

SPICES DAILY

July 05, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major turmeric markets remained steady today. The prices are hovering on the lower side these days, as less demand due to rainy season is bringing bearish sentiments in the market. According to trading sources Erode market has a stock of around 6 - 7 lakh bags of turmeric. Sowing in Karnataka is complete and is expected to end by middle of August in Tamil Nadu. Traders are expecting increase in acreage this year and some increased acreage has already been reported in Karnataka. Sowing is expected to complete by July middle in Andhra Pradesh and Maharashtra. In Nizamaabd market some sale from stockists' side was also observed. Declining arrivals, rains helpful for sowing, increasing acreage, hefty stock and above all low demand is keeping the prices low. The prices are expected to trade steady to slightly range bound with bearish inclination.

FUTURES MARKETS:

Turmeric futures today continued with its marginal gains. NCDEX July turmeric opened at Rs 2310 and then tried and recovered to the high of Rs 2330 a quintal. However, the prices finally culminated at Rs 2317 a quintal. The total volumes traded during the session diminished to 1020 MT's.

PRICE DRIVERS:

Bearish:

1. Brisk sowing activity
2. Increased acreage being projected in Karnataka
3. Hefty stock in Nizamabad market
4. Selling by Stockists

Weather:

Fairly widespread to widespread rainfall with isolated heavy rains is likely over Karnataka and Andhra Pradesh during next 4-5 days. Tamilnadu is likely to receive isolated to scattered rainfall. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are showing indecision in the market sentiments. Stochastic and MACD are hinting for some improvement in the prices. The prices are expected to remain range bound.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2296	2258	2351	2375

TRADE RECOMMENDATION:

Sell near 2322 with target of 2300 with stop loss at 2336. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2000-2050	500 - 700
	Gattah	1950-2000	
Erode	Finger	2400-2450	3000-4000
	Gattah	2300-2350	

BLACK PEPPER

SPOT MARKETS

Black pepper in Kochi market quoted at improved prices and the market didn't see any fresh selling. The demand for black pepper is high, due to buying interest from international markets. Indian prices have become attractive against other major producing countries and Vietnam is offering at higher prices as against India and 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 July contract after about a weeks surge in prices declined today on technical correction in prices. The NCDEX July contract opened low at Rs. 7553 a quintal and was lowest at Rs. 7360 a quintal and thereafter settled in red at Rs. 7405 a quintal. The total volumes traded during the day were of 2425 MT's.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Less domestic consumption in monsoon Season.

Weather:

Fairly widespread to widespread rainfall with isolated heavy rains is likely over Andaman & Nicobar Islands, Kerala, Lakshadweep, Karnataka and Andhra Pradesh during next 4-5 days. Tamilnadu is likely to receive isolated to scattered rainfall. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Moving averages are indicating prices might continue to recover. MACD is in the positive territory, where as Stochastic has made bearish crossover in overbought region. The prices might decline initially and thereafter recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	7310	7211	7526	7635

TRADE RECOMMENDATION:

Buy NCDEX July Pepper above 7465 with target of 7550 and then 7585 with stop loss at 7398. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market declined slightly today on low demand and steady to slightly higher arrivals. According to market sources the market has a stock of about 37 - 40 lakh bags of around 45 kgs. each. Due to rains domestic demand is low and buying of meager quantity of the commodity was seen from Malaysia. Increased expected acreage this year is also sending some bearish message to the market. Gathering momentum in sowing, piling stocks with market and poor demand are containing the prices on the lower side. The prices are expected to remain range bound.

FUTURES MARKETS:

Chilli futures at NCDEX opened on bearish note and traded mostly firm. July contract opened weak at Rs. 4475 a quintal and then recovered to the high of Rs 4585. However, the prices recovered towards the end of the session settled at Rs. 4528. The total volumes traded during the day increased to 4430 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Some international demand seen

Bearish:

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

Weather:

Fairly widespread to widespread rainfall with isolated heavy rains is likely over Karnataka and Andhra Pradesh during next 4-5 days. Tamilnadu is likely to receive isolated to scattered rainfall. 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 sowing indecision in the market sentiments. Stochastic and MACD are hinting for some improvement in the prices. Thus, the indicators are showings some mixed sentiments in the market. The prices are likely to show volatile movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4405	4296	4651	4751

TRADE RECOMMENDATION:

Buy above 4526 targeting 4590 with stop loss of 4480. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.		Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	4300-4500	15000 - 20000
	LCA 334 (loose) Non Cold Storage	3200-4000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market recovered today on increased demand. The arrivals have decreased these days due to rainy season. 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 exporters from Mumbai are buying at current prices and domestic demand has improved. With the onset of rains the arrivals might decrease and the demand might be seen in the market. The prices might show some recovery in near future.

FUTURES MARKETS:

Jeera futures at NCDEX after making previous quantum jump declined today on profit booking. July contract opened the day on a bullish note at Rs 6730 and thereafter was highest at Rs. 6750 and mostly remained bearish to a low of Rs. 6590 a quintal. The trading for the day settled in red at Rs 6604 a quintal. The total volumes traded declined to 3006 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:

Gujarat, East Rajasthan are likely to receive widespread with isolated heavy to very heavy rainfall during next 2-3 days. Isolated thundershower is expected over West Rajasthan. 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 bearish sentiments. Close above 9 days and 18 days EMA shows strength in the bull camp. Stochastic has made bearish crossover in overbought region and MACD is still hovering in the negative territory.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6524	6460	6674	6752

TRADE RECOMMENDATION:

Buy near 6580 -6585 with target of 6668 stop loss at 6518. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1320- 1360	3500
	Ganesh 1330 - 1370	
	Machine Cleaned 1480 - 1580	

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