

SPICES DAILY

June 07, 2006

TURMERIC

SPOT MARKETS

Prices of turmeric declined today in almost all the major turmeric markets. Turmeric market at Erode reopened after yesterday's holiday and saw increased arrivals of the commodity coupled with low demand. The prices fell in Nizamabad market as market saw steady arrivals and stable demand. According to market sources acreage of turmeric might increase and sowing is in progress in almost all the major producing regions. The prices might remain steady to range bound with slightly bearish inclination on reduced demand from the markets of North.

FUTURES MARKETS:

NCDEX June turmeric contract continued to trade range bound with bearish sentiments. The prices declined to Rs. 2315 a quintal and settled low at Rs. 2350. The volumes traded increased to 1810 MT's.

PRICE DRIVERS:

Bullish:

1. Rains affecting arrivals

Bearish:

2. Expectation of rise in acreage
3. Rains favorable for sowing
4. No demand from North

Weather:

Rain/thundershowers are likely at many places over north Coastal Andhra Pradesh and Coastal Karnataka; at a few places over Interior Karnataka, Telangana. Rainfall activity over Andhra Pradesh and Karnataka is likely to decrease after 48 hours Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are indicating slight recovery in prices, stochastic is in neutral region. MACD is in its negative zone far away from its signal line. The prices might move range bound.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2291	2338	2371	2406

TRADE RECOMMENDATION:

Buy above 2351 with a target of 2365 and then 2370 with a strict stop loss at Rs. 2342 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	3000
	Gattah 2050	
Erode	Finger 2450 - 2600	7000
	Gattah 2350 - 2450	

BLACK PEPPER

SPOT MARKETS

Pepper prices at Kochi pepper market continued to remain steady and quoted at the similar levels. The market did not see any fresh arrivals on lack of selling interest coupled with cloudy weather and rains in the area. The demand for pepper in domestic markets is low due to rainy season and the pepper with most of the major commodities exchanges is of inferior quality. Despite the fact that Indian prices have now become competitive against other major international players the demand is still not visible. However the market expects to see some trade enquiries in coming days but the prices might remain steady to range bound with slightly bearish inclination until any big export demand is seen.

FUTURES MARKETS:

The NCDEX June pepper futures contract opened Re.1 above previous close and traded bearish throughout. The prices declined and went to lowest of Rs. 6467 a quintal and settled at Rs. 6490. However the volumes for the day declined to 506 MT's as against previous 623 MT's.

PRICE DRIVERS:

Bullish:

1. Low crop expectation of Indonesia and Brazil.
2. Exporters buying meager quantity of pepper from Exchanges to reprocess and sell

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. Less domestic consumption in monsoon Season
3. Rains might reduce arrivals

Weather:

Rain/thundershowers are likely at many places over Kerala, north Coastal Andhra Pradesh and Coastal Karnataka; at a few places over Interior Karnataka, Telangana, Lakshadweep and Andaman & Nicobar Islands and isolated over the rest region. Rainfall activity over Andhra Pradesh and Karnataka is likely to decrease after 48 hours. Weather is not a major factor as harvesting in Karnataka has come to end and rains at this stage are suitable for flowering of pepper.

TECHNICALS

Candlesticks are reflecting bearish sentiments. Short term moving averages are bearish and stochastic is indicating the prices might recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6449	6393	6550	6599

TRADE RECOMMENDATION:

Sell below 6490 with target of 6468 and then 6450 with a strict stop loss at 6507. 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 again slipped by another Rs. 400 - 500 per quintal on hefty arrivals despite moderate rains in some areas. According to trading sources the demand for red chilli is less due to reduced consumption, the off take was of only 60 percent of the total inflow. Also, the market has a good stock of red chilli of around 40 - 42 lakh bags that is higher than the immediate consumption requirement. The prices might continue to decline for few days.

FUTURES MARKETS:

Chilli June contract at NCDEX declined by Rs. 246 as against previous close. The market continued to follow bearish spot market sentiments and the prices declined to a low of Rs. 4231 a quintal and ended indecisive at Rs. 4389. The volumes traded declined to 18915 MT's.

PRICE DRIVERS:

Bearish:

1. Hefty arrivals
2. Less consumption demand
3. Heavy stock

Weather:

Rain/thundershowers are likely at many places over Kerala, north Coastal Andhra Pradesh and Coastal Karnataka; at a few places over Interior Karnataka, Telangana. Rainfall activity over Andhra Pradesh and Karnataka is likely to decrease after 48 hours. Rain/thundershowers are likely at most places over West Bengal & Orissa, at many places over Bihar and at a few places over East Uttar Pradesh. Isolated squall are likely over East Uttar Pradesh and Bihar. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

TECHNICALS

Candlesticks are indicating complete indecision and stochastic is in oversold region. MACD is in negative zone. The contract might see volatile movement of price.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	4232	4125	4501	4621

TRADE RECOMMENDATION:

Sell below 4315 with a target of 4270 and then 4255 with a strict stop loss at 4348. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 4000 - 4500	50000
	LCA 334 (Loose) 3600 - 4000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices declined on reduced domestic demand and steady arrivals in the market. According to market sources the demand for jeera is less due to less consumption in Mango crop season. Jeera prices might decline initially and then 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 June Jeera contract came out of its past few days trading range and opened bearish at Rs. 6177 and traded both ways to finally settle indecisive at Rs. 6161.20 a quintal. The total volumes traded during the day were 1164 MT's

PRICE DRIVERS:

Bullish:

1. Demand from domestic markets might improve in a fortnight
2. Expectation of less crop in other major producing nations

Bearish:

1. Low domestic demand due to Mango Crop season

Weather:

Mostly dry weather in Rajasthan and Gujarat. Weather at present has no affect on trading of Jeera.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is in Neutral region. MACD has is in negative zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6128	6007	6225	6353

TRADE RECOMMENDATION:

Sell below 6160 with a target at 6128 and then 6105 with a strict stop loss at 6184. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1330 - 1400	5000
	Ganesh 1350 - 1500	
	Machine Cleaned 1400 - 1550	

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.