

## SPICES DAILY

June 30, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices at most of the major markets declined today on low demand and steady arrivals. According to trading sources, Nizamabad and nearby turmeric producing regions saw rains that are beneficial for sowing of crop. Erode market continued with similar arrivals and domestic demand for turmeric is low. Sowing in Karnataka is complete and acreage has increased this year. Sowing is expected to complete in another 7 - 10 days in Erode and July middle in Andhra Pradesh and Maharashtra. The prices are expected to 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. 2297 a quintal and thereafter declined to the low of Rs. 2257 and recovered back to culminate at Rs. 2297 per quintal. The total volumes traded during the session increased to 2100 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 Coastal Andhra Pradesh, Karnataka; at a few places over the rest region outside Tamil Nadu where it may be isolated. Rains in turmeric growing regions might prove beneficial for sowing the crop.

#### TECHNICALS

Candlesticks are reflecting reversal; stochastic has made bullish crossover in oversold region. MACD is in negative zone. The contract might see recovery in prices.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2264	2226	2351	2376

#### TRADE RECOMMENDATION:

Buy above 2304 with a target of 2330 and then 2344 with a strict stop loss at 2285. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2050 - 2100	N.A.
	Gattah	1950 - 2000	
Erode	Finger	2380 - 2480	4000
	Gattah	2280- 2380	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market increased today on seller's unwillingness to sell at current prices and buyers interest in the commodity. The market did not see any fresh arrivals. The domestic demand is low due to reduced consumption in rainy season however buying interest from international markets is seen 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 at Rs. 7050 that is Rs. 24 up as against previous days close at Rs. 7026 a quintal, and thereafter surged on heavy buying and touched a high of Rs. 7234 a quintal and settled at Rs. 7202 per 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. Producers reluctant to sell at current prices
3. Vietnam offers at higher prices
4. Vietnam stocks depleting
5. Indonesia crop delays
6. Brazil, Indonesia low crop estimates

#### Bearish:

1. Less domestic consumption in monsoon Season.

### Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Karnataka and Kerala; at a few places over the rest region outside Tamil Nadu where it may be isolated. Rains at this stage are suitable for flowering of pepper.

### TECHNICALS

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



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	7128	6995	7316	7405

### TRADE RECOMMENDATION:

Buy above 7175 with target of 7270 and then 7300 with a strict stop loss at 7103 Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7200	NIL
	Ungarbled 6800	NIL

## RED CHILLIES

### SPOT MARKETS

Red chillies in Guntur market continued to trade at similar prices on low demand despite slightly decreased arrivals. The off take was only around 50 percent of the total inflow. The market has a hefty stock of red chillies and growers 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 continue to decline.

### FUTURES MARKETS:

Chilli prices at NCDEX July contract opened slightly up at Rs. 4440 a quintal and then declined to a low of Rs. 4252 to end in red at Rs. 4359 a quintal. The total volumes traded during the day declined to 4725 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

### Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Karnataka; at a few places over the rest region outside Tamil Nadu where it may be isolated. 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 bearish sentiments and stochastic has made crossover in oversold region, MACD is bearish in negative zone. The contract might continue to trade bearish.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4238	4018	4488	4632

### TRADE RECOMMENDATION:

Sell below 4358 with a target of 4300 and then 4240 with a strict stop loss at 4402. 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	30000
	LCA 334 (loose) Non Cold Storage 3600 - 4100	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market recovered today after previous steady to range bound movement of prices. The prices recovered on reports of improvement in demand on some buying by exporters of the commodity. The inflow increased 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 slightly firm for few days.

### FUTURES MARKETS:

Jeera prices at NCDEX July contract surged after range bound movement of prices. The contract opened at Rs. 6331 a quintal and went to high of Rs. 6449.90 per quintal. The trading for the day settled at Rs. 6433.70 a quintal. The total volumes traded increased to 1599MT'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
4. Increasing demand

#### Weather:

Rain/thundershowers are likely at a few places over the rest region outside West Rajasthan where it may be isolated. Southwest monsoon has advanced into some more parts of Gujarat. 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 bullish sentiments. Stochastic is in neutral region. MACD has made bullish crossover in negative zone. The prices might most likely to remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6350	6235	6520	6602

### TRADE RECOMMENDATION:

Buy above 6432 with a target at 6492 with a strict stop loss at 6386. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1310- 1310	3500
	Ganesh 1310 - 1360	
	Machine Cleaned 1460 - 1560	

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