

SPICES DAILY

June 12, 2006

TURMERIC

SPOT MARKETS

Turmeric markets of Nizamabad and Erode remained closed today. The inflow of Turmeric is decreasing as harvesting is complete and sowing has started in the region. The demand for turmeric has reduced due to rainy season in most of the major consuming states. However, traders feel the market might not see any carry over stock this year as all might get consumed. The prices might continue to remain steady to range bound with slightly bearish inclination on reduced demand.

FUTURES MARKETS:

NCDEX July turmeric futures contract opened similar to previous days close at Rs. 2505 a quintal and traded bearish for most of the time. During the day prices went highest to 2515 a quintal but did not sustain at that level and declined to settle at Rs. 2494 a quintal. The volumes traded during the day declined to 1080 MT's.

PRICE DRIVERS:

Bullish:

1. Low arrivals

Bearish:

2. Expectation of rise in acreage
3. Low domestic demand

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and Kerala and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are indicating indecision; Oscillators are reflecting prices might continue to fall. MACD is in its negative zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2463	2431	2522	2550

TRADE RECOMMENDATION:

Sell below 2495 with a target of 2483 and then 2476 with a strict stop loss at Rs. 2504 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 continued to trade at similar prices today in Kochi market. The market did not see any fresh arrivals and offtake was nil. The prices are steady to slightly bearish due to harvesting of pepper by Srilanka. The stock of pepper with most of the major commodity exchanges is of inferior quality and the demand is less due to rainy season. The prices of pepper in the absence of any export demand, or government's effort to curb or limit import from Srilanka, might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

The NCDEX July pepper futures contract opened low at Rs. 6740 a quintal. The prices declined and finally the days trading settled at Rs. 6682. The total volumes traded during the day were of 453 MT's.

PRICE DRIVERS:

Bullish:

1. Rains might reduce arrivals

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. Harvesting in Srilanka
3. Less domestic consumption in monsoon Season

Weather:

Rain/thundershowers are likely at a few places over Andaman & Nicobar Islands, Coastal Karnataka and Kerala 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 reflecting bearish sentiments. Oscillators are indicating the prices might decline. MACD is in negative zone. The prices might continue to decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6644	6590	6741	6799

TRADE RECOMMENDATION:

Sell below 6682 with target of 6650 and then 6632 with a strict stop loss at 6706. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Guntur market of Red Chilli remained closed today. The prices are declining on high arrivals, low demand and imports from China. The market has a good stock of red chilli of around 40 - 43 lakh bags that is higher than the immediate consumption requirement. However in Warangal market the prices improved today and the demand was moderate. The prices might remain range bound with bearish inclination.

FUTURES MARKETS:

Chilli prices at NCDEX July contract remained indecisive today as the contract opened at the Rs. 4644 a quintal that was similar to the last day's closing price. The prices tried to recover but could not sustain at higher levels and were highest at Rs. 4698 a quintal. The days trading ended near the opening at Rs.4649 per quintal. The total number of volumes traded was 1940 MT's.

PRICE DRIVERS:

Bearish:

1. Hefty arrivals
2. Import from China
3. Less consumption demand
4. Heavy stock

Weather:

Rain/thundershowers are likely at a few places over Andaman & Nicobar Islands, Coastal Karnataka and Kerala and isolated over the rest region. Rain/thundershowers are likely at many places over West Bengal & Sikkim and Isolated over Orissa. Mainly dry weather over the rest region. Day temperatures are likely to increase by 2-4°C in the region. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

TECHNICALS

Candlesticks are indicating indecision and stochastic has made bearish crossover. MACD is in negative zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4533	4432	4751	4899

TRADE RECOMMENDATION:

Sell below 4650 with a target of 4612 and then 4595 with a strict stop loss at 4680. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 Closed	-

JEERA (Cumin)

SPOT MARKETS

Jeera at Unjha market continued to trade at steady prices. The arrivals decreased however demand is still high and is expected to increase further in coming days thus lifting the prices. Singapore and Srilanka are the major buyers at current prices however domestic demand is still low due to less consumption demand. Jeera prices might remain steady to range bound with slightly firm bias and thereafter might trade firm for few days on high export demand and increase in domestic demand coupled with fewer arrivals due to rains in Rajasthan and Gujarat.

FUTURES MARKETS:

NCDEX July Jeera contract remained totally indecisive as the prices went to a high of 6479.40 a quintal ended near the days opening at Rs. 6439 per quintal. The total volumes figures were of 843 MT's.

PRICE DRIVERS:

Bullish:

1. Demand might shoot up in a fortnight
2. Expectation of less crop in other major producing nations

Bearish:

1. Low domestic demand due to Mango Crop season

Weather:

Isolated Rain/thundershowers are likely over south Madhya Maharashtra and Marathwada. Mainly dry weather is likely over Gujarat and Rajasthan. Day temperatures are likely to increase by 2-3 °C. Heat wave conditions are likely to develop over some parts of Rajasthan with day temperature around 45°C. Weather at present has no affect on trading of Jeera.

TECHNICALS

Candlesticks are indicating indecision. Oscillators are indicating a fall in prices is likely. MACD has is in negative zone. The prices might most likely remain bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6401	6298	6523	6602

TRADE RECOMMENDATION:

Sell below 6440 with a target at 6402 with a strict stop loss at 6470
Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1330 - 1400	3500
	Ganesh 1350 - 1500	
	Machine Cleaned 1400 - 1550	

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