

SPICES DAILY

July 21, 2006

TURMERIC

SPOT MARKETS

Turmeric prices continued to decline in Nizamabad market due to rains observed in the region eradicating the fear of harm to sowing of new crop in the region. The market has high stock and less demand. The offtake was of just 65 - 70 percent of the total inflow Erode market saw similar S&D position today. 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. The prices are expected to decline if the rains continue.

FUTURES MARKETS:

Turmeric futures at the NCDEX declined today following bearish spot market sentiments. August contract opened firm at Rs 2481 and thereafter declined to a low of Rs. 2450 a quintal. The days trading closed in red at Rs. 2455 per quintal. The total volumes traded during the day dropped to 2720 MT's.

PRICE DRIVERS:

Bearish:

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

Bullish:

1. Demand from North India

Weather:

Rain/thundershowers are likely at many places over Kerala, Coastal Karnataka and Andaman & Nicobar Islands and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are showing bearish sentiments in the market. Stochastic is in neutral region and MACD is in negative zone. The prices might continue to decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2430	2410	2472	2509

TRADE RECOMMENDATION:

Sell below Rs. 2460 with target at Rs. 2435 and then 2426 with a strict stop loss at Rs. 2479. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	1500
	Gattah 2050	
Erode	Finger 2450 - 2500	5000
	Gattah 2450	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market surged today on increased buying interest. The market saw fresh arrivals and whole quantity got sold. International market scenario at present is bullish and favourable for India as it is in a competitive position in the market. Exports are likely to increase in coming days. Vietnam has sold a large part of its produce and market has some reports of loss to pepper crop in South-eastern Vietnam. Vietnam is selling white pepper in the market and has stopped offering its black pepper for international buyers. Harvesting in Indonesia is in progress. Brazil and Indonesia has estimates of poor crop with low carry over stock. Harvesting in Srilanka has begun and crop is short this year. Pepper prices might remain firm for few days.

FUTURES MARKETS:

Pepper prices at NCDEX August futures contract traded volatile today. The contract opened at Rs. 7979 a quintal and the prices recovered to a high of Rs. 8150 per quintal on bull's active participation in the market. The days trading ended in green at Rs 8131 a quintal and the total volumes traded were 4903 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Srilanka poor crop expectation
3. Brazil, Indonesia low crop estimates
4. Indonesia continues in Indonesia
5. High Demand

Bearish:

1. Srilanka Harvesting begins

Weather:

Rain/thundershowers are likely at many places over Kerala, Coastal Karnataka and Andaman & Nicobar Islands and isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	8060	7985	8250	8291

TRADE RECOMMENDATION:

Buy above Rs. 8052 with a target at Rs. 8188 with a strict stop loss at Rs. 7954. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 8050	30
	Ungarbled 7650	30

RED CHILLIES

SPOT MARKETS

Red chilli prices in Guntur market remained steady today in the absence of any fresh inputs. The arrivals decreased and the demand also decreased as the off take was near around 50 percent maintaining the earlier demand supply ratio. The market saw export of premium quality of chilli to Bangladesh. As rains affected a large part of the previous crop, the demand for chilli is mainly confined to premium quality. According to market sources 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 range bound to slightly bearish on low domestic demand.

FUTURES MARKETS:

Chilli futures at the NCDEX followed its previous range bound movement. The contract remained indecisive on expiry of July month contract. August contract opened at Rs 4996 and settled at Rs. 4988. The prices remained in the range of Rs 4953-5039. The total volumes traded during the day declined slightly to 5825 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Export demand for premium quality

Bearish:

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

Weather:

Rain/thundershowers are likely at many places over Kerala, Coastal Karnataka and Andaman & Nicobar Islands and isolated over the rest region. Recent dry patch of weather is not going to affect the chilly crop in a big way as it is mostly grown in the irrigated areas. However, in rainfed areas the sowing pace might be affected.

TECHNICALS

Candlesticks are showing complete indecision. Stochastic is in neutral region. MACD is in positive zone.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4915	4828	5055	5161

TRADE RECOMMENDATION:

STAY AWAY

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4400-4600	15000
	LCA 334 (loose) Non Cold Storage 3800-4200	

JEERA (Cumin)

SPOT MARKETS

Jeera in Unjha market traded at steady prices on similar S&D position. The arrivals were similar in quantity as of yesterday and demand was of similar quantity. 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 only by August. The domestic demand is also expected to increase in coming days. The traders in the North Indian markets are expecting demand to increase within a fortnight due to festival season. The prices might remain firm for few days.

FUTURES MARKETS:

Jeera August futures at NCDEX surged today on heavy buying in expectation of price rise in future. The contract opened low at Rs 7325 and declined to Rs. 7180 a quintal and thereafter jumped to a high of Rs. 7375. The days trading ended in green at 7356 a quintal. The total volumes traded increased to 7110 MT's.

PRICE DRIVERS:

Bullish:

1. Short crop in other major producing nations
2. Syria crop of inferior quality
5. Low carry over stocks in Turkey and Syria
6. Improvement in domestic demand
7. Demand increasing from Export Front

Weather:

Rain/thundershowers are likely at many places over Konkan & Goa and East Rajasthan and at a few places over the rest region. Weather is not a matter of much concern as harvesting is complete and however any rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic is bearish in neutral region. MACD is in positive region. The contract might see recovery in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7271	7218	7450	7508

TRADE RECOMMENDATION:

Buy above 7324 with target of 7440 and then 7480 with a strict stop loss at 7238. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1410- 1450	8000
	Ganesh	1470 - 1480	
	Machine Cleaned	1480 - 1780	

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.