

SPICES DAILY

July 28, 2006

TURMERIC

SPOT MARKETS

Turmeric prices remained range bound to slightly bearish at most of the major turmeric trading markets. Nizamabad market saw slight decline in prices on reduced demand. In Erode the prices remained range bound on similar S&D position. The demand was around 75 percent of the total arrivals. The buyers are from markets of North India particularly from Delhi market.. 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 Andhra Pradesh (other than Duggirala) and Maharashtra. Recent rains proved beneficial for cultivation of crop. The prices might remain range bound.

FUTURES MARKETS:

Turmeric futures at the NCDEX after yesterdays surge in prices declined again on bearish advices from domestic spot markets. NCDEX August futures contract opened firm at Rs. 2603 a quintal and declined to a low of Rs. 2530. The trading for the session ended in Red at Rs. 2545 a quintal. The volume numbers came out high at 25020 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 most places over Telangana and at many places over the rest region outside Tamil Nadu & Pondicherry and Andaman & Nicobar Islands where it may be at a few places. Rains in turmeric growing regions might prove beneficial for sowing and cultivation of t crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic has made bearish crossover in neural region and MACD has just entered on positive zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2512	2490	2603	2641

TRADE RECOMMENDATION:

Sell below Rs. 2558 with target at Rs. 2516 with a strict stop loss at Rs. 2591. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2220	NA
	Gattah	2120	
Erode	Finger	2550	5000 - 6000
	Gattah	2500	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market remained steady today as prices reached at very high levels. The market saw fresh arrivals of 15 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. 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 its uptrend saw slight decline in prices on profit booking by the investors on their earlier held long positions. The August contract of pepper at NCDEX opened firm at 9780 a quintal and then jumped up to a high of Rs. 9905 a quintal. The prices then declined to a low of Rs. 9260 per quintal and ended in red at Rs. 9411 a quintal on profit booking. The total volumes traded during the day were 17252 MT's.

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

Bearish:

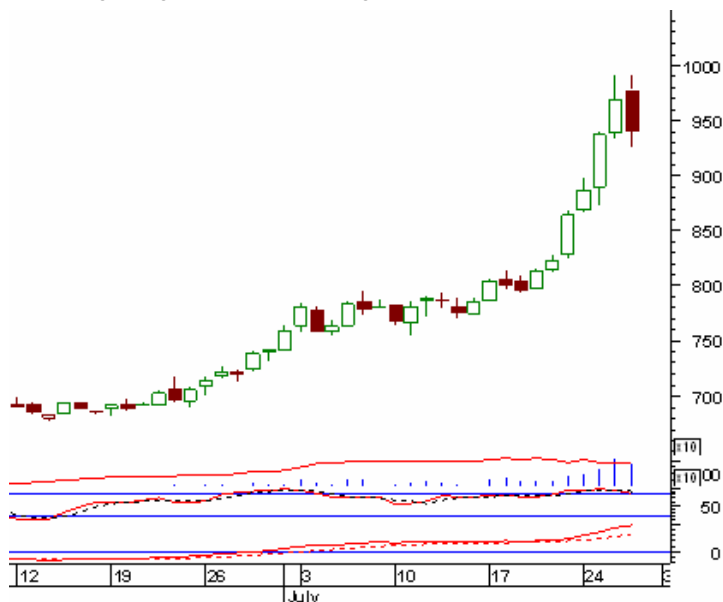
1. Brazil, Indonesia and Sri Lanka harvesting continues

Weather:

Rain/thundershowers are likely at most places over Telangana and at many places over the rest region outside Tamil Nadu & Pondicherry and Andaman & Nicobar Islands where it may be at a few places. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. MACD is in the positive territory, Stochastic has made bearish crossover in the overbought region. The prices might continue to remain volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	9166	8965	9686	9907

TRADE RECOMMENDATION:

Buy near Rs. 9225 - 9230 with a target at Rs. 9500 with a strict stop loss at Rs. 9040. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 9500	15
	Ungarbled 9100	15

RED CHILLIES

SPOT MARKETS

Red chilli prices in Guntur remained steady even though the arrivals declined today ahead of elections in the area. The demand for red chilli remained almost similar however 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 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 most places over Telangana and at many places over the rest region outside Tamil Nadu & Pondicherry and Andaman & Nicobar Islands where it may be at a few places. 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	4759	4658	4866	4988

TRADE RECOMMENDATION:

Sell below 4830 targeting 4728 and then 4698 with a strict stop loss of 4908. 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
		20000

JEERA (Cumin)

SPOT MARKETS

Jeera at Unjha market continued to trade firm on heavy demand for the commodity. The market has buyers from international as well as domestic markets. The off take was around 3 times the arrivals in the market representing bullish sentiments in the market. 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. Further, 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 contract declined today on profit booking. The contract opened firm at Rs 7848 a quintal and the prices moved upto a high of Rs. 7940 a quintal. The prices bottomed down to Rs. 7508 during the day and the days trading settled in red at Rs. 7567 a quintal. The total volumes traded during the session augmented to 16068 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 Konkan & Goa, 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 bearish sentiments in the market. Stochastic has made bearish crossover in neutral region. MACD is in positive region. The prices might move volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7458	7372	7683	7802

TRADE RECOMMENDATION:

Buy near 7485 - 7490 with target of 7648 with a strict stop loss at 7360. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1510- 1560	4000
	Ganesh	1570 - 1580	
	Machine Cleaned	1670 - 1940	

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