

## SPICES DAILY

June 16, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices at most of the major markets declined on low demand and higher arrivals in the markets. The demand for turmeric is mostly from Indian domestic markets and due to coming rainy season the demand is expected to remain low as consumption decreases during this time. The prices might continue to remain steady to range bound with slightly bearish inclination.

#### FUTURES MARKETS:

NCDEX July turmeric futures contract jumped to open gap up at Rs. 2502 a quintal. The prices thereafter declined and went lowest to the level of Rs. 2466 and then settled at Rs. 2480 a quintal. The total volumes figures declined to 1730 MT's as against previous 1760 MT's.

#### PRICE DRIVERS:

##### Bullish:

1. Arrivals decreasing

##### Bearish:

2. Low demand
3. Expectation of rise in acreage

#### Weather:

Isolated Rain/thundershowers over the turmeric growing regions of South. Isolated rain/thundershowers are likely over Madhya Maharashtra. Rains in turmeric growing regions might prove beneficial for sowing the crop.

#### TECHNICALS

Candlesticks are reflecting bearish sentiments; stochastic is in neutral region. MACD is in its negative zone. The contract might see decline in prices.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2466	2450	2505	2537

#### TRADE RECOMMENDATION:

Sell below 2482 with a target of 2471 and then 2466 with a strict stop loss at Rs. 2491 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2025- 2100	2000
	Gattah 2000 - 2050	
Erode	Finger 2300- 2400	5000
	Gattah 2300	

## BLACK PEPPER

### SPOT MARKETS

Pepper prices in Kochi market continued to quote at previous days levels. The domestic demand is low on less consumption in rainy season. The market did not see any fresh arrivals and off take. The stock of pepper with most of the major commodity exchanges is of inferior quality. Brazil and Srilanka are offering their crop at Lower prices. The prices of pepper might remain steady to range bound with bearish inclination.

### FUTURES MARKETS:

The prices of pepper at NCDEX futures market surged today on technical recovery in prices coupled with speculative buying activity. The NCDEX July pepper futures contract opened similar to previous days close at Rs. 6610 a quintal, and thereafter the prices continued to recover and was highest upto Rs. 6731 a quintal. The days trading ended in green at Rs. 6724 per quintal.

### PRICE DRIVERS:

#### Bullish:

1. Rains might reduce arrivals
2. Indian prices lower than Vietnam

#### 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 Andaman & Nicobar Islands, Kerala and Lakshadweep and isolated over the rest region. 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 bullish sentiments. Stochastic is in neutral region. MACD has made bullish crossover. The contract might see mixed sentiments.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6611	6550	6802	6875

### TRADE RECOMMENDATION:

Buy above 6685 with target of 6748 with a strict stop loss at 6636. 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 continued to trade at similar prices. The prices remained steady as the arrivals reduced and the demand was less. The demand for chillies from cold storage and brought by farmers was in the same proportion. The market has a huge stock of around 43 - 45 lakh bags of red chilli. According to trading sources the bags containing red chilli in exchanges are of inferior quality and therefore buyers are keeping themselves off from taking delivery of the commodity. As, this might lead to additional expense on its safe movement from warehouse to the markets. Also, Domestic demand is less due to rainy season. The prices might remain steady to range bound.

### FUTURES MARKETS:

Chilli prices at NCDEX July contract saw heavy buying on speculative activities as the trading in the contract opened firm at Rs. 4850 a quintal. The prices did not look back and surged to a high of Rs. 5115 a quintal and then finally settled at Rs. 5084 per quintal. The total number of volumes traded during the day was extremely high and the figures aggregated to 11365 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Slight Export to Bangladesh

#### Bearish:

1. Less consumption demand
2. Hefty stock
3. Bags containing red chillies are of inferior quality

### Weather:

Rain/thundershowers are likely at a few places over Andaman & Nicobar Islands, Kerala and Lakshadweep and isolated over the rest region. Rain/thundershowers are likely at a few places over Sub Himalayan West Bengal & Sikkim and Orissa and isolated over the rest region outside East Uttar Pradesh and Bihar where weather may be mainly dry. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

### TECHNICALS

Candlesticks are indicating bullish sentiments and stochastic is in over bought region MACD is in negative zone. The contract might see volatile movement of prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4973	4849	5204	5302

### TRADE RECOMMENDATION:

Buy above 5000 with a target of 5130 and then 5180 with a strict stop loss at 4925. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4500 - 4800	15000 - 25000
	LCA 334 (loose) Non Cold Storage 2500 - 4000	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices at Unjha market continued to trade firm today on reducing arrivals and heavy demand. The offtake during the day was almost double in number as against the total inflow in the market. The buyers are from Singapore, Gulf countries and European countries. The Export chances are bright on less crop in other major producing nations and low carry over stocks with them. According to trading sources Turkey and Syria are selling their produce at around \$100 up against Indian prices. The crop from Syria is expected to hit the markets in about a fortnight. The market is still waiting for the domestic demand to pick up. The prices might remain range bound to slightly firm and thereafter improve sharply on arrival of rains.

### FUTURES MARKETS:

Jeera at NCDEX July contract traded firm as the prices surged on bullish notes from the spot markets. The contract opened firm at Rs. 6547.90 per quintal and thereafter touched the level of Rs. 6624 and ended at Rs. 6515.90 a quintal. The total volumes traded during the day were of 2994 MT's.

### PRICE DRIVERS:

#### Bullish:

1. High Export demand
2. Expectation of less crop in other major producing nations
3. Turkey, Syria selling at higher prices.

#### Bearish:

1. Low domestic demand due to Mango Crop season
2. Syria crop might come in a fortnight
3. Dry weather keeping domestic demand low

**Weather:** Isolated rain/thundershowers are likely over Madhya Maharashtra. Mainly dry weather is likely over the rest region. Isolated Dust storm/Thunderstorm over Rajasthan Harvesting of jeera is complete and sowing season is still far the weather is not a matter of much concern.

### TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic is in neutral region. MACD is in negative zone. The prices might most likely remain volatile.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6431	6361	6602	6674

### TRADE RECOMMENDATION:

Buy at 6500 with a target at 6545 and then 6570 with a strict stop loss at 6466. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1370 - 1420	3500
	Ganesh 1370 - 1500	
	Machine Cleaned 1480 - 1550	

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