

SPICES DAILY

June 29, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major markets remained range bound with bearish inclination. According to trading sources, Nizamabad market saw few arrivals due to Panchayati elections in the region. Erode market saw steady arrivals and nearby turmeric producing regions received rains that are beneficial for sowing of turmeric. The domestic demand for turmeric is low. In Erode market off take was only of around 70 - 75 percent the total inflow. Sowing in Karnataka is complete and acreage has increased this year. Sowing is expected to complete in another 7 - 10 days in Erode and July middle in Andhra Pradesh and Maharashtra. Nizamabad saw rains that proved favourable for sowing. The prices are declining on poor demand, increased acreage and hefty stock in the markets. The prices might continue to decline for few days.

FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract opened below previous days close at Rs. 2321 a quintal and thereafter declined to the low of Rs. 2308 and recovered in the later trading session upto Rs. 2350. The days trading culminated at Rs. 2334 per quintal. The total volumes traded during the session declined to 1600 MT's.

PRICE DRIVERS:

Bearish:

1. Turmeric sowing speeds up
2. Sowing completes in Karnataka
3. Hefty stock in Nizamabad market
4. Expectation of rise in acreage

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Coastal Karnataka, and isolated over the rest of the turmeric growing regions. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are reflecting indecision; stochastic is in oversold region. MACD is in negative zone. The contract might continue to see decline in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2282	2226	2351	2391

TRADE RECOMMENDATION:

Sell below 2295 with a target of 2278 with a strict stop loss at 2309. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2200	200 - 400
	Gattah 2100	
Erode	Finger 2400 - 2500	4000
	Gattah 2300 - 2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market remained steady today on sellers disinterest to sell at current prices. The market did not see any fresh arrivals. The domestic demand is low due to reduced consumption in rainy season however buying interest from international markets is seen as Indian prices have become attractive against other major producing countries. Vietnam is offering at higher prices as against India and has sold a large part of its produce. Brazil and Indonesia has estimates of poor crop with low carry over stock. Pepper prices might remain slightly firm for few days.

FUTURES MARKETS:

NCDEX July pepper futures contract opened below previous days close at Rs. 7005 a quintal, and thereafter declined to the low of Rs. 6935 a quintal. The prices declined on technical correction in prices after continuous buying for the past few trading sessions. The close to close difference came out at Rs. 10 in negative. The total volumes traded during the day diminished to 1579 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Vietnam offers at higher prices
3. Vietnam stocks depleting
4. Indonesia crop delays
5. Brazil, Indonesia low crop estimates

Bearish:

1. Less domestic consumption in monsoon Season.

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Coastal Karnataka, Kerala and Andaman & Nicobar Islands; at a few places over the rest region. Rains at this stage are suitable for flowering of pepper.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is in overbought region. MACD is in negative zone. The contract might continue trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6968	6873	7100	7174

TRADE RECOMMENDATION:

Buy above 7036 with target of 7082 with a strict stop loss at 6999
Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7100	NIL
	Ungarbled 6700	NIL

RED CHILLIES

SPOT MARKETS

Red chillies in Guntur market continued to trade at almost steady to range bound prices despite slightly increased arrivals. The market has a hefty stock of red chillies. The off take was only around 50 percent of the total inflow. Producers are selling their produce with a view to accumulate funds for seeding their farms. Red chilli growing areas near Guntur observed slight drizzling but was favorable for sowing. The market is under selling pressure on low demand, increased acreage, and hefty stock. The prices are likely to continue to decline.

FUTURES MARKETS:

Chilli prices at NCDEX July contract traded completely bearish today and the contract opened at Rs. 4557 a quintal and thereafter declined to a low of Rs. 4333 to end at Rs. 4410 a quintal. The total volumes traded during the day were 6575 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production

Bearish:

1. Sowing begins
2. High arrivals due to sowing season
3. Low demand
4. Hefty stock
5. Drizzling observed

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Coastal Karnataka, and isolated over the rest of the chillie growing regions. Rains over Red Chilli growing regions might affect the arrivals of crop in the market; however, the same is favorable for the sowing of the crop.

TECHNICALS

Candlesticks are reflecting bearish sentiments and stochastic is in oversold region, MACD is bearish in negative zone. The contract might continue to trade bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4305	4150	4560	4712

TRADE RECOMMENDATION:

Sell below 4410 with a target of 4310 with a strict stop loss at 4488. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	4400 - 4500
	LCA 334 (loose) Non Cold Storage	3600 - 4100

JEERA (Cumin)

SPOT MARKETS

Jeera at Unjha market continued to trade at steady prices. The inflow was in the same range and the demand is moderate. The market seems to be waiting for export demand to emerge in the near future and for the domestic demand to revive. The chances for exports are bright this year as most of the major jeera producing countries including Syria and Turkey are short of their normal production. With the onset of rains the arrivals might decrease and the demand might be seen in the market. The prices are expected to remain steady to range bound for few days.

FUTURES MARKETS:

Jeera prices at NCDEX July contract traded range bound and remained indecisive. The contract opened at Rs. 6349 a quintal and the prices hovered in the range of Rs. 6307 - 6366 per quintal. The trading for the day culminated at Rs. 6328.70 a quintal. The total volumes traded increased to 774 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. Normal demand
2. Dry weather keeping domestic demand low

Weather:

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 entered oversold region. MACD is flat in negative zone. The prices might most likely remain volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6281	6240	6430	6471

TRADE RECOMMENDATION:

Buy above 6372 with a target at 6422 with a strict stop loss at 6332. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1300 - 1350	3000
	Ganesh 1300 - 1350	
	Machine Cleaned 1450 - 1550	

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