

SPICES DAILY

June 14, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major markets remained steady to slightly bearish. Nizamabad market saw reduced arrivals however low demand kept the prices steady. In Erode market the demand for turmeric was moderate however high arrivals did not let the prices to recover. The farmers are selling their produce as they are expecting an increase in acreage this year and the stock is also high moreover the demand for turmeric is usually less in rainy season. The prices might continue to remain steady to range bound with slightly bearish inclination on reduced demand.

FUTURES MARKETS:

NCDEX July turmeric futures contract traded completely indecisive as the contract opened gap down at Rs. 2461 a quintal and thereafter tried to recover and was highest at Rs. 2472 and then declined to settle in red at Rs. 2456 a quintal. The open interest increased and the volumes traded during the day increased to 1950 MT's.

PRICE DRIVERS:

Bullish:

1. Low arrivals in Nizamabad

Bearish:

2. Increased arrivals in Erode
3. Expectation of rise in acreage
4. Low domestic demand

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and North coastal Andhra Pradesh and isolated over Kerala, and Tamil Nadu. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are indicating indecision; stochastic is in oversold region. MACD is in its negative zone. The contract might open bearish and recover thereafter.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2430	2396	2480	2506

TRADE RECOMMENDATION:

Buy above 2463 with a target of 2475 and then 2480 with a strict stop loss at Rs. 2454 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100 - 2150	1200
	Gattah 2050 - 2100	
Erode	Finger 2400 - 2450	6000 - 7000
	Gattah 2350 - 2400	

BLACK PEPPER

SPOT MARKETS

Pepper prices continued to trade steady at Kochi market on no fresh arrivals in the 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. Despite the increase in prices by the major competitor Vietnam India is still not able to bag any major fresh orders for the shipments in the month of July, August and September. The possible reason is the importers from US are anticipating the prices to fall further. Harvesting in Srilanka is another matter of concern as it is offering at the lowest prices in the international market. The prices of pepper in the absence of any export demand and low domestic demand might continue to remain steady to range bound with bearish inclination.

FUTURES MARKETS:

The NCDEX futures market followed bearish sentiments of Kochi market. NCDEX July pepper futures contract opened Rs. 8 below previous days close at Rs. 6700 a quintal, but did not sustain at that level and declined lowest to Rs. 6615 a quintal. The trading for the day ended at Rs. 6628 per quintal.

PRICE DRIVERS:

Bullish:

1. Rains might reduce arrivals

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. US importers wait for prices to decline further.
3. Harvesting in Srilanka
4. Less domestic consumption in monsoon Season

Weather:

Rain/thundershowers are likely at a few places over Andaman Islands, Coastal Karnataka and North coastal Andhra Pradesh and isolated over Kerala, Lakshadweep and Tamil Nadu. Mainly dry weather 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 bearish sentiments. Stochastic has entered oversold region MACD is in negative zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6587	6540	6701	6748

TRADE RECOMMENDATION:

Sell below 6628 with target of 6605 and then 6590 with a strict stop loss at 6646. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red Chilli prices at Guntur market recovered slightly even on higher arrivals. The demand was still low but the prices recovered a bit on more demand for fresh Chilli. The market has unconfirmed news of some imports from China. The market has a huge stock of around 43 - 45 lakh bags of red chilli and the demand is less due to rainy season. The prices might remain range bound to slightly bearish.

FUTURES MARKETS:

Chilli prices at NCDEX July contract surged as the market opened above previous close at Rs. 4651 a quintal. The prices recovered to a high of Rs. 4795 per quintal. The total number of volumes traded during the day was 4745 MT's.

PRICE DRIVERS:

Bullish:

1. Slight Export to Bangladesh

Bearish:

1. Unconfirmed news of Import from China
2. Increased Arrivals
3. Less consumption demand
4. Heavy stock

Weather:

Rain/thundershowers are likely at a few places over Andaman Islands, Coastal Karnataka and North coastal Andhra Pradesh and isolated over Kerala, Lakshadweep and Tamil Nadu. Mainly dry weather over the rest region. Isolated rain/thundershowers are likely over North-west Uttar Pradesh. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

TECHNICALS

Candlesticks are indicating firm sentiments and stochastic has made a bullish crossover. MACD is in negative zone. The prices might recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4644	4567	4849	4979

TRADE RECOMMENDATION:

Sell below 4740 with a target of 4690 and then 4655 with a strict stop loss at 4778. 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
	LCA 334 (loose) Non Cold Storage	2500 - 4000

JEERA (Cumin)

SPOT MARKETS

Prices of Jeera at Unjha market continued with its similar sentiments as the prices remained steady on almost similar demand supply condition. The market still lacks domestic demand and the buyers include importers from Singapore and Srilanka. The prices might remain steady to range bound and thereafter might trade firm for few days on high export demand and increase in domestic demand coupled with fewer arrivals due to rains in Rajasthan and Gujarat.

FUTURES MARKETS:

Jeera NCDEX July contract opened bearish and thereafter continued to trade bearish and ended at Rs. 6318.30 a quintal. The total volumes figures increased to 1731 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
2. Dry weather keeping demand low

Weather:

Mainly dry weather is likely over Gujarat and Rajasthan. Day temperatures are likely to increase by 1-2 °C. There will be no significant change in day temperatures. Dry weather might keep the demand for jeera under control as generally demand for jeera recovers in rainy season also arrivals reduce in the market with the onset of rains. However as harvesting of jeera is complete and sowing season is still far the weather is not a matter of much concern.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6235	6172	6431	6524

TRADE RECOMMENDATION:

Sell below 6320 with a target at 6265 and then 6240 with a strict stop loss at 6365. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1330 - 1400	3500
	Ganesh 1350 - 1500	
	Machine Cleaned 1400 - 1550	

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