

SPICES DAILY

July 13, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at Erode market remained steady due to similar S&D position. The arrivals were in similar range and the demand for turmeric was around 75 percent of the total inflow. The market has a stock of around 6 - 7 lakh bags. Sowing in Karnataka is complete and in Tamil Nadu might end in a couple of days. Sowing of turmeric in Karnataka is expected to be complete by around 90% and might end in another 2 - 4 days. Traders are expecting increase in acreage this year. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

Turmeric prices at the NCDEX August contract continued to show range bound movement as the contract opened at Rs. 2442 a quintal, as against the previous day's close of Rs. 2459 per quintal. The prices tried to recover and hovered between Rs. 2442 - 2472 a quintal. The days trading culminated at Rs. 2459 per quintal. The total volumes traded during the day declined to 2170 MT's.

PRICE DRIVERS:

Bullish:

1. Reducing arrivals

Bearish:

1. Brisk sowing activity
2. Increased acreage being projected in Karnataka
3. Hefty stock

Weather:

Rain/thundershowers are likely Coastal Karnataka, and at a few places over Interior Karnataka. It may be isolated over rest of the turmeric-growing region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are showing indecision in the market. Stochastic is bearish in neutral region and MACD is in negative zone. The prices might decline after firm opening.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2418	2396	2482	2516

TRADE RECOMMENDATION:

Sell near Rs. 2459 - 2461 with target at Rs. 2439 with a strict stop loss at Rs. 2476. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	NA	-
	Gattah	NA	
Erode	Finger	2500-2550	3500 - 4000
	Gattah	2450 - 2500	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market continued to increase today as bullish sentiments prevail in the market. The market did not see any fresh arrivals as the producers are unwilling to sell at current prices in expectation to fetch higher prices for their commodity in the near future. India's position in international markets is very strong. Vietnam has sold a large part of its produce. Brazil and Indonesia has estimates of poor crop with low carry over stock. The demand for black pepper is high, due to buying interest from international markets. Pepper prices might remain firm for few days.

FUTURES MARKETS:

Pepper prices at NCDEX August futures contract opened firm at Rs. 7864 a quintal as against previous day's close of Rs. 7813 a quintal and thereafter declined to Rs. 7720 per quintal and then recovered to higher levels again. The prices went up to a high of Rs. 7911 per quintal and the days trading culminated at Rs. 7892 per quintal. The total volumes traded during the day were 4458 MT's.

PRICE DRIVERS:

Bullish:

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

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastal Karnataka, Kerala and Lakshadweep and at a few places over Interior Karnataka. It may be isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bullish sentiments. MACD is in the positive territory, Stochastic has made bullish crossover in neutral region. The prices might continue to move firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7814	7640	8000	8152

TRADE RECOMMENDATION:

Buy above Rs. 7846 with target at Rs. 7956 and then 8030 with a strict stop loss at Rs. 7757. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7750	NIL
	Ungarbled 7350	NIL

RED CHILLIES

SPOT MARKETS

Red chilli prices at Guntur market remained at similar levels on similar S&D position. The off take was half of the total arrivals. Buying is from local markets of Andhra Pradesh, South India. The commodity is being exported to Srilanka and Bangladesh, but in meager quantities. According to market sources the market has a stock of about 40 lakh bags of around 45 Kgs. each. The market is expecting increased acreage this year. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

Chilli futures at the NCDEX futures market August contract after previous few days' indecision recovered slightly. The contract opened at Rs. 4998 a quintal hovered between Rs. 4970 - 5072 a quintal. The days trading culminated at Rs. 5039 a quintal. The total volumes traded during the day enhanced to 11865 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Improved demand

Bearish:

1. Sowing begins
2. Hefty stock

Weather:

Rain/thundershowers are likely Coastal Karnataka, and at a few places over Interior Karnataka. It may be isolated over rest of the chilli-growing region. 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 showing indecision. Stochastic is in neutral region. MACD is in negative zone. The prices are most likely to recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4984	4866	5154	5224

TRADE RECOMMENDATION:

Buy above 5021 targeting 5090 with a strict stop loss of 4965. 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	25000 - 30000
	LCA 334 (loose) Non Cold Storage 3200-4100	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market increased today. The arrivals were in their normal range of the past few days and the demand was more than double of the inflow of jeera. The demand is high and exporters from Mumbai are buying at current prices. Export of inferior quality of Jeera is being made to Dubai and Singapore. 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 and harvesting in turkey is expected to complete by August. The prices might remain firm for few days.

FUTURES MARKETS:

Jeera August futures contract at NCDEX followed previous days recovery and opened at Rs. 7025 a quintal and did not look back. The prices shot up to Rs. 7170 a quintal. The trading for the day settled at Rs 7115.30 a quintal. The total volumes traded augmented to 8610 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 domestic demand
5. demand increasing from Export Front

Weather:

Rain/thundershowers are likely at many places over 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 commodity in the market.

TECHNICALS

Candle sticks are indicating bullish sentiments. Stochastic is bullish in neutral region. MACD is in positive region. The prices might remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7002	6930	7199	7271

TRADE RECOMMENDATION:

Buy above 7100 with target of 7198 and then 7245 with a strict stop loss at 7025. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1360- 1400	3000
	Ganesh 1370 - 1420	
	Machine Cleaned 1470 - 1680	

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