

## SPICES DAILY

June 15, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices at most of the major markets remained steady to slightly firm. The prices improved in Nizamabad market despite some improvement in demand due to no rains and dry weather in the region. In Erode market the prices remained steady as arrivals decreased due to yesterdays Transporters strike. The demand for turmeric was moderate and reduced arrivals did not let the prices to recover. The prices might continue to remain steady to range bound.

#### FUTURES MARKETS:

NCDEX July turmeric futures contract opened above previous days close at Rs. 2469 a quintal. The prices declined initially and thereafter recovered. The prices went highest to the level of Rs. 2495 and then settled at Rs. 2453 a quintal. The total number of volumes traded during the day declined to 1760 MT's.

#### PRICE DRIVERS:

##### Bullish:

1. Dry weather
2. Arrivals decreasing

##### Bearish:

3. Expectation of rise in acreage

#### Weather:

Rain/thundershowers are likely at a few places over Rayalseema and Coastal Andhra Pradesh and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

#### TECHNICALS

Candlesticks are indicating indecision; stochastic has made bullish crossover. MACD is in its negative zone. The contract might open firm and thereafter recover.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2452	2431	2505	2543

#### TRADE RECOMMENDATION:

Buy above 2490 with a target of 2504 and then 2510 with a strict stop loss at Rs. 2478 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2130 - 2180	2000
	Gattah 2080 - 2130	
Erode	Finger 2400 - 2450	4000
	Gattah 2350 - 2400	

## BLACK PEPPER

### SPOT MARKETS

Pepper prices remained steady today at Kochi market. 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 in Srilanka is another matter of concern as it is offering at the lowest prices in the international market. Also, Brazil is offering its new crop at Lower prices however buyers from western countries are usually interested in good quality of pepper. The prices of pepper in the absence of any fresh export demand and low domestic demand might continue to remain steady to range bound with bearish inclination.

### FUTURES MARKETS:

The NCDEX futures market remained bearish throughout the day and by the end of the day recovered to show complete indecision. NCDEX July pepper futures contract opened below previous days close at Rs. 6611 a quintal, and thereafter the prices declined to a low of Rs. 6550 per quintal and then recovered only to end near the opening price and settled at Rs. 6610 per quintal.

### PRICE DRIVERS:

#### Bullish:

1. Rains might reduce arrivals

#### Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. Srilanka and Brazil offering at lower prices
3. Less domestic consumption in monsoon Season

### Weather:

Rain/thundershowers are likely at many places over Andaman and Nicobar Islands; at a few places over Rayalseema and Coastal Andhra Pradesh and isolated 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 indicating indecision and signs of reversal. Stochastic has made bullish crossover. MACD is in negative zone. The contract might witness technical recovery of prices.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6551	6479	6702	6749

### TRADE RECOMMENDATION:

Buy above 6610 with target of 6640 and then 6670 with a strict stop loss at 6587. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red Chilli at Guntur market traded at similar price levels. The inflow increased today however a small export order from Bangladesh saved the prices from falling. The buyers include some eastern countries and ITC. The market has a huge stock of around 43 - 45 lakh bags of red chilli. However traders reported superior quality of chilli is not available. Domestic demand is less due to rainy season. The prices might remain steady to range bound.

### FUTURES MARKETS:

Chilli prices at NCDEX July contract opened above previous days close at Rs. 4749 a quintal. The prices recovered to a high of Rs. 4849 per quintal. The total number of volumes traded during the day increased to 6365 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Slight Export to Bangladesh

#### Bearish:

1. Increased Arrivals
2. Less consumption demand
3. Heavy stock

### Weather:

Rain/thundershowers are likely at a few places over Rayalseema and Coastal Andhra Pradesh and isolated over the rest region. Rain/thundershowers are likely at many places over Sub Himalayan West Bengal & Sikkim; at a few places over Gangetic West Bengal and isolated over the rest of eastern region. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

### TECHNICALS

Candlesticks are indicating indecision and stochastic is in neutral region. MACD is in negative zone. The prices might recover.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4749	4651	4861	4970

### TRADE RECOMMENDATION:

Buy above 4835 with a target of 4884 with a strict stop loss at 4798. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4500 - 4800	30000 - 35000
	LCA 334 (loose) Non Cold Storage 2500 - 4000	

## JEERA (Cumin)

### SPOT MARKETS

Jeera at Unjha market traded firm today on increase in export demand. Buyers from Singapore and Gulf countries are buying inferior quality of jeera and European countries are purchasing good quality of the commodity. The market still lacks domestic demand. The Export chances are bright on less crop in other producing nations and low carry over stocks with them. According to trading sources Turkey and Syria are selling their produce at around \$100 up against Indian prices. The prices might remain range bound to slightly firm and is expected to improve sharply on arrival of rains resulting in reduced arrivals and high domestic demand coupled with high overseas demand.

### FUTURES MARKETS:

Jeera prices at NCDEX July contract surged following strong spot market sentiments. The contract opened nearly Rs. 45 up, that was far above previous day's close of 6318.30 and went to a high of Rs. 6550 per quintal. The total volumes figures increased to 2916 MT's as against previous 1731 MT's.

### PRICE DRIVERS:

#### Bullish:

1. High Export demand
2. Expectation of less crop in other major producing nations
3. Turkey, Syria selling at higher prices.

#### Bearish:

1. Low domestic demand due to Mango Crop season
2. Dry weather keeping domestic demand low

### Weather:

Mainly dry weather is likely over the Gujarat and Rajasthan. Isolated Dust storm/Thunderstorm over Rajasthan. Harvesting of jeera is complete and sowing season is still far the weather is not a matter of much concern.

### TECHNICALS

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



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6406	6317	6603	6672

### TRADE RECOMMENDATION:

Buy above 6475 with a target at 6565 and then 6600 with a strict stop loss at 6414. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1350 - 1400	4000
	Ganesh 1350 - 1500	
	Machine Cleaned 1450 - 1550	

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