

SPICES DAILY

July 24, 2006

TURMERIC

SPOT MARKETS

Most of the major primary markets of turmeric remained closed today. Nizamabad market is witnessing reduced arrivals and low demand for turmeric. The prices are declining on low demand for the commodity particularly in local markets of the area. The market has high stock and less demand. Erode market is continuing with similar price movement keeping the demand - supply ratio same. The buyers are from Delhi market and from local markets of Erode and adjoining areas. Sowing in Karnataka and Tamil Nadu is complete and both the areas have shown increased acreage for the crop. Sowing in Andhra Pradesh is likely to continue up to first week of August. The prices are expected to decline if the rains continue.

FUTURES MARKETS:

Turmeric futures at the NCDEX surged on speculative buying. August contract opened firm at Rs 2449 and thereafter surged to a high of Rs. 2524 a quintal. The days trading ended at Rs. 2491 per quintal. The total volumes traded during the day increased to 7300 as against previous days 2620 MT's.

PRICE DRIVERS:

Bearish:

1. Increased acreage being projected
2. Hefty stock
3. Rains observed in the region
4. Sowing in progress
5. Low demand

Weather:

Fairly widespread rainfall with isolated heavy rains is likely over Kerala, Karnataka and Coastal Andhra Pradesh during next 3 -4days. Isolated rainfall is likely over Tamilnadu Rayalseema and Telangana during 3-4 days. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are showing bullish sentiments in the market. Stochastic is in the neutral region and MACD is in negative zone. The contract might see volatile price movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2459	2430	2516	2560

TRADE RECOMMENDATION:

Sell near Rs. 2502 - Rs. 2504 with target at Rs. 2474 with a strict stop loss at Rs. 2522. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market increased by Rs.300 a quintal and the sellers remained absent from the market in expectation of further increase in prices. The market did not see any fresh arrivals. Export demand is high and attracting buyers from international markets. According to market sources the stock of pepper are declining and NCDEX has a stock of around 8792 MT's and NMCE's CWC designated warehouses has a stock of around 2225 MT's. Vietnam has sold a large part of its produce and is left with less of the commodity. Vietnam is selling white pepper in the market and has stopped offering its black pepper for international buyers. Brazil and Indonesia has estimates of poor crop with low carry over stock. Market sources estimates crop of Indonesia to be less by around 25 - 30 percent this season. Harvesting in Srilanka, Indonesia and Brazil is in progress and crop is short this year. Pepper prices might remain firm for few days.

FUTURES MARKETS:

Pepper prices at NCDEX August futures jumped astronomical highs after opening firm at Rs. 8286.00 a quintal. The prices did not look back and surged to a high of Rs. 8684 a quintal and ended up in green at Rs. 8644 a quintal. The total volumes traded during the day were 8306 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Brazil, Indonesia, Srilanka low crop estimates
3. High Demand
4. Low stock of pepper

Bearish:

1. Brazil, Indonesia, Srilanka harvesting continues

Weather:

Fairly widespread rainfall with isolated heavy rains is likely over Kerala, Karnataka and Coastal Andhra Pradesh during next 3 -4days. Isolated rainfall is likely over Tamilnadu Rayalseema and Telangana during 3-4 days. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bullish sentiments. MACD is in the positive territory, Stochastic is bullish in overbought zone. The market might see volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	8790	8921	8501	8397

TRADE RECOMMENDATION:

STAY AWAY.

The market might see volatile price movement with profit booking.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 8450	NIL
	Ungarbled 8050	NIL

RED CHILLIES

SPOT MARKETS

Red chilli market in Guntur remained closed today. The market is witnessing steady arrivals and has low demand of about 40 - 60 percent of the total inflow. According to market sources the market has demand of premium quality of chilli at lower prices. The market has a stock of about 28 - 30 lakh bags of around 45 Kgs. each. Increased acreage of crop is expected as farmers are encouraged by good prices this year. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

Chilli futures at the NCDEX after about a week's indecision got a clear direction following bearish notes from the spot. August contract opened at Rs 5005 and thereafter declined to a low of Rs. 4835 a quintal. The days trading ended in red at Rs. 4864 a quintal. The total number of volumes traded increased to 14450 MT's as against previous 5825 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Demand for premium quality
3. Deficient rains

Bearish:

1. Hefty stock
2. Low demand due to poor quality
3. Increased expected acreage
4. Sowing in progress

Weather:

Fairly widespread rainfall with isolated heavy rains is likely over Kerala, Karnataka and Coastal Andhra Pradesh during next 3 -4days. Isolated rainfall is likely over Tamilnadu Rayalseema and Telangana during 3-4 days. Recent scattered rains will be beneficial for rainfed chilli crop.

TECHNICALS

Candlesticks are showing bullish sentiments. Stochastic is bearish in neutral region. MACD is in negative zone. The prices might recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4837	4756	4997	5053

TRADE RECOMMENDATION:

Buy above Rs. 4898 with a target at Rs. 4982 with a strict stop loss at Rs. 4836. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Unjha market did not see much activity in jeera trading today as rains declined arrivals and subsequently buyers did not come forward to buy much of the commodity. The demand side of Jeera has more weight as demand from international markets and domestic markets is picking up. The average daily off take is higher as compared to the day's arrivals thus representing high demand for the commodity. Demand is expected to remain good due to fair chances of good exports this year as most of the major jeera producing countries including Syria and Turkey are short of their normal production and harvesting in turkey (delayed) is expected to complete by August. The traders from North Indian markets are expecting consumption demand to increase within a fortnight due to festival season. The prices might rule firm for few days.

FUTURES MARKETS: Jeera August futures at NCDEX traded indecisive today. The contract opened firm at Rs 7295 and the prices hovered between rs.7236 - 7338 a quintal. The days trading ended in green at Rs. 7300 a quintal. The total volumes traded during the session declined to 3297 MT's.

PRICE DRIVERS:

Bullish:

1. Short crop in other major producing nations
2. Syria crop of inferior quality
3. Low carry over stocks in Turkey and Syria
4. High demand

Weather: Madhya Maharashtra, Marathwada are likely to receive fairly widespread rainfall during next 3 days. Fairly widespread rainfall is likely over Gujarat, Rajasthan during next 2-3 days and reduce subsequently. Weather is not a matter of much concern as harvesting is complete and however rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is bullish in neutral region. MACD is in positive region. The contract might see sharp gains in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7259	7200	7375	7449

TRADE RECOMMENDATION:

Buy above 7295 with target of 7364 and then 7435 with a strict stop loss at 7204. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1450- 1480	3000
	Ganesh 1490 - 1500	
	Machine Cleaned 1600 - 1800	

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