

SPICES DAILY

June 27, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major markets declined today. The domestic demand for turmeric is low due to rainy season. Erode market saw steady arrivals and the prices declined on low demand as the off take was only around 50 - 60 percent of the total inflow. The market does not have any export demand at present. Nizamabad saw reduced arrivals and the demand for turmeric is still less. The market has a hefty stock of around 2.50 - 3.00 lakh bags. Sowing is in progress and is complete by around 50% and 40% in turmeric producing regions near Erode and Nizamabad Markets. 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. 2391 a quintal and thereafter declined to the low of Rs. 2322 and culminated at Rs. 2336 per quintal. The total volumes traded during the session raised to 2120 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 turmeric growing region. Rains in turmeric growing regions might prove beneficial for sowing the crop, which is 40-50% complete.

TECHNICALS

Candlesticks are reflecting bearish sentiments; stochastic is about to enter oversold zone. MACD is in negative zone. The contract might see further decline in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2300	2285	2365	2402

TRADE RECOMMENDATION:

Sell below 2338 with a target of 2325 and then 2314 with a strict stop loss at 2346. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2250	1500
	Gattah 2000 - 2100	
Erode	Finger 2350 - 2400	4000
	Gattah 2300	

BLACK PEPPER

SPOT MARKETS

Black Pepper prices quoted at higher levels in Kochi market. The market did not see any fresh selling as producers are holding back their produce with an intention to sell at increased prices. The domestic demand is low due to 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 stocks and Brazil and Indonesia has estimates of poor crop with low carry over stock. Pepper prices might remain slightly firm in coming days.

FUTURES MARKETS:

NCDEX July pepper futures contract following previous bullish sentiments opened firm at Rs. 6875 and surged to the high of Rs 7000. The days trading ended high at Rs. 6968 a quintal. The total volumes traded during the day increased to 1976 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Exporters are showing interest in buying from exchange.
3. Unconfirmed news of fresh export order from US
4. Vietnam stocks depleting
5. Indonesia crop delays
6. 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 and Coastal Andhra Pradesh and isolated over the rest region. Rains at this stage are suitable for flowering of pepper.

TECHNICALS

Candlesticks are bullish sentiments. Stochastic has made bullish crossover in neutral region. MACD is in negative zone. The contract might continue trade volatile with firm sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6875	6815	7102	7178

TRADE RECOMMENDATION:

Buy above 6985 with target of 7038 and then 7072 with a strict stop loss at 6946. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7050	NIL
	Ungarbled 6650	NIL

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market remained in a bearish mood today. The market has a stock of around 45 lakh bags of chillies. Sowing in some areas have already started and producers are selling their produce with a view to accumulate funds for seeding their farms. 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 declined today as the contract opened low at Rs. 4710 a quintal and thereafter traded mostly bearish and was lowest at Rs. 4520 per quintal and the days trading culminated at Rs. 4559 per quintal. The volumes traded during the day increased to 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, Kerala and Andaman & Nicobar Islands; at a few places over Interior Karnataka and Coastal Andhra Pradesh and isolated over the rest region. 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 indicating bearish sentiments and stochastic has entered 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	4469	4359	4642	4750

TRADE RECOMMENDATION:

Sell below 4542 with a target of 4508 and then 4468 with a strict stop loss at 4568. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	4300 - 4400	40000
	LCA 334 (loose) Non Cold Storage	3500 - 4000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market remained steady to range bound today. The prices remained steady on no fresh inputs as the market seems to be waiting for export demand to emerge and the domestic demand to revive. Most of the major jeera producing countries including Syria and Turkey are short of their normal production this year, thereby providing bright chances for higher exports from India this year. 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.

FUTURES MARKETS:

Jeera prices at NCDEX July contract remained indecisive and range bound throughout the day. The contract opened at Rs. 6281.10 a quintal and the prices hovered in the range of Rs. 6281.10 - 6371 per quintal. The trading for the day rested at Rs. 6307.80 a quintal. The total volumes traded increased to 966 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 south Gujarat and Madhya Maharashtra and isolated over Rajasthan. 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	6240	6168	6406	6501

TRADE RECOMMENDATION:

Buy above 6322 with a target at 6358 with a strict stop loss at 6295. 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	

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