

SPICES DAILY

July 31, 2006

TURMERIC

SPOT MARKETS

Most of the major turmeric markets remained closed today. In Erode market 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 slightly firm today. NCDEX August futures contract opened low at Rs. 2548 a quintal and traded in the range of Rs. 2542 - 2575 a quintal. The days trading settled in green at Rs. 2560 a quintal. The number of volumes traded declined to 6350 MT's as against previous days 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 north Coastal Andhra Pradesh, Telangana, 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	2535	2510	2600	2620

TRADE RECOMMENDATION:

Sell near Rs. 2582 - 2584 with target at Rs. 2562 and with a strict stop loss at Rs. 2597. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper at Kochi market continued to trade at firm prices today. The prices showed a quantum rise of Rs. 300 a quintal. The market did not see any fresh arrivals and off take as sellers are holding back in anticipation to sell at higher prices. Most of the producing nations have very low stocks and are increasing the prices of their pepper. Brazil has withdrawn from export of ASTA Pepper. The export demand is high and the exporters are looking to buy the commodity at higher prices also. The domestic demand is also expected to pick up in coming days. 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 at NCDEX continued with yesterday's recovery in prices and its prices at NCDEX August contract rushed to create a new high at Rs. 10360 a quintal. The August contract opened firm at Rs. 9726 a quintal and thereafter continued to surge and jumped to a high of Rs. 10360 a quintal. The days trading settled firm at Rs. 10348 a quintal. The total volumes traded during the day increased to 13237 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. competitors increased prices
3. Vietnam selling White pepper
4. Brazil, Indonesia ,Srilanka 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 north Coastal Andhra Pradesh, Telangana, 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 strongly bullish sentiments. MACD is in the positive territory, Stochastic has made bullish crossover in overbought zone. The prices might continue to remain volatile with firm bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	10042	9726	10629	10923

TRADE RECOMMENDATION:

Buy above Rs. 10135 with a target at Rs. 10485 and then 10560 with a strict stop loss at Rs.9867. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10000	Nil
	Ungarbled 9600	Nil

RED CHILLIES

SPOT MARKETS

Red chilli market at Guntur remained closed today. The arrivals are declining 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 range bound for few days.

FUTURES MARKETS:

Chilli futures at the NCDEX August contract traded range bound today. The contract opened at Rs. 4815 a quintal and thereafter prices hovered between Rs. 4865 - 4788 per quintal. The days trading ended up at Rs. 4832 a quintal. The total number of volumes traded declined to 4470 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 north Coastal Andhra Pradesh, Telangana, 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	4756	4657	4901	5007

TRADE RECOMMENDATION:

Sell below 4868 targeting 4804 and then 4778 with a strict stop loss of 4916. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market increased today despite reduced off take due to rains. Jeera prices increased on bullish sentiments in the market as 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 continue to rule firm for few days.

FUTURES MARKETS:

Jeera at NCDEX August futures contract traded firm on buying support. 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
5. Rains in Gujarat

Weather:

Rain/thundershowers are likely at most places over Gujarat Region, Madhya Maharashtra and Konkan & Goa; at many places over East Rajasthan and Saurashtra & Kutch 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	7849	7718	8048	8154

TRADE RECOMMENDATION:

Buy above 7894 with a target of 8032 with a strict stop loss at 7793
Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1500- 1560	5000
	Ganesh 1580	
	Machine Cleaned 1650 - 1800	

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