

## SPICES DAILY

July 11, 2006

### TURMERIC

Turmeric prices at most of the major turmeric markets remained steady to range bound. In Erode market the arrivals decreased and the demand for turmeric is low. Turmeric prices at Erode market has a hefty stock of around 6 - 7 lakh bags of turmeric. The arrivals increased slightly in the market and the demand for turmeric is from Uttar Pradesh. Traders are expecting increase in acreage this year. Sowing in Karnataka is complete and is around 80 percent done in Tamil Nadu. The prices are expected to trade steady to range bound.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX August contract opened low at Rs. 2470 a quintal, as against the previous day's close of Rs. 2473 per quintal. The prices recovered up to a high of Rs. 2472 but did not sustain at that level and continued to decline to Rs. 2430 a quintal the days trading culminated at Rs. 2444 per quintal. The total volumes traded during the day increased to 2540 MT's.

#### PRICE DRIVERS:

##### Bullish:

1. Reducing arrivals

##### Bearish:

1. Brisk sowing activity
2. Increased acreage being projected in Karnataka
3. Hefty stock

#### Weather:

Scattered rainfall is likely over Kerala, Tamilnadu and Karnataka during next 3-4 days. Rainfall activity may increase after 14 July, 06. Rains in turmeric growing regions might prove beneficial for sowing the crop.

#### TECHNICALS

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



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2415	2381	2475	2517

#### TRADE RECOMMENDATION:

Sell below Rs. 2452 with target at Rs. 2432 and then 2420 with a strict stop loss at Rs. 2469 .Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	N.A.	600 - 700
	Gattah	N.A.	
Erode	Finger	2500-2550	4000
	Gattah	2450	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market today declined slightly as the market saw some selling in the market, as the prices reached higher levels. However the sentiments are still bullish as India's position in international markets is very strong. Vietnam is offering at higher prices than India and has sold a large part of its produce. Brazil and Indonesia has estimates of poor crop with low carry over stock. The demand for black pepper is high, due to buying interest from international markets. Pepper prices might remain firm for few days.

### FUTURES MARKETS:

Pepper prices at NCDEX August futures contract opened slightly firm at Rs. 7830 a quintal as against previous days close of Rs. 7815 a quintal and thereafter continued to decline on sharp technical correction in prices and went to the low of Rs. 7640 a quintal. The days trading ended in red at Rs. 7681 a quintal. The total volumes figures at the end of the day were of 2170 MT's.

### PRICE DRIVERS:

#### Bullish:

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

#### Weather:

Scattered rainfall is likely over Kerala, Tamilnadu and Karnataka during next 3-4 days. Rainfall activity may increase after 14 July, 06. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are indicating bearish sentiments. MACD is in the positive territory, Stochastic is in neutral region. The prices might show volatile movements.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7572	7511	7791	7853

### TRADE RECOMMENDATION:

Buy near Rs. 7595 - 7600 with target at Rs. 7700 and then 7725 with a strict stop loss at Rs. 7548. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7500	10
	Ungarbled 7100	10

## RED CHILLIES

### SPOT MARKETS

Guntur market of Red chilli saw higher arrivals today and the demand for chilli is low. The prices declined on reduced demand even though buying is from local markets of Andhra Pradesh, South India also processors are buying at current prices. The commodity is being exported to Srilanka and Bangladesh, but in meager quantities. According to market sources the market has a stock of about 37 - 40 lakh bags of around 45 Kgs. each. The market is expecting increased acreage this year. The prices are expected to remain range bound.

### FUTURES MARKETS:

Chilli futures at the NCDEX futures market August contract after previous few days' indecision opened low at Rs. 4870 a quintal thereafter prices declined to a low of Rs. 4870 a quintal. The days trading culminated at Rs. 4898 a quintal. The total volumes traded during the day increased to 8020 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Low Production

#### Bearish:

1. Sowing begins
2. Moderate demand
3. Hefty stock

### Weather:

Scattered rainfall is likely over Kerala, Tamilnadu and Karnataka during next 3-4 days. Rainfall activity may increase after 14 July, 06. 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 showing bearish sentiments in the market. Stochastic has made bearish crossover in neutral region. MACD is in negative zone. The prices are likely to decline.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4826	4693	4993	5077

### TRADE RECOMMENDATION:

Sell below 4925 targeting 4845 with a strict stop loss of 4982. 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	3200-4100

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market remained steady today on similar S&D position. The arrivals increased today and the demand also improved proportionately. The demand is high and exporters from Mumbai are buying at current prices. Demand is 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 is expected to complete by August. The prices might continue to remain slightly firm for few days.

### FUTURES MARKETS:

Jeera August futures contract at NCDEX declined today on technical correction in prices as the contract opened at Rs. 7000 a quintal and thereafter declined to a low of Rs. 6815. The trading for the day settled bearish at Rs 6876 a quintal. The total volumes traded augmented to 2946 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
4. Improvement in demand

#### Weather:

Maharashtra, Gujarat, Rajasthan and Vidarbha are also likely to receive isolated rainfall during next 3 days. Rainfall activity may increase after 14th July, 06 Weather is not a matter of much concern as harvesting is complete and however any rains might affect arrivals of commodity in the market.

### TECHNICALS

Candle sticks are indicating bullish sentiments. Stochastic has made bullish crossover in neutral region. The prices might recover and remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	6803	6755	6976	7060

### TRADE RECOMMENDATION:

Buy near 6828 - 6832 with target of 6900 with a strict stop loss at 6780. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1340- 1380	4000 - 4500
	Ganesh 1350 - 1400	
	Machine Cleaned 1450 - 1650	

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