

SPICES DAILY

July 08, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major turmeric markets continued to remain slightly firm today. In Nizamabad market the prices improved on reduced arrivals and similar demand. However prices at Erode market remained steady to slightly firm even on higher arrivals as the demand increased. According to trading sources about 20 wagons of turmeric were dispatched to Delhi market. Erode market has a stock of around 6 - 7 lakh bags of turmeric. The market has routine demand from Delhi, Punjab and West Bengal markets. However market lacks export demand. 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 range bound to slightly firm.

FUTURES MARKETS:

NCDEX July Turmeric contract continued to trade firm during the day after opening at Rs. 2336 a quintal and surged to Rs. 2386 but did not sustain at that level thus culminating the days trading to Rs. 2347 a quintal. The total volumes traded during the session incremented to 1810 MT's.

PRICE DRIVERS:

Bullish:

1. Slight Demand from Markets of North India
2. Reducing arrivals

Bearish:

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

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and Kerala. It may be isolated over the rest region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are showing indecision in the market sentiments. Stochastic is in neutral region and MACD are hinting for some improvement in the prices. The prices are expected to decline initially and thereafter recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2323	2296	2392	2421

TRADE RECOMMENDATION:

Buy near 2336 - 2339 with target of 2356 with stop loss at 2327. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2025-2075	500 - 700
	Gattah	2005-2055	
Erode	Finger	2460-2520	4500
	Gattah	2400-2470	

BLACK PEPPER

SPOT MARKETS

Black pepper prices are improving in domestic markets as the producers are holding back their produce with an intention to fetch heavy profits. Vietnam and Indonesia are offering at increased prices and Indian is in a favourable position. The market is expecting some buying might be seen from the markets of Europe and U.S. The demand for black pepper is high, due to buying interest from international markets. Vietnam has sold a large part of its produce. Brazil and Indonesia has estimates of poor crop with low carry over stock. Pepper prices might continue to be firm for few days.

FUTURES MARKETS:

Pepper prices in NCDEX July contract after yesterday's surge in prices opened firm at Rs. 7690 a quintal and thereafter surged high up to Rs. 7765 a quintal and then declined on profit booking and ended at Rs. 7593. The total volumes figures at the end of the day were of 1727 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:

Rain/thundershowers are likely at a few places over Coastal Karnataka and Kerala. It may be isolated over the rest region. 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 remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	7491	7408	7726	7814

TRADE RECOMMENDATION:

Buy NCDEX July Pepper near 7555 - 7560 with target of 7665 with stop loss at 7480. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled N.A.	NIL
	Ungarbled N.A.	NIL

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market declined today on low demand as the off take was just one third of the inflow. Most of the arrivals comprise of huge share from producers side as they are selling their produce to get money for sowing of next crop. 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. Hefty stocks, low demand, are preventing the prices to rise. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

Chilli futures at NCDEX traded indecisive as the contract opened at Rs. 4621 a quintal and thereafter surged to a high of Rs.4713 a quintal. The days trading culminated at Rs. 4652 a quintal. The total volumes traded during the day augmented to 4020 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production

Bearish:

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

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and Kerala. It may be isolated over the rest region. 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 indecision in the market. Stochastic is bending downwards in over bought territory. MACD has made bullish crossover. The prices are likely to remain volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4523	4402	4791	4925

TRADE RECOMMENDATION:

Sell near 4668 - 4673 targeting 4598 and then 4576 with a strict stop loss of 4726. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4200-4300	15000
	LCA 334 (loose) Non Cold Storage 3500-3800	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market increased today on high demand and reduced arrivals due to rains in the region. The daily off take is almost 3 times that of the inflow in the market reflecting presence of strong buying interest. The demand is increasing and the 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. The prices might continue to recover for few days.

FUTURES MARKETS:

Jeera futures at NCDEX surged towards higher levels. July contract opened low at Rs 6565 a quintal and thereafter was highest at Rs. 6745 a quintal. The trading for the day settled at Rs 6709 a quintal. The total volumes traded declined to 1377 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
5. Reducing arrivals on heavy rains

Weather:

Isolated Rain/thundershowers are likely 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 commodity in the market.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6679	6606	6907	6964

TRADE RECOMMENDATION:

Buy near 6732 - 6735 with target of 6814 and then 6850 with a strict stop loss at 6674. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1340- 1380	2000
	Ganesh 1350 - 1390	
	Machine Cleaned 1500 - 1600	

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