

SPICES DAILY

August 01, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major turmeric markets remained steady to range bound today. In Erode market saw slightly reduced arrivals and the demand was near about similar. The buyers are from the domestic 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. The market is reacting to rumours of damage to crop in Sangli and Khadappa. Sowing is complete in all the major growing states. Recent rains proved beneficial for cultivation of crop. The prices might remain range bound.

FUTURES MARKETS:

Turmeric futures at the NCDEX traded volatile and mostly firm today. NCDEX August futures contract jumped to open firm at Rs. 2573 a quintal and traded in the range of Rs. 2604 - 2555 a quintal. The prices could not sustain at higher levels and settled at Rs. 2578 a quintal. The number of volumes traded almost doubled to 12110 MT's as against previous 6350 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock

Bullish:

1. Improving domestic demand
2. Slight Export Demand

Weather: Rain/thundershowers are likely at many places over Coastal Karnataka and Andaman Islands 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 crop.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is in neutral region and MACD is in positive zone. The prices might show volatile movement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2561	2543	2600	2626

TRADE RECOMMENDATION:

Sell near 2588 - 2590 with a target at Rs. 2572 and then 2562 with a strict stop loss at Rs. 2603. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2100	NA
	Gattah 2000	
Erode	Finger 2450-2550	6000
	Gattah 2450	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market continued to surge today. The prices showed a quantum rise of Rs. 400 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. The prices recovered further as Indonesia raised price of its pepper. Most of the producing nations have very low stocks. Brazil has withdrawn from export of ASTA Pepper. Vietnam has run short of its stocks. 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:

NCDEX August futures contract of pepper showcased astronomical high prices and created another fresh high of the contract. Following its previous bull run the contract opened firm at Rs. 10938 a quintal and declined to a low of Rs. 10055 a quintal. The prices skyrocketed to a high of Rs. 11060 a quintal on aggressive buying by bulls. The total volumes figures augmented to 20488 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
7. Indonesia increases price

Bearish:

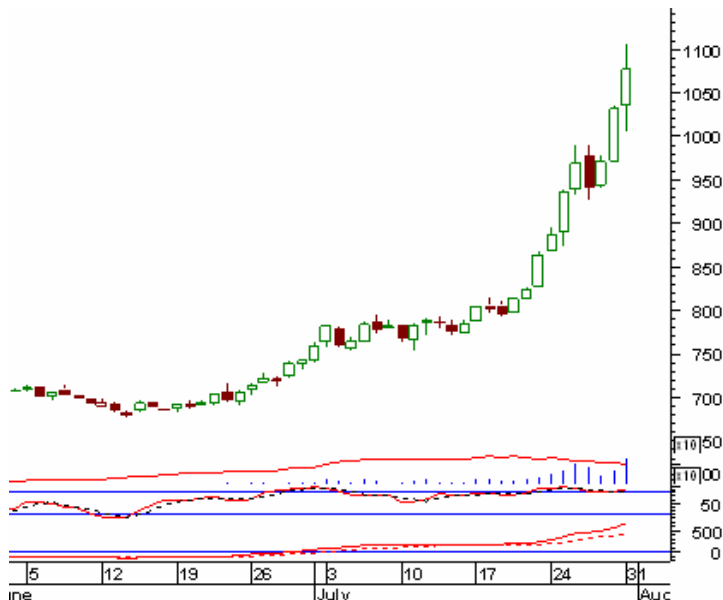
1. Brazil, Indonesia and Sri Lanka harvesting continues

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka and Andaman Islands 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 indecision. 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	10355	10051	11163	11625

TRADE RECOMMENDATION:

Buy above Rs. 10620 with a target at Rs. 11000 and then 11340 with a strict stop loss at Rs. 10345. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10400	NIL
	Ungarbled 10000	NIL

RED CHILLIES

SPOT MARKETS

Red chilli market at Guntur did not witness much activity today ahead of elections in the region. The market saw very thin arrivals of fresh chilli. Bangladesh is buying from the market and domestic demand might improve in coming days. The market however has hefty stock of around 30 lakh bags 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 to slightly firm for few days.

FUTURES MARKETS:

Chilli futures at the NCDEX August contract after an initial downfall traded firm today. The contract opened low at Rs. 4835 a quintal and thereafter prices declined to a low of Rs. 4812 a quintal. The prices recovered to a high of Rs. 4935 and ended in green at Rs. 4882 a quintal. The total number of volumes traded increased to 6925 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Reduced arrivals due elections
3. Expectation of increase in demand

Bearish:

1. Comfortable stock position

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka and Andaman Islands 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 bullish sentiments. Stochastic is in neutral region. MACD has made bullish crossover in negative zone. The prices are most likely to remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4811	4756	4921	4981

TRADE RECOMMENDATION:

Buy above 4855 targeting 4910 and then 4932 with a strict stop loss of 4812. 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	500 - 700 (Non Cold Storage)
	LCA 334 (loose) Non Cold Storage 3500-4100	

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha continued to increase today due to reduced arrivals. Demand is high and offtake is around 4 times the arrivals in the market. The market has buyers from international and domestic markets. Traders from Singapore and China are making enquiries. 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. Geopolitical disturbances in Lebanon, Iran and Syria are disrupting exports from these countries thus providing Indian exporters a better chance to cash in higher gains. The traders from North Indian markets are expecting consumption demand to increase due to festival season. The prices might continue to rule firm for few days.

FUTURES MARKETS:

Jeera prices at NCDEX August futures contract surged today on hefty buying. The contract opened firm at Rs 7989 a quintal and then jumped to a high of Rs. 8255 a quintal. The days trading settled in green at Rs. 8158 a quintal. The total volumes traded during the session augmented to 11793 MT's as against previous days 7269 MT's. The open interest however declined to 5025 MT's.

PRICE DRIVERS:

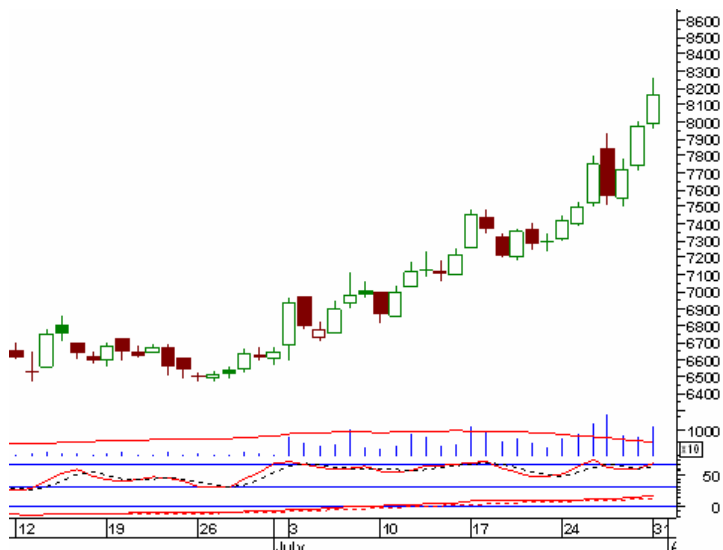
Bullish:

1. Short crop in other major producing nations
2. Syria crop of inferior quality coupled with low carry over stocks in Turkey, Syria
3. Improvement in domestic and export demand
4. Geopolitical disturbance in Lebanon, Syria, Iran
5. Export enquiries from China, Singapore

Weather: Rain/thundershowers are likely at most places over West Madhya Pradesh, Gujarat Region and East Rajasthan; at many places over Madhya Maharashtra, Saurashtra & Kutch and at a few places over the rest region. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic has made bullish crossover in neutral region. MACD is in positive region. The prices might continue to recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	8061	7940	8331	8521

TRADE RECOMMENDATION:

Buy above 8075 with a target of 8260 and then 8360 with a strict stop loss at 7932. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1540- 1600	2500-3000
	Ganesh	1620	
	Machine Cleaned	1690 - 1840	

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