

SPICES DAILY

June 24, 2006

TURMERIC

SPOT MARKETS

The sentiments in most of the turmeric market continue to remain subdued today. With the progress of sowing, which is complete almost 50% and 40% in Erode and Nizamabad areas respectively, the prices are under pressure. In the same line, prices in the major turmeric markets declined. In Erode market, prices remained steady to weak, as demand was just 70 - 75 percent of the total arrivals. Similar situation is witnessed in Nizamabad market also. The market has a hefty stock of around 2.50 - 3.00 lakh bags of turmeric. The prices might remain on the weaker side for few days.

FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract opened slightly firm today and tried to recoup some of the yesterday's losses initially. But, bulls exhausted shortly and the prices plunged to the lows of Rs 2366 levels on selling pressure. The days trading culminated at Rs. 2373 per quintal, down a good Rs 43 from the previous day's close. The total volumes traded increased to 4370 MT's.

PRICE DRIVERS:

Bearish:

1. Sowing is complete 40-50% in Erode and Nizamabad.
2. Hefty stock in Nizamabad market
3. Expectation of rise in acreage

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Coastal Andhra Pradesh and Telengana and isolated over the rest of turmeric producing region. Rains in turmeric growing regions might prove beneficial for sowing the crop which is 40-50% complete.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2349	2325	2411	2433

TRADE RECOMMENDATION:

Sell below 2380 with a target of 2360 and then 2351 with a strict stop loss at 2395. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black Pepper prices at Kochi market saw some improvement today on the back of improving demand for Indian pepper in the international market. The domestic demand however, is currently low due to rainy season. As the leading exporter of pepper Vietnam has already sold off more than 60% of its exportable surplus and is quoting higher prices, the importers are expected to resort to the Indian market for their demand, especially when the Indonesian crop is delayed. Adding to this the Indonesian crop is reported to come of inferior quality; also Brazil has low production estimates this year. So, Indian market will be now main supplier for the international demand. Indicative of the same, the market has unconfirmed news of some fresh buying from US markets. Some exporters are reported to have taken delivery from the futures exchanges to divert the same towards importers. The prices of pepper might see some improvement remain range bound with slightly bullish bias.

FUTURES MARKETS:

NCDEX July pepper futures contract opened firm today and surged initially to the highs of Rs 6969 continuing bullish its recent sentiments. However, the prices couldn't sustain these hefty levels for long and tumbled to culminate the day lower in the bearish mood at Rs. 6775 a quintal. The total volumes traded during the day were 2707 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market and exhausting stocks with major exporting countries.
2. Exporters are showing interest in buying from exchange.
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 stocks of inferior quality pepper.
2. Less domestic consumption in monsoon Season.

Weather:

Rain/thundershowers are likely at many places over Kerala, Coastal Karnataka, Coastal Andhra Pradesh and Telangana and isolated over the rest region. This activity is likely to increase after 24 Hrs. Rains at this stage are suitable for flowering of pepper.

TECHNICALS

Candlesticks are reflecting slightly bearish sentiments. Stochastic is in neutral region. MACD is in negative zone. The contract might trade volatile with bullish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6747	6703	6878	6940

TRADE RECOMMENDATION:

Buy near 6750 with target of 6840 with a strict stop loss at 6700. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

The sentiment in Red chilli market has turned bearish these days with the progress of monsoon and chances of increased acreage this year. Further, the hefty stocks in the market to the tune of 45 lakh bags (Guntur), which is sufficient to fulfill the demand for next six months or so, is also lending some weakness to the chilli market sentiments. In the same line the prices at Guntur market remained almost steady to weak on low demand and good supply. The arrivals are increasing in the market as farmers are selling their stocks ahead of sowing season. With poor domestic and export demand, the off take was only half of the total arrivals. Thus, in the current scene the prices are likely to remain steady to range bound with bearish inclination.

FUTURES MARKETS:

Chilli prices at NCDEX July contract opened gap down at Rs 4978 continuing its bearish mood of the last two sessions. The prices plunged sharply to hit the lower circuit during the mid session on flurry of speculative selling. The contract closed the day with heavy losses at Rs 4756. The volumes traded during the day bounced to 12210 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production

Bearish:

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

Weather:

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

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	4680	4638	4905	5047

TRADE RECOMMENDATION:

Sell below 4810 with a target of 4700 with a strict stop loss at 4860. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4400 - 4700	40000
	LCA 334 (loose) Non Cold Storage 3500 - 4200	

JEERA (Cumin)

SPOT MARKETS

In the absence of any fresh inputs, Jeera prices at Unjha market remained steady to range bound today. The market is waiting for the export demand to revive, which is subdued currently. As most of the leading jeera producing countries are short of their normal production this year, there is a fair chance of the Indian export. Also, the market is expecting the domestic demand to increase in coming days. Thus, the prices are expected to remain range bound until any fresh input rekindles fresh interest in the jeera market.

FUTURES MARKETS:

Jeera at NCDEX July contract slipped in sympathy with the other spices after a firm opening at Rs 6497. General weakness in spices spilled over to the jeera market and the prices slipped to closed the day with some good losses. The contract ended the day at Rs 6360. The total volumes traded increased to 2145 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	6284	6250	6410	6442

TRADE RECOMMENDATION:

Buy above 6335 with a target at 6393 with a strict stop loss at 6295. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1300 - 1350	3500
	Ganesh 1300 - 1350	
	Machine Cleaned 1450 - 1550	

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