

SPICES DAILY

June 28, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major markets remained steady to range bound. Nizamabad market saw reduced arrivals of inferior quality of turmeric and off take was of similar quantity. Erode market saw steady arrivals and nearby turmeric producing regions received rains that are beneficial for sowing of turmeric. The domestic demand for turmeric is low. In Erode market off take was only around 50 - 60 percent of the total inflow. Sowing is in progress and is complete by around 50% and 40% in turmeric producing regions near Erode and Nizamabad Markets. The acreage this year is expected to widen. The prices are declining on low demand, hefty stock in markets. The prices might continue to decline for few days.

FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract opened below previous days close at Rs. 2321 a quintal and thereafter declined to the low of Rs. 2308 and recovered in the later trading session upto Rs. 2350. The days trading culminated at Rs. 2334 per quintal. The total volumes traded during the session declined to 1600 MT's.

PRICE DRIVERS:

Bearish:

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

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, at a few places over Interior Karnataka and Coastal Andhra Pradesh and isolated over the rest of the turmeric growing regions. Rains in turmeric growing regions might prove beneficial for sowing the crop, which is around 40-50% complete.

TECHNICALS

Candlesticks are reflecting indecision; stochastic is in neutral region. MACD is in negative zone. The contract might open and trade firm initially and decline thereafter.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2321	2300	2351	2365

TRADE RECOMMENDATION:

Sell near 2344 - 2346 with a target of 2334 and then 2328 with a strict stop loss at 2352. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2350	1000
	Gattah 2150	
Erode	Finger 2400	4000
	Gattah 2300	

BLACK PEPPER

SPOT MARKETS

Kochi market saw increase in Black Pepper prices and after a long time trading was seen in the market as the arrivals and off take was of 7 MT's today. The domestic demand is low due to reduced consumption in rainy season however demand from international markets is visible as Indian prices have become attractive against other major producing countries. Vietnam has already sold a large part of its produce and Brazil and Indonesia has estimates of poor crop with low carry over stock. Pepper prices might remain slightly firm for few days.

FUTURES MARKETS:

NCDEX July pepper futures contract followed its previous bullish sentiments and opened firm at Rs 7000 a quintal and thereafter recovered to high of Rs. 7075 per quintal. The days trading settled at Rs. 7036 a quintal. The total volumes traded during the day diminished to 1579 MT's.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Futures exchanges have hefty stocks of inferior quality pepper.
2. Less domestic consumption in monsoon Season.

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala and Andaman & Nicobar Islands; at a few places over Interior Karnataka. Rains at this stage are suitable for flowering of pepper.

TECHNICALS

Candlesticks are bullish sentiments. Stochastic is in overbought region. MACD is in negative zone. The contract might continue trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6976	6876	7124	7212

TRADE RECOMMENDATION:

Buy above 7022 with target of 7060 and then 7080 with a strict stop loss at 6995. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7100	7
	Ungarbled 6700	7

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market remained almost steady to range bound despite slightly increased arrivals. The market has a hefty stock of red chillies. The off take was only 50 - 55 percent of the total inflow. Sowing in some areas has already started, climate is suitable for sowing and producers are selling their produce with a view to accumulate funds for seeding their farms. The market lacks any demand from international markets and domestic demand is also less. The market is under selling pressure on low demand, increased acreage, and hefty stock. The prices are likely to remain with bearish inclination.

FUTURES MARKETS:

Chilli prices at NCDEX July contract traded indecisive today and the contract opened slightly firm at Rs. 4575 a quintal and thereafter recovered to a high of Rs. 4632 to end at Rs. 4583 a quintal. The total volumes traded figure declined and was just 4185 MT's as against previous 6395 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production

Bearish:

1. Sowing begins
2. High arrivals due to sowing season
3. Low demand
4. Hefty stock
5. Poor Packing of red chillies

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, at a few places over Interior Karnataka and Coastal Andhra Pradesh and isolated over the rest of the chillie growing regions. Rains over Red Chilli growing regions might affect the arrivals of crop in the market; however, the same is favorable for the sowing of the crop.

TECHNICALS

Candlesticks are reflecting indecision and stochastic is in oversold region, MACD has made bearish crossover in negative zone. The contract might continue to trade bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4476	4371	4640	4715

TRADE RECOMMENDATION:

Sell below 4560 with a target of 4528 and then 4506 with a strict stop loss at 4584. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	4400 - 4500
	LCA 334 (loose) Non Cold Storage	3500 - 4000

JEERA (Cumin)

SPOT MARKETS

Jeera at Unjha market continued with similar sentiments and the prices remained at previous levels. The market seems to be waiting for export demand to emerge and the domestic demand to revive. 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 steady to range bound for few days.

FUTURES MARKETS:

Jeera prices at NCDEX July contract saw another day of complete indecision as prices moved by Rs. 47.40 only. The contract opened at Rs. 6313 a quintal and the prices hovered in the range of Rs. 6347 - 6300 per quintal. The trading for the day culminated at Rs. 6327.40 a quintal. The total volumes traded were thin and aggregated as 465 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

Bearish:

1. Normal demand
2. Dry weather keeping domestic demand low

Weather:

Rain/thundershowers are likely at a few places over Gujarat, Madhya Pradesh and Rajasthan. Rainfall activity over Madhya Pradesh likely to increase after 48 hours. The weather is not a matter of much concern however any rains might affect arrivals of commodity in the market.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6283	6219	6406	6470

TRADE RECOMMENDATION:

Buy above 6372 with a target at 6394 and then 6406 with a strict stop loss at 6354. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1300 - 1350	3500 - 4000
	Ganesh	1300 - 1350	
	Machine Cleaned	1450 - 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.