

SPICES DAILY

June 13, 2006

TURMERIC

SPOT MARKETS

Prices of Turmeric at most of the major markets declined today on low demand ahead of rainy season. In Nizamabad market the prices declined despite less arrival as demand for the commodity is still low. In the same line prices declined in Erode market also as the demand for turmeric was only about 50 - 60 percent of the total arrivals. The inflow of Turmeric is decreasing as harvesting is complete and sowing has started in the region. Traders feel the market might not see any carry over stock this year as all might get consumed. The prices might continue to remain steady to range bound with slightly bearish inclination on reduced demand.

FUTURES MARKETS:

NCDEX July turmeric futures contract opened Rs. 5 below previous days close at Rs. 2490 a quintal and recovered upto Rs. 2505 and thereafter traded bearish throughout the day to finally settle at Rs. 2485 a quintal. The volumes traded during the day increased to 1290 MT's.

PRICE DRIVERS:

Bullish:

1. Low arrivals

Bearish:

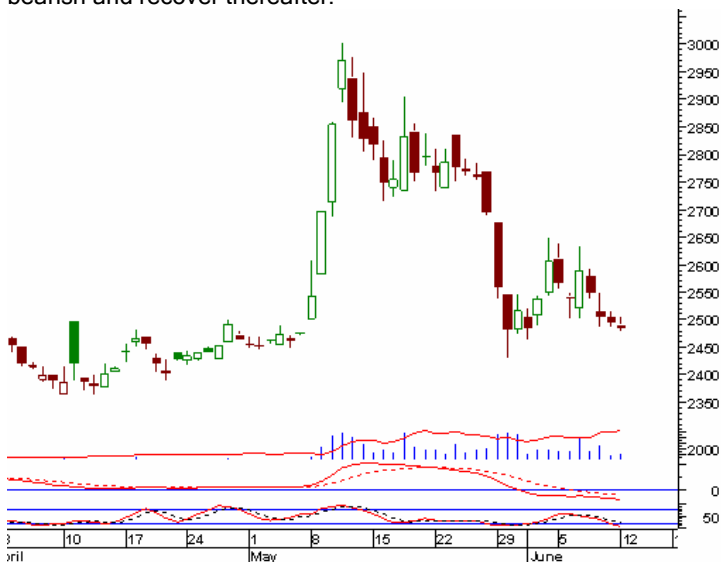
2. Expectation of rise in acreage
3. Low domestic demand

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and isolated over Kerala and Lakshadweep. Mainly dry weather over the rest region. 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	2463	2440	2516	2541

TRADE RECOMMENDATION:

Buy at 2480 with a target of 2490 and then 2495 with a strict stop loss at Rs. 2472 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100 - 2150	1500
	Gattah 2050 - 2100	
Erode	Finger 2400 - 2450	6000
	Gattah 2400	

BLACK PEPPER

SPOT MARKETS

Pepper prices remained steady at Kochi market in absence of any fresh selling or buying activity. The prices are remaining mostly steady to slightly bearish due to harvesting of pepper by Srilanka. The stock of pepper with most of the major commodity exchanges is of inferior quality and the demand is less due to rainy season. The government has announced to develop strategies to curb import of pepper from Srilanka coupled with increasing efforts to revive and replant pepper in Wayanad district. The prices of pepper in the absence of any export demand and low domestic demand might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

The NCDEX July pepper futures contract opened below previous days close at Rs. 6690 a quintal. The prices tried to recover and went to a high of Rs. 6735 and thereafter closed low near the days opening price. The trading for the day in this contract settled at Rs. 6689 per quintal. The total volumes traded during the day were of 584 MT's.

PRICE DRIVERS:

Bullish:

1. Rains might reduce arrivals
2. Government announces to develop strategies to curb imports from Srilanka

Bearish:

1. Futures exchanges have hefty stock of inferior quality of pepper.
2. Harvesting in Srilanka
3. Less domestic consumption in monsoon Season

Weather:

Rain/thundershowers are likely at a few places over Andaman Islands and Coastal Karnataka and isolated over Kerala and Lakshadweep. 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 reflecting indecision. Stochastic has entered oversold region MACD is in negative zone. The prices might see mixed sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6672	6640	6736	6751

TRADE RECOMMENDATION:

Buy above 6692 with target of 6720 and then 6735 with a strict stop loss at 6714. 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 traded slightly firm today on reduced arrivals and slightly improved demand. The market has unconfirmed news of some imports from China. The market has a good stock of red chilli and the demand is less due to rainy season. The prices might remain range bound.

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. Arrivals reduced

Bearish:

1. Import from China
2. Less consumption demand
3. Heavy stock

Weather:

Rain/thundershowers are likely at a few places over Andaman Islands and Coastal Karnataka and isolated over Kerala and Lakshadweep. Mainly dry weather over the rest region. Mainly dry weather likely chilli growing regions of 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	4689	4551	4861	4979

TRADE RECOMMENDATION:

Buy above 4712 with a target of 4794 and then 4845 with a strict stop loss at 4648. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4400 - 4600	25000
	LCA 334 (loose) Non Cold Storage 3500 - 4000	

JEERA (Cumin)

SPOT MARKETS

Jeera at Unjha market continued to trade at steady prices. The arrivals decreased however demand is still high and the excess demand is met from carryover stock of around 7 - 8 lakh bags. Singapore and Srilanka are the major buyers at current prices. The prices might remain steady to slightly firm 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:

NCDEX July Jeera contract again traded indecisive as the prices went to a high of 6475 a quintal ended at Rs. 6403.50 per quintal. The total volumes figures increased to 1251 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

Weather:

Mainly dry weather is likely over Rajasthan and Gujarat. Day temperatures are likely to increase by 2-3 °C. Heat wave conditions are likely to prevail over some more parts of Rajasthan with day temperature around 45°C or more. Weather at present has no affect on trading of Jeera.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is in oversold region. MACD is in negative zone. The prices might most likely remain volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6381	6297	6480	6602

TRADE RECOMMENDATION:

Buy above 6412 with a target at 6434 and then 6455 with a strict stop loss at 6395. 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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