

SPICES DAILY

June 06, 2006

TURMERIC

SPOT MARKETS

Turmeric market at Erode remained closed today and the prices at Nizamabad market increased due to slightly improved demand and reduced arrivals. Nizamabad and adjoining areas saw rains in the evening and this might continue affecting any fresh arrivals in the market. Traders are expecting sowing might increase this season due to rains and early onset of monsoon and acreage might expand this year. Turmeric sowing in Tamil Nadu and some parts of Karnataka will continue till mid August and in Andhra till mid July. The prices might continue to recover for few days on improved demand, reducing supply and foreign demand.

FUTURES MARKETS:

NCDEX June turmeric contract traded bearish today. The prices declined to Rs. 2361 a quintal after touching the days high at Rs. 2405 per quintal. The trading for the day settled in red at Rs. 2371 and the volumes declined to 1690 MT's.

PRICE DRIVERS:

Bullish:

1. Rains affecting arrivals
2. Export demand

Bearish:

3. Expectation of rise in acreage
4. Rains favorable for sowing

Weather

Rain/thundershowers are likely at many places over Kerala, north Coastal Andhra Pradesh and Coastal Karnataka; at a few places over Interior Karnataka, Telangana. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are indicating bearish sentiments, stochastic is in neutral region. MACD is in its negative zone far away from its signal line. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	2340	2302	2406	2435

TRADE RECOMMENDATION:

Sell below 2370 with a target of 2357 with a strict stop loss at Rs. 2382 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2150	3000
	Gattah	2150	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Pepper prices remained steady and quoted at the same levels at Kochi pepper market. The market did not see any fresh arrivals in the market on lack of selling interest coupled with rains in the area. According to traders, exporters are buying meagre quantity of pepper (20-23 tonnes) from exchanges with an intention to reprocess it and sell. The market lacks lustre and the Indian prices are in parity with prices of other international players thus might attract demand from overseas market. However inferior quality of pepper is not letting the prices recover. Also, the consumption of pepper is usually less in rainy season thus demand from domestic markets is also low. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

The NCDEX June pepper futures contract opened Rs.3 up as against previous close of Rs. 6537 per quintal and thereafter increased upto Rs. 6580 per quintal. The trading for the day settled at Rs. 6549 a quintal. The total volume figures for the day increased to 623 MT's.

PRICE DRIVERS:

Bullish:

1. Low crop expectation of Indonesia and Brazil.
2. Enquiries from foreign buyers
3. Exporters buying from Exchanges to reprocess and sell

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. Less domestic consumption in monsoon season

Weather:

Rain/thundershowers are likely at many places over Kerala, north Coastal Andhra Pradesh and Coastal Karnataka; at a few places over Interior Karnataka, Telangana, Lakshadweep and Andaman & Nicobar Islands and isolated over the rest region. Weather is not a major factor as harvesting in Karnataka has come to end and rains at this stage are suitable for flowering of pepper.

TECHNICALS

Candlesticks are reflecting bearish sentiments. Short term moving averages, stochastic are indicating the prices might recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6488	6451	6586	6628

TRADE RECOMMENDATION:

Sell below 6555 with target of 6525 and then 6510 with a strict stop loss at 6576. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Guntur market the major hub for Red Chilli trading in India reopened today after long summer holidays. The prices declined steeply and the arrivals increased. According to trading sources the demand for red chilli is less due to reduced consumption. The market has good stock of red chilli against immediate requirement. The prices might continue to decline for few days.

FUTURES MARKETS:

Chilli June contract at NCDEX slipped by around Rs. 369. The market followed bearish spot market sentiments and the prices declined to a low of Rs. 4456 a quintal. The volumes traded were extremely high and figures came out as 26740 MT's.

PRICE DRIVERS:

Bearish:

1. Guntur Market to reopens
2. Heavy arrivals
3. Less consumption demand
4. Hefty arrivals

Weather:

Rain/thundershowers are likely at many places over north Coastal Andhra Pradesh and Coastal Karnataka; at a few places over Interior Karnataka, Telangana. Rain/thundershowers are likely at most places over Orissa; at many places over West Bengal & Sikkim, Bihar and Jharkhand and at a few places over East Uttar Pradesh. Isolated squall are likely over East Uttar Pradesh, Bihar and Jharkhand. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

TECHNICALS

Candlesticks are indicating completely bearish sentiments and oscillators are bearish. MACD is in negative zone. Short term moving averages are indicating decline in prices might continue.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	4338	4273	4615	4797

TRADE RECOMMENDATION:

Sell below 4430 with a target of 4360 and then 4310 with a strict stop loss at 4486. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334	4400 - 4600	40000 - 50000

JEERA (Cumin)

SPOT MARKETS

Jeera prices remained steady today on similar supply demand position. According to market sources export is being made to Singapore and European countries. Jeera prices might decline initially and then might trade firm for few days on high export demand in near term and reducing arrivals due to rains. The demand for jeera on domestic front might also improve on ending of peak harvesting season of Mango.

FUTURES MARKETS:

NCDEX June Jeera contract opened bearish at Rs. 6290 and then tried to recover but could not cross the important resistance of Rs. 6370 a quintal and thereafter declined to end in red at Rs. 6212 a quintal. The total volumes traded during the day were of 1218 MT's

PRICE DRIVERS:

Bullish:

1. Reducing arrivals due to rains
2. Demand from Export front
3. Demand from domestic markets might improve in a fortnight
4. Expectation of less crop in other major producing nations

Bearish:

1. Mango Crop season

Weather:

Rain/thundershowers are likely at a few places over South Madhya Maharashtra and isolated over the rest region outside Gujarat where it may be mainly dry. However rains might reduce arrivals in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is in Neutral region. MACD has is in negative zone. The prices might remain range bound with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	6154	6057	6302	6370

TRADE RECOMMENDATION:

Sell below 6210 with a target at 6180 and then 6155 with a strict stop loss at 6232. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags)
Unjha	F.A.Q 1350- 1450	5000
	Ganesh 1360 - 1500	
	Machine Cleaned 1450 - 1600	

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