rs. 6300 that was slightly above previous days close. The prices traded both sides thereafter and ended with indecision in green at Rs. 6354 a quintal. The volume figures were of 777 MT's that was greater than previous days 723 MT's.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

1. Mango Crop season

### Weather:

Rain/thundershowers are likely at a few places over Marathwada and east Rajasthan and isolated over the rest region. 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. Oscillators are indicating recovery is likely. MACD has is in negative zone. The prices might remain range bound with bullish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6225	6154	6383	6521

### TRADE RECOMMENDATION:

Buy above 6325 with a target at 6382 and then 6402 with a strict stop loss at 6285. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1350- 1450	4000 - 5000
	Ganesh 1360 - 1500	
	Machine Cleaned 1450 - 1600	

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