

SPICES DAILY

June 09, 2006

TURMERIC

SPOT MARKETS

Turmeric Prices continued steady to range bound in major turmeric markets today. Erode market saw steady arrivals and offtake was near around 70 - 80 percent. In the same line the demand and supply position in Nizamabad market remained similar. According to market sources acreage of turmeric might increase and sowing is in progress in almost all the major producing regions. The prices might remain steady to range bound with slight bearish inclination on reduced demand from the domestic markets.

FUTURES MARKETS:

NCDEX June turmeric contract opened below previous days close at Rs. 2385 a quintal and remained bearish throughout to see the low of Rs. 2351 a quintal and finally settled at Rs. 2358 per quintal. The volumes traded during the day were 1090 MT's.

PRICE DRIVERS:

Bullish:

1. Reducing arrivals

Bearish:

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

Weather:

Rain/thundershowers are likely at isolated over the rest region outside North Interior Karnataka and Interior Andhra Pradesh where mainly dry weather is likely. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are indicating bearish sentiments; 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 June	2323	2289	2388	2420

TRADE RECOMMENDATION:

Sell below 2358 with a target of 2348 and then 2340 with a strict stop loss at Rs. 2365 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	2500
	Gattah 2050	
Erode	Finger 2450 - 2500	4000 - 5000
	Gattah 2400- 2450	

BLACK PEPPER

SPOT MARKETS

Pepper got sold at the previous price levels in Kochi market today. The arrivals were similar in number with the off take. The stock of pepper with most of the major commodity exchanges is of inferior quality and the demand is less due to rainy season. Harvesting of pepper in Srilanka has begun thus decreasing the chances of India's export. Indian prices have now come in parity with other exporting nations except Srilanka that is offering at around \$1500 a tonne. The prices in the absence of any export demand might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

The NCDEX June pepper futures contract opened firm by Rs. 21.00 against previous days close and thereafter declined and then recovered to a high of Rs. 6580 and ended slightly up at Rs. 6544 a quintal as against previous close of 6539.00 per quintal.

PRICE DRIVERS:

Bullish:

1. Low crop expectation of Indonesia and Brazil.
2. 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 many places over Andaman & Nicobar Islands and isolated over the rest region outside North Interior Karnataka and Interior Andhra Pradesh where mainly dry weather is likely. 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 indecision. Short term moving averages are indicating slight recovery. Stochastic has made a bearish crossover. The prices might open firm and decline later.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6522	6489	6489	6434

TRADE RECOMMENDATION:

Sell below 6545 with target of 6512 and then 6502 with a strict stop loss at 6572. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 6900	7
	Ungarbled 6500	7

RED CHILLIES

SPOT MARKETS

Red Chilli prices at Guntur market traded at steady prices on heavy arrivals and similar demand. The demand for red chilli is less due to reduced consumption but companies like ITC and countries like Singapore and Malaysia are the major buyers. The market has a good stock of red chilli of around 42 - 43 lakh bags that is higher than the immediate consumption requirement. The prices might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

Chilli June contract at NCDEX opened firm at Rs. 4580 a quintal and thereafter declined to Rs. 4431 and settled with bearish sentiments at Rs. 4447 a quintal. The volumes traded declined to 5115 MT's as against 12775 MT's.

PRICE DRIVERS:

Bearish:

1. Hefty arrivals
2. Less consumption demand
3. Heavy stock

Weather:

Rain/thundershowers are likely to be isolated over the rest region outside North Interior Karnataka and Interior Andhra Pradesh where mainly dry weather is likely. Rain/thundershowers are likely at many places over the region outside Orissa where it may be at a few places. Significant decrease in rainfall activity is likely after 24 hours. Isolated squall are likely over East Uttar Pradesh. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	4376	4239	4581	4713

TRADE RECOMMENDATION:

Sell below 4448 with a target of 4390 and then 4355 with a strict stop loss at 4490. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334	4400 - 4600	35000 - 40000

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha improved today on reduced arrivals and high demand. Around 50 - 60 percent of the total outflow comprises of demand from Singapore and Srilanka however domestic demand is slightly less due to less consumption in Mango crop season. Jeera prices might remain range bound and then might trade firm for few days on high export demand in near term and reducing arrivals due to rains. The demand for jeera on domestic front might also improve on ending of peak harvesting season of Mango.

FUTURES MARKETS:

NCDEX June Jeera contract opened firm at Rs. 6265 and thereafter after touching the high of 6300 declined and settled in Red at Rs. 6229.80 a quintal. The total volumes traded during the day declined to 771 MT's.

PRICE DRIVERS:

Bullish:

1. Demand from domestic markets 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 Konkan & Goa and south Madhya Maharashtra. Mainly dry weather is likely over the rest region. Day temperatures are likely to increase by 2-3 °C. Weather at present has no affect on trading of Jeera.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic has made a bullish crossover. MACD has is in negative zone. The prices might move volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6151	6062	6353	6429

TRADE RECOMMENDATION:

Sell below 6210 with a target at 6180 and then 6155 with a strict stop loss at 6232. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1330 - 1400	3000
	Ganesh 1350 - 1500	
	Machine Cleaned 1400 - 1550	

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