

SPICES DAILY

July 29, 2006

TURMERIC

SPOT MARKETS

Turmeric prices declined today at most of the major turmeric trading markets. In Erode market prices declined on higher arrivals and similar demand. The buyers are from the markets of North India and local traders are also buying the commodity. Erode market has a hefty stock of 6-7 lakh bags of turmeric and Nizamabad market has a stock of around 2.75 lakh bags of turmeric. Sowing is complete in all the major growing states except in Duggirala in Andhra Pradesh. Recent rains proved beneficial for cultivation of crop. The prices might remain range bound to slightly bearish.

FUTURES MARKETS:

Turmeric futures at the NCDEX traded with mixed sentiments today. NCDEX August futures contract opened low at Rs. 2535 a quintal and increased to a high of Rs. 2577 but could not sustain that level and declined to settle at Rs. 2549 a quintal. The number of volumes traded declined to 8260 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock
3. Rains beneficial for cultivation of crop

Bullish:

1. Improving domestic demand

Weather: Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Andaman & Nicobar Islands, Coastal Karnataka and Kerala and at a few places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Rains in turmeric growing regions might prove beneficial for sowing and cultivation of t crop.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is bearish in neural region and MACD has entered in positive zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2512	2490	2580	2603

TRADE RECOMMENDATION:

Sell below Rs. 2565 with target at Rs. 2536 with a strict stop loss at Rs. 2588. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2200	2000
	Gattah 2100	
Erode	Finger 2475 - 2550	7000
	Gattah 2450-2500	

BLACK PEPPER

SPOT MARKETS

Black pepper at Kochi market continued to trade at firm prices today. The market saw fresh arrivals of 25 MT's and off take was of similar quantity. Most of the producing nations have very low stocks. According to market sources no exports are being made at present; however enquiries from international buyers are still continuing. Exchanges are left with reduced stock. Brazil, Srilanka and Indonesia have estimates of poor crop with low carry over stock. Brazil has withdrawn from exports. 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. Pepper prices might remain firm for few days.

FUTURES MARKETS:

Pepper prices at NCDEX after yesterday's profit booking by the investors again recovered and traded firm. The August contract of pepper at NCDEX opened firm at 9450 a quintal and traded in the range of Rs. 9411 - 9790 a quintal. The days trading settled up at Rs. 9713. The total volumes traded during the day declined to 9009 MT's. Open interest however declined as against yesterday.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Srilanka poor crop expectation
3. Vietnam selling White pepper
4. Brazil, Indonesia low crop estimates
5. World Supply Crunch
6. Brazil withdraws exports

Bearish:

1. Brazil, Indonesia and Sri Lanka harvesting continues

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Andaman & Nicobar Islands, Coastal Karnataka and Kerala and at a few places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated. 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 overbought zone. The prices might continue to remain volatile with firm bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	9449	9274	9905	10096

TRADE RECOMMENDATION:

Buy above Rs. 9655 with a target at Rs. 9840 with a strict stop loss at Rs. 9512. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 9700	25
	Ungarbled 9300	25

RED CHILLIES

SPOT MARKETS

Red chilli prices in Guntur remained steady even though the arrivals continued to decline today ahead of elections in the area. The domestic demand for red chilli is low however Bangladesh is still buying from the market. The arrivals are expected to decline slightly in the coming days. According to trading sources there are fewer buyers for premium quality of chilli at current prices. The market has hefty stock of red chillies. Seeding is in progress and rains might prove beneficial for sowing the crop at this stage. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

Chilli futures at the NCDEX august contract surged and then ended at lower levels. The contract opened low at Rs. 4790 a quintal and thereafter rose up to Rs. 4949. The prices could not sustain higher levels and settled at Rs. 4817 a quintal. The total number of volumes traded augmented to 18675 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Reduced arrivals due elections

Bearish:

1. Comfortable stock position
2. Low Demand

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Andaman & Nicobar Islands, Coastal Karnataka and Kerala and at a few places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing indecision. Stochastic is in neutral region. MACD is in negative zone. The prices are most likely to decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4755	4694	4864	4921

TRADE RECOMMENDATION:

Sell below 4838 targeting 4789 and then 4769 with a strict stop loss of 4876. 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	3500-4100
		5000-6000

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market declined slightly to take relief from higher levels. The market saw fewer arrivals in the morning due to rains which thereafter increased and the demand was of 9000 - 10000 bags of jeera. The off take was around 3 times the arrivals in the market representing bullish sentiments in the market. The market has buyers from international as well as domestic markets. Demand is expected to remain good at the stage 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. Harvesting in Turkey is expected to complete by August. The traders from North Indian markets are expecting consumption demand to increase due to festival season. Rains at this stage might further shoot up prices due to reduced arrivals. The prices might rule firm for few days.

FUTURES MARKETS:

Jeera prices at NCDEX August futures recovered again continuing with its previous uptrend. The contract opened low at Rs 7553 a quintal and then surged to a high of Rs. 7778 a quintal. The prices rested in green at Rs. 7718.70 a quintal. The total volumes traded during the session diminished to 7605 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. Improvement in domestic and export demand

Weather: Rain/thundershowers are likely at many places over Madhya Maharashtra 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 rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic has made bearish crossover in neutral region. MACD is in positive region. The prices might continue to recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7587	7501	7799	7941

TRADE RECOMMENDATION:

Buy above 7685 with a target of 7770 with a strict stop loss at 7618. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1490- 1540	3500 - 4000
	Ganesh 1570	
	Machine Cleaned 1650 - 1800	

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