

SPICES DAILY

June 17, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major markets remained steady to low. In Erode market prices declined on reduced demand, the market has no export orders at present and the buyers are from domestic markets of north and east India including Delhi, Punjab and Calcutta. The demand for turmeric is expected to remain low on reduced consumption in rainy season. The prices might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

Turmeric at NCDEX July futures contract opened gap down at Rs. 2470 a quintal. The prices thereafter recovered slightly and then continued to decline to end at Rs. 2452 a quintal. The total volumes decreased to 1570 MT's.

PRICE DRIVERS:

Bullish:

1. Decreasing arrivals

Bearish:

2. Low demand
3. Expectation of rise in acreage

Weather:

Rain/thundershowers are likely at many places over Kerala, Lakshadweep, Coastal and Interior Karnataka and at a few places over the rest region. Rainfall activity over South Peninsula is likely to increase. 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	2429	2391	2482	2508

TRADE RECOMMENDATION:

Sell below 2452 with a target of 2440 and then 2430 with a strict stop loss at Rs. 2461 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2025- 2100	1000
	Gattah 2000 - 2050	
Erode	Finger 2325- 2350	5000
	Gattah 2300	

BLACK PEPPER

SPOT MARKETS

Pepper prices in Kochi market remained steady. The market failed to see any fresh arrivals and off take. The Indian prices competitive against other major producing nations however the traders from overseas markets are still waiting for the prices to decline further. Brazil and Srilanka are offering their crop at Lower prices but the quality offered is inferior to that of India. The domestic demand is low on reduced consumption of the commodity in rainy season. The stock of pepper with most of the major commodity exchanges is of inferior quality. The prices of pepper might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

The prices of pepper at NCDEX futures market declined today on profit booking following yesterdays surge in prices. The NCDEX July pepper futures contract opened above previous days close at Rs. 6748 a quintal, and thereafter recovered and then declined to a low of Rs. 6670 a quintal. The days trading settled at Rs. 6676 a quintal.

PRICE DRIVERS:

Bullish:

1. Rains might reduce arrivals
2. Indian prices competitive in world market

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 many places over Kerala, Lakshadweep, Coastal and Interior Karnataka and at a few places 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 bearish sentiments. Stochastic is in neutral region. MACD is in negative zone. The contract might see decline in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6641	6611	6749	6800

TRADE RECOMMENDATION:

Sell below 6676 with target of 6652 and then 6644 with a strict stop loss at 6694. 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 traded firm today on reduced arrivals. However demand for chilli is still less and the off take was of 40 to 50 percent of the total inflow. The market has a hefty stock of around 45 lakh bags of red chilli. The demand from domestic front is less due to rainy season. 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. 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 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 many places over Kerala, Lakshadweep, Coastal and Interior Karnataka and at a few places over the rest region. Rainfall activity over South Peninsula is likely to increase. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments and stochastic is bending in neutral region, MACD is in negative zone. The prices might remain bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4832	4747	5032	5122

TRADE RECOMMENDATION:

Sell below 4955 with a target of 4902 and then 4885 with a strict stop loss at 4996. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	4700 - 5100
	LCA 334 (loose) Non Cold Storage	3200 - 4100

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market declined on increased arrivals and steady demand. The export demand declined and no fresh export order was seen in the market. However in the coming days the chances of increase in exports are high on reduced crop and less stock with competing nations. The crop from Syria is expected to hit the markets in about a fortnight and the international buyers seem to be waiting for it. The prices might remain range bound to slightly firm and thereafter improve sharply.

FUTURES MARKETS:

Jeera at NCDEX July contract declined today as the trading in the contract began at Rs. 6450 a quintal. The prices tried to recover but could not sustain higher levels and declined to Rs. 6350 and settled in red at Rs. 6405.60 a quintal. The total volumes traded decreased to 1671 MT's.

PRICE DRIVERS:

Bullish:

1. Expectation of less crop in other major producing nations
2. 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 Dust storm/Thunderstorm is likely over Rajasthan. Mainly dry weather is likely over Gujarat. Harvesting of jeera is complete and sowing season is still far the weather is not a matter of much concern.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6363	6252	6476	6549

TRADE RECOMMENDATION:

Sell below 6405 with a target at 6352 and then 6335 with a strict stop loss at 6445. 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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