

SPICES DAILY

June 23, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in most of the major turmeric markets declined on slightly higher arrivals and low demand. In Erode market prices remained steady to range bound as demand was just 70 - 75 percent of the total arrivals and most of it was bought by stockists. Nizamabad market saw increased arrivals and demand is less. The market has a hefty stock of around 2.50 - 3.00 lakh bags of turmeric. Turmeric producing areas of Andhra Pradesh saw rains today that have proved beneficial for sowing. The prices might decline for few days.

FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract opened above previous days close at Rs. 2460 a quintal and declined to Rs. 2415. The days trading settled at Rs. 2420 per quintal. The total volumes traded increased to 1900 MT's.

PRICE DRIVERS:

Bullish:

1. Stockists buying

Bearish:

2. Rains in turmeric producing regions
3. Hefty stock in Nizamabad market
4. Expectation of rise in acreage

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka, Coastal Andhra Pradesh and Telengana and isolated over the rest of turmeric producing region. This activity is likely to increase after 24 Hrs.. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2404	2379	2454	2485

TRADE RECOMMENDATION:

Sell below 2420 with a target of 2408 and then 2396 with a strict stop loss at Rs. 2430 a quintal. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2050 - 2100	1500 - 2000
	Gattah 2000 - 2050	
Erode	Finger 2400 - 2450	4000
	Gattah 2350	

BLACK PEPPER

SPOT MARKETS

Black Pepper prices at Kochi market continued to trade at similar prices on no fresh selling in the market. The domestic demand is low due to rainy season. The demand for pepper is improving in international markets and Indian prices are competitive as against its major competitors. Vietnam has already sold off a major part of its stock and is quoting at a higher price thus bringing in opportunities for Indian exporters. The crop in Indonesia is delayed and is reported to be of inferior quality; also Brazil has low production estimates. The market has unconfirmed news of some fresh buying from US markets. The prices of pepper might remain range bound with slightly bullish bias.

FUTURES MARKETS:

NCDEX July pepper futures contract opened below previous days close at Rs. 6721 a quintal, and thereafter surged to a high of Rs. 6850 a quintal. The days trading ended firm at Rs. 6850 per quintal. The total volumes traded during the day were 1302 MT's.

PRICE DRIVERS:

Bullish:

1. Indian prices competitive in world market
2. Processors show interest in buying from exchange with a view to reprocess
3. Unconfirmed news of fresh export order from US
4. Indonesia crop delays
5. Brazil, Indonesia low crop estimates

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 a few places over Kerala, Coastal Karnataka, Coastal Andhra Pradesh and Telengana and isolated over the rest region. This activity is likely to increase after 24 Hrs. Heavy rainfall at a few places over Andaman & Nicobar Island. 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 bullish sentiments. Stochastic is in neutral region. MACD is in negative zone. The contract might trade firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6751	6703	6878	6940

TRADE RECOMMENDATION:

Buy above 6775 with target of 6852 and then 6866 with a strict stop loss at 6728. 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 remained almost steady to range bound on low demand and increased supply. The arrivals are increasing in the market as farmers are gathering funds for sowing new crop. The off take was only half of the total arrivals due to less domestic demand and no export demand. According to trading sources the market has a stock of around 45 lakh bags of red chilli. The area under chilli cultivation is expected to increase this year. With poor demand, increased supply and estimates of more than double acreage the prices might remain steady to range bound with bearish inclination.

FUTURES MARKETS:

Chilli prices at NCDEX July contract opened below previous day's close at Rs. 5060 a quintal and thereafter continued to decline and the days trading ended in red at Rs. 5022. The volumes traded during the day decreased to 7055 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production

Bearish:

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

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka, Coastal Andhra Pradesh and Telengana and isolated over the rest of the region. This activity is likely to increase after 24 Hrs. Rains over Red Chilli growing regions might affect the arrivals of crop in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments and stochastic has made bearish crossover, MACD is in negative zone. The contract might trade bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4924	4850	5125	5187

TRADE RECOMMENDATION:

Sell below 5025 with a target of 4972 and then 4938 with a strict stop loss at 5064. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4500 - 4900	40000
	LCA 334 (loose) Non Cold Storage 3500 - 4000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market remained steady to range bound today despite reduced arrivals and high demand. The market does not have any demand from export front and domestic demand is also low. However, the market is expecting the domestic demand to increase in coming days. Also the export demand is expected to come up in a fortnight. Most of the major producing nations have less crop and low carry over stock thus bringing bright chances for increase in Indian exports. The prices might remain steady to range bound.

FUTURES MARKETS:

Jeera at NCDEX July contract traded range bound with slightly bullish sentiments. The contract opened above previous days close at Rs. 6440 and the days traded ended at Rs. 6470.60 per quintal. The total volumes traded increased to 1140 MT's.

PRICE DRIVERS:

Bullish:

1. Expectation of low crop in other major producing nations
2. Syria crop of inferior quality

Bearish:

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

Weather:

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 bullish sentiments. Stochastic is bullish in neutral region. MACD is in negative zone. The prices might most likely to trade with mixed sentiments with a bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6406	6333	6602	6724

TRADE RECOMMENDATION:

Buy above 6500 with a target at 6548 with a strict stop loss at 6462. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1300 - 1350	3500
	Ganesh 1320 - 1450	
	Machine Cleaned 1400 - 1500	

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