

SPICES DAILY

June 10, 2006

TURMERIC

SPOT MARKETS

Turmeric Prices remained steady to low at various major turmeric markets. The prices at Erode market remained steady and arrivals increased today. The demand for turmeric is less particularly from the markets of Bihar due rains in the area. Prices declined in Nizamabad market on low demand despite reduced arrivals. According to market sources acreage of turmeric might increase and sowing is in progress in almost all the major producing regions. The traders feel this year the market might not see any carry over stock as all might get consumed. The prices might continue to remain steady to range bound with slightly bearish inclination on reduced demand.

FUTURES MARKETS:

NCDEX July turmeric futures contract opened far below previous days close at Rs. 2515 a quintal and then tried to recover and went up to Rs. 2548 and thereafter declined to end in red at Rs. 2505 a quintal. The volumes traded during the day increased to 2800 MT's.

PRICE DRIVERS:

Bullish:

1. Reducing arrivals

Bearish:

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

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands and isolated over Lakshadweep, Coastal Karnataka, North Coastal Andhra Pradesh and Kerala. Mainly dry weather is likely over the rest region. 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 July	2489	2429	2546	2585

TRADE RECOMMENDATION:

Sell below 2510 with a target of 2498 and then 2490 with a strict stop loss at Rs. 2517 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2075	1500
	Gattah 2025	
Erode	Finger 2450 - 2500	7000
	Gattah 2400- 2450	

BLACK PEPPER

SPOT MARKETS

Pepper traded at similar prices today in Kochi market. The number of arrivals and off take was same. 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 is in progress thus further decreasing the chances of India's export. Indian Black pepper prices have now come in parity with other exporting nations except Srilanka that is offering at around \$1500 a tonne. However some buyers recently bought from Indonesia. The prices of pepper in the absence of any export demand, or government's effort to curb or limit import from Srilanka, might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

The NCDEX July pepper futures contract opened bearish at Rs. 6775 a quintal. The prices declined and finally the days trading settled at Rs. 6748. The high - low difference was of just Rs. 38 during the whole session.

PRICE DRIVERS:

Bullish:

1. 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 Lakshadweep, Coastal Karnataka, north Coastal Andhra Pradesh and Kerala. Mainly dry weather is likely 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 reflecting bearish sentiments. Stochastic is in neutral region. MACD is in negative zone The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6706	6642	6802	6876

TRADE RECOMMENDATION:

Sell below 6748 with target of 6718 and then 6705 with a strict stop loss at 6772. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 6900	5
	Ungarbled 6500	5

RED CHILLIES

SPOT MARKETS

Red Chilli prices at Guntur market declined today on heavy arrivals and low demand. The market saw outflow of only 40 percent of the total arrivals. Farmers are not holding stock with them and have a major share in total sale. The market has a good stock of red chilli of around 40 - 43 lakh bags that is higher than the immediate consumption requirement. The prices might remain range bound with bearish inclination.

FUTURES MARKETS:

NCDEX Chilli July contract opened Rs. 24 below the previous days close at Rs. 4688 a quintal and thereafter declined to the low of Rs. 4563 and settled at Rs. 4644 a quintal. The total number of volumes traded were 4160 MT's.

PRICE DRIVERS:

Bearish:

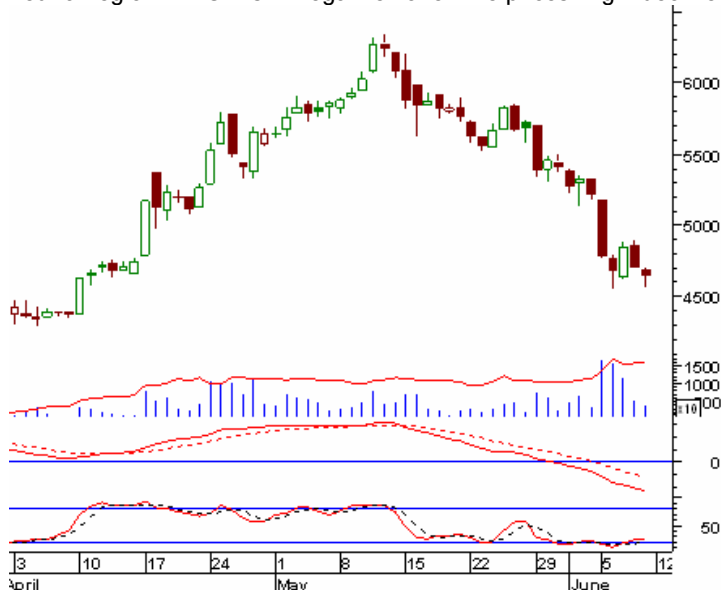
1. Hefty arrivals
2. Less consumption demand
3. Heavy stock

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, north Coastal Andhra Pradesh and Kerala. Rain/thundershowers are likely at many places over West Bengal & Sikkim; at a few places over Jharkhand, Bihar and Orissa and Isolated over East Uttar Pradesh. Further decrease in rainfall activity is likely over these areas after 24 hours. Day temperatures are likely to increase by 2-4°C in the region. 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 July	4524	4359	4770	4921

TRADE RECOMMENDATION:

Buy above 4696 with a target of 4732 with a strict stop loss at 4670. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 4300 - 4600	30000 - 35000

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market remained steady despite higher demand than the arrivals in the market. Jeera at present is being purchased by Singapore and Sri Lanka however domestic demand is still low 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 and increase in domestic demand coupled with fewer arrivals due to rains.

FUTURES MARKETS:

NCDEX July Jeera contract opened bearish at Rs. 6455 and thereafter after touching the high of 6480 declined and settled at Rs. 6430.50 a quintal. The total volumes traded during the day declined further to 1122 MT's.

PRICE DRIVERS:

Bullish:

1. Demand 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 south Konkan & Goa. Mainly dry weather is likely over the rest of western 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 bearish crossover. MACD has is in negative zone. The prices might initially trade bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6405	6304	6501	6600

TRADE RECOMMENDATION:

Sell below 6430 with a target at 6385 with a strict stop loss at 6462. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1330 - 1400	4000
	Ganesh 1350 - 1500	
	Machine Cleaned 1400 - 1550	

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