

SPICES DAILY

July 20, 2006

TURMERIC

SPOT MARKETS

Turmeric prices declined in Nizamabad market due to rains observed in the region eradicating the fear of harm to sowing of new crop in the region. The market has high stock and less demand. Erode market saw similar S&D position today. The buyers are from Delhi market and from local markets of Erode and adjoining areas. Sowing in Karnataka and Tamil Nadu is complete and both the areas have shown increased acreage for the crop. The prices are expected to decline if the rains continue.

FUTURES MARKETS:

Turmeric futures at the NCDEX continued to trade firm. August contract opened low at Rs 2435 and thereafter prices hovered in the range of Rs. 2435 - 2480. The days trading closed in green at Rs. 2472 per quintal. The total volumes traded during the day augmented to 5640 MT's.

PRICE DRIVERS:

Bearish:

1. Increased acreage being projected
2. Hefty stock
3. Rains observed in the region
4. Sowing in progress

Bullish:

1. Demand from North India

Weather:

Rain/thundershowers are likely at many places over Kerala, Coastal Karnataka and Andaman & Nicobar Islands and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are showing bullish sentiments in the market. Stochastic is in neutral region and MACD is in negative zone. The prices might show volatile movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2439	2415	2495	2516

TRADE RECOMMENDATION:

Sell near Rs. 2482 with target at Rs. 2464 and then 2454 with a strict stop loss at Rs. 2496. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2175	1700
	Gattah 2075	
Erode	Finger 2450 - 2500	5000
	Gattah 2400 - 2450	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market improved today and some activity by the buyers and sellers was noticed. International market scenario at present is bullish and India still has a competitive position in the market. Exports are likely to increase in coming days. Vietnam has sold a large part of its produce and market has some reports of loss to pepper crop in South-eastern Vietnam. Harvesting in Indonesia is in progress but reports of Tsunami are bringing bullish expectations. Brazil and Indonesia has estimates of poor crop with low carry over stock. However prices might not shoot up very high for few days as harvesting in Srilanka has begun and India is importing immature pepper from Srilanka. The grinders and oleoresin companies are buying Srilankan pepper as the market has unconfirmed reports of higher oil content in Srilankan Pepper. However crop in Srilanka is short this year. The condition is favourable for Indian grinders as they get some concessions on such imports. Pepper prices might see some range bound movement.

FUTURES MARKETS:

Pepper prices at NCDEX August futures contract traded volatile and finally ended bearish by the end of the day. The contract opened at Rs. 8050 a quintal and the prices hovered between Rs. 7935 - 8090 per quintal. The days trading settled at Rs. 7967 a quintal. The total volumes traded during the day declined to 4040 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Srilanka poor crop expectation
3. Vietnam stocks depleting
4. Brazil, Indonesia low crop estimates
5. Tsunami in Indonesia
6. High Demand

Bearish:

1. Srilanka Harvesting begins
2. Srilankan pepper has high oil content

Weather:

Rain/thundershowers are likely at many places over Kerala, Coastal Karnataka and Andaman & Nicobar Islands and 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 has made bearish crossover in neutral region. The market might see volatile movement of prices on expiry of July contract.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7877	7812	8041	8092

TRADE RECOMMENDATION:

Sell below Rs. 7990 with a target at Rs. 7914 with a strict stop loss at Rs. 8048. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7900	10
	Ungarbled 7500	10

RED CHILLIES

SPOT MARKETS

Red chilli prices in Guntur market remained range bound today in the absence of any fresh inputs. The arrivals were in the same range and comprised of 2000 - 3000 bags of non cold storage stuff. The market saw export of premium quality of chilli to Bangladesh. As rains affected a large part of the previous crop, the demand for chilli is mainly confined to premium quality. According to market sources the market has a stock of about 40 lakh bags of around 45 Kgs. each. Increased acreage of crop is expected as farmers are encouraged by the good prices this year. The prices are expected to remain range bound to slightly bearish on low domestic demand.

FUTURES MARKETS:

Chilli futures at the NCDEX remained indecisive ahead of expiry of July month. August contract opened at Rs 4991 and settled at similar price. The prices remained in the range of Rs 4951-5040. The total volumes traded during the day increased slightly to 6360 MT.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Export demand for premium quality

Bearish:

1. Hefty stock
2. Low demand due to poor quality
3. Increased expected acreage
4. Sowing in progress

Weather:

Rain/thundershowers are likely at many places over Kerala, Coastal Karnataka and Andaman & Nicobar Islands and isolated over the rest region. Recent dry patch of weather is not going to affect the chilly crop in a big way as it is mostly grown in the irrigated areas. However, in rainfed areas the sowing pace might be affected.

TECHNICALS

Candlesticks are showing complete indecision. Stochastic is in neutral region. MACD is in positive zone.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4915	4828	5055	5161

TRADE RECOMMENDATION:

STAY AWAY

The market is expected to see volatile movements on expiry of July futures contract at the NCDEX.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4400-4600	25000 - 30000
	LCA 334 (loose) Non Cold Storage 3800-4200	

JEERA (Cumin)

SPOT MARKETS

Jeera in Unjha market traded at slightly reduced prices as the prices reached very high levels. The arrivals were similar in quantity as of yesterday and demand was of similar quantity. Demand is expected to remain 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 and harvesting in turkey (delayed) is expected to complete only by August. The domestic demand is also expected to increase in coming days. The prices might remain slightly firm for few days.

FUTURES MARKETS:

Jeera August futures at NCDEX declined today ahead of expiry of July contract. The contract opened low at Rs 7325 and declined to Rs. 7201 after touching a high of Rs. 7345 a quintal. The days trading ended at 7212.40 a quintal. The total volumes traded decreased to 6039 MT's.

PRICE DRIVERS:

Bullish:

1. Short crop in other major producing nations
2. Syria crop of inferior quality
5. Low carry over stocks in Turkey and Syria
6. Improvement in domestic demand
7. Demand increasing from Export Front

Weather:

Rain/thundershowers are likely at many places over Konkan & Goa, Gujarat region 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 any rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is bearish in neutral region. MACD is in positive region. The contract might see volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7162	7103	7265	7326

TRADE RECOMMENDATION:

Buy near 7182 - 7184 with target of 7250 with a strict stop loss at 7136. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1410- 1450	8000
	Ganesh	1470 - 1480	
	Machine Cleaned	1480 - 1780	

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