

## SPICES DAILY

June 26, 2006

### TURMERIC

#### SPOT MARKETS

Most of the major turmeric markets remained closed today. The demand for turmeric is low due to rainy season. Nizamabad 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 decline for few days.

#### FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract opened below previous days close and thereafter recovered to a high of Rs. 2410 and culminated near the same level at Rs. 2409 per quintal. The total volumes traded during the session declined to 1740 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 most places over and Coastal Karnataka; isolated at many places outside Tamil Nadu. Rains in turmeric growing regions might prove beneficial for sowing the crop which is 40-50% complete.

#### TECHNICALS

Candlesticks are reflecting bullish sentiments; stochastic is in neutral region. MACD is flat in its negative zone. The contract might see further decline in prices.



#### SUPPORT / RESISTANCES:

| Contract   | S1   | S2   | R1   | R2   |
|------------|------|------|------|------|
| NCDEX July | 2376 | 2350 | 2440 | 2481 |

#### TRADE RECOMMENDATION:

Buy above 2420 with a target of 2428 and then 2434 with a strict stop loss at 2414. Trade cautiously with intra day outlook.

| Centers   | Prices/Qtls. |        | Arrivals (Bags) one bag = 90 Kgs. |
|-----------|--------------|--------|-----------------------------------|
| Nizamabad | Finger       | Closed | -                                 |
|           | Gattah       | Closed |                                   |
| Erode     | Finger       | Closed | -                                 |
|           | Gattah       | Closed |                                   |

## BLACK PEPPER

### SPOT MARKETS

Black Pepper prices after yesterday's slight bounce again turned steady today and the prices remained at the previous levels. The market did not see any fresh selling as producers are holding back 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 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 range bound to slightly firm.

### FUTURES MARKETS:

NCDEX July pepper futures contract opened below previous close and surged to the high of Rs 6886 continuing bullish with its recent sentiments. The days trading ended in green at Rs. 6850 a quintal. The total volumes traded during the day declined to merely 819 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 most places over Lakshadweep, Kerala and Coastal Karnataka; at many places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated. This activity is likely to increase after 24 Hrs. Rains at this stage are suitable for flowering of pepper.

### TECHNICALS

Candlesticks are bullish sentiments. Stochastic is in neutral region. MACD is in negative zone. The contract might trade volatile with bullish inclination.



### SUPPORT / RESISTANCES:

| Contract   | S1   | S2   | R1   | R2   |
|------------|------|------|------|------|
| NCDEX July | 6751 | 6701 | 6939 | 7010 |

### TRADE RECOMMENDATION:

Buy above 6876 with target of 6908 with a strict stop loss at 6852. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red chillies market at Guntur remained closed today. The market is under selling pressure on low demand, increased acreage, and hefty stock. The market has a stock of around 45 lakh bags of chillies. Producers are selling their produce with a view to accumulate funds for seeding their farms. Monday market might see increased arrivals and the prices are likely to remain with bearish inclination.

### FUTURES MARKETS:

Chilli prices at NCDEX July contract traded mostly bearish today however slight recovery was seen later and the days trading culminated at Rs. 4730 per quintal. Earlier the prices plunged sharply to the low of Rs. 4585 per quintal. The volumes traded during the day diminished to 3855 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Low Production

#### Bearish:

1. High arrivals ahead of sowing season
2. Low domestic
3. No Export demand
4. Hefty stock
5. Poor Packing of red chillies

### Weather:

Rain/thundershowers are likely at most places over and Coastal Karnataka; isolated at many places outside Tamil Nadu. Rains over Red Chilli growing regions might affect the arrivals of crop in the market; however, the same is favourable for the sowing of the crop.

### TECHNICALS

Candlesticks are indicating indecision and stochastic is in neutral region, MACD is in negative zone. The contract might open firm and thereafter trade bearish.



### SUPPORT / RESISTANCES:

| Contract   | S1   | S2   | R1   | R2   |
|------------|------|------|------|------|
| NCDEX July | 4642 | 4565 | 4850 | 4979 |

### TRADE RECOMMENDATION:

Sell below 4772 with a target of 4720 with a strict stop loss at 4812. Trade cautiously with intra day outlook.

| Centers | Prices/Qtl.                             | Arrivals (Bags) 1 bag = 40 to 45 Kgs. |
|---------|---|---------------------------------------|
| Guntur  | LCA 334 (loose) Cold Storage Closed     | -                                     |
|         | LCA 334 (loose) Non Cold Storage Closed |                                       |

## JEERA (Cumin)

### SPOT MARKETS

In the absence of any fresh inputs, Jeera prices at Unjha market remained steady to range bound today. The market is waiting for the domestic demand to revive, which is subdued currently due to summer season. Market is expecting export demand to emerge shortly. As most of the leading jeera producing countries are short of their normal production this year, there is a fair chance of the Indian export. With the onset of rains the arrivals might decrease and the demand might be seen in the market. The prices are expected to remain range bound until any fresh input rekindles fresh interest in the jeera market.

### FUTURES MARKETS:

Jeera prices at NCDEX July contract recovered slightly today on profit booking from yesterdays sell positions. However trading remained below the previous closing price and the trading for the day ended at Rs. 6344 a quintal. The total volumes traded declined to 702 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. Low domestic demand due to Mango Crop season
2. Dry weather keeping domestic demand low

### Weather:

Rain/thundershowers are likely at many places over south Gujarat and Marathwada and at a few places over the rest region outside north Rajasthan where it may be isolated. Harvesting of Jeera is complete and sowing season begins in October. 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 has made bearish crossover in neutral region. MACD is in negative zone. The prices might most likely to trade with mixed sentiments.



### SUPPORT / RESISTANCES:

| Contract   | S1   | S2   | R1   | R2   |
|------------|------|------|------|------|
| NCDEX July | 6282 | 6235 | 6405 | 6499 |

### TRADE RECOMMENDATION:

Buy above 6362 with a target at 6398 with a strict stop loss at 6335. 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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