

SPICES DAILY

July 01, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major markets remained steady to slightly firm on almost similar sentiments. According to trading sources, Erode market continued with similar arrivals and domestic demand for turmeric is still low. The off take was near about 70 - 75 percent of the inflow. Marketmen reported sowing in Karnataka is complete and acreage has increased by around 15 - 20 percent this year. Sowing is expected to complete in another 7 - 10 days in Erode and by July middle in Andhra Pradesh and Maharashtra. The prices are expected to trade steady to slightly range bound as they have declined to lower levels and then continue to decline on poor demand, increased acreage and hefty stock in the markets.

FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract opened below previous days close at Rs. 2296 a quintal and thereafter traded side ways and recovered to a high of Rs. 2323 a quintal. The days trading settled at Rs. 2312 a quintal. The total volumes traded during the session declined to 1020 MT's.

PRICE DRIVERS:

Bearish:

1. Turmeric sowing speeds up
2. Sowing completes in Karnataka
3. Hefty stock in Nizamabad market
4. Expectation of rise in acreage

Weather:

Rain/thundershowers are likely at many places over the region outside Tamil Nadu and Rayalaseema where it may be at a few places. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are reflecting bullish sentiments; stochastic is in neutral region. MACD is in negative zone. The contract might see recovery in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2351	2391	2282	2257

TRADE RECOMMENDATION:

Buy above 2308 with a target of 2322 and then 2334 with a strict stop loss at 2297. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2070 - 2100	800 - 1000
	Gattah 1970 - 2000	
Erode	Finger 2400 - 2450	4000
	Gattah 2300 - 2350	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market increased today as buyers showed keen interest in the commodity. Some selling was seen today and all the arrivals got sold reflecting bullish sentiments in the market. The demand for black pepper is high on buying interest from international markets as Indian prices have become attractive against other major producing countries. Vietnam is offering at higher prices as against India and has sold a large part of its produce. Brazil and Indonesia has estimates of poor crop with low carry over stock. Pepper prices might remain firm for few days.

FUTURES MARKETS:

NCDEX July pepper futures contract opened firm at Rs. 7225 as against previous days close at Rs. 7202 a quintal, and thereafter declined to a low of Rs. 7155 on slight profit booking and the days traded ended up at Rs. 7263 a quintal. The total volumes traded during the day diminished to 1644 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Vietnam offers at higher prices
3. Vietnam stocks depleting
4. Indonesia crop delays
5. Brazil, Indonesia low crop estimates

Bearish:

1. Less domestic consumption in monsoon Season.

Weather:

Isolated heavy rainfall is likely over Kerala. Rain/thundershowers are likely at many places over the region outside Tamil Nadu and Rayalaseema where it may be at a few places. Rains at this stage are suitable for cultivation of pepper.

TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic is in overbought region. MACD has entered in positive zone. The contract might continue to trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	7211	7130	7379	7466

TRADE RECOMMENDATION:

Buy above 7262 with target of 7294 and then 7312 with a strict stop loss at 7236 Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7300	20
	Ungarbled 6900	20

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market recovered slightly bullish bias on reduced arrivals and low demand. The off take was nearly half of the total arrivals. The market has a hefty stock of around 37 - 40 lakh bags of red chillies. Sowing has started and will gain pace in coming days. The market still lack buyers from international markets and exporters are not buying at current levels. The market is under selling pressure on low demand, expectation of increased acreage, and hefty stock. The prices are likely to trade range bound with slightly bearish inclination.

FUTURES MARKETS:

Chilli prices at NCDEX July contract bounced after a continuous fall on technical recovery on profit booking. The contract opened below previous close at Rs. 4404 a quintal and surged to a high of Rs. 4565 a quintal and trading for the day culminated to Rs. 4526 a quintal. The total volumes traded during the day incremented to 5785 MT's.

PRICE DRIVERS:

Bullish:

Low Production

Bearish:

1. Sowing begins
2. High arrivals due to sowing season
3. Low demand
4. Lacks export demand
5. Hefty stock

Weather:

Rain/thundershowers are likely at many places over the region outside Tamil Nadu and Rayalaseema where it may be at a few places. Rains over Red Chilli growing regions might affect the arrivals of crop in the market; however, the same is favorable for the sowing

TECHNICALS

Candlesticks are reflecting bullish sentiments and stochastic is in neutral region, MACD is flat in negative zone. The contract might continue to trade firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4380	4232	4630	4788

TRADE RECOMMENDATION:

Buy above 4482 with a target of 4558 and then 4584 with a strict stop loss at 4432. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4400 - 4550	15000
	LCA 334 (loose) Non Cold Storage 3600 - 4150	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market remained steady today on no fresh news to make the prices react. The inflow decreased slightly and demand was high. The chances for exports are bright this year as most of the major jeera producing countries including Syria and Turkey are short of their normal production. With the onset of rains the arrivals might decrease and the demand might be seen in the market. The prices are expected to remain range bound to slightly firm for few days.

FUTURES MARKETS:

Jeera prices at NCDEX July contract remained indecisive as the contract opened firm at Rs. 6450 a quintal and traded sideways. The trading for the day settled in red at Rs. 6425.30 a quintal. The trading for the day settled in red at Rs. 6433.70 a quintal. The total volumes traded declined to 810 MT's.

PRICE DRIVERS:

Bullish:

1. Expectation of low crop in other major producing nations
2. Syria crop of inferior quality
3. Low carry over stocks in Turkey and Syria

Weather:

Heavy to very heavy rainfall is likely at a few places over south Gujarat. Rain/thundershowers are likely at many places over the region outside West Rajasthan and Kutch where it may be at a few places. Weather is not a matter of much concern as harvesting is complete and however any rains might affect arrivals of commodity in the market.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is in neutral region. MACD is in negative zone. The prices might most likely to remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6328	6221	6504	6602

TRADE RECOMMENDATION:

Sell below 6427 with a target at 6405 and then 6380 with a strict stop loss at 6444. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1310- 1310	3000
	Ganesh 1310 - 1360	
	Machine Cleaned 1460 - 1560	

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