

## SPICES DAILY

July 07, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices at most of the major turmeric markets remained slightly firm today. The prices improved on slight improvement in demand and reduced arrivals. According to trading sources, the Erode market has a stock of around 6 - 7 lakh bags of turmeric. Erode market saw demand from Delhi, Punjab and West Bengal and thus recovered slightly. Traders are expecting increase in acreage this year. Sowing in Karnataka is complete and is around 80 percent done in Tamil Nadu. The prices are expected to trade range bound to slightly firm.

#### FUTURES MARKETS:

Turmeric NCDEX July contract opened far above than previous close at Rs 2335. The prices declined to Rs. 2314 a quintal but did not sustain their and recovered to finally end firm at Rs. 2340 a quintal. The total volumes traded during the session diminished to 840 MT's.

#### PRICE DRIVERS:

##### Bullish:

1. Slight Demand from Markets of North India
2. Reducing arrivals

##### Bearish:

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

#### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, and Kerala; and isolated over the rest region. 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 firm.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2314	2282	2375	2420

#### TRADE RECOMMENDATION:

Buy above 2335 with target of 2364 with stop loss at 2313. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000-2050	700 - 800
	Gattah 1980-2030	
Erode	Finger 2460-2520	3500
	Gattah 2360-2470	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices in Kochi market increased today and the market didn't see any fresh selling as the producers are holding back to fetch heavy profits. Vietnam is offering at increased price and Indian prices are competitive and enjoy a favourable position. The market is expecting some buying might be seen from the markets of Europe and U.S. The demand for black pepper is high, due to buying interest from international markets. Vietnam 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 NCDEX July contract after yesterday's recovery in prices opened firm and thereafter surged high up to Rs. 7667 a quintal and ended firm at Rs. 7644. The total volumes figures at the end of the day were of 1805 MT's.

### PRICE DRIVERS:

#### Bullish:

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

#### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, and Kerala; at a few places over Lakshadweep and isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are indicating bullish sentiments. Moving averages are indicating prices might continue to recover. MACD is in the positive territory, Stochastic is in neutral region. The prices might remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	7554	7460	7753	7848

### TRADE RECOMMENDATION:

Buy NCDEX July Pepper near 7610 - 7615 with target of 7750 with stop loss at 7512. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7600	NIL
	Ungarbled 7200	NIL

## RED CHILLIES

### SPOT MARKETS

Red chillies prices in Guntur market remained steady today on similar demand supply position. Most of the arrivals comprise of huge share from producers side as they are selling their produce to get money for sowing of next crop. According to market sources the market has a stock of about 37 - 40 lakh bags of around 45 Kgs. each. Buying of 2 to 4 motors of the commodity is still visible from Malaysia. Clouds and rains were seen in nearby areas. The market is expecting increased acreage this year. The prices are expected to remain steady to range bound.

### FUTURES MARKETS:

Chilli futures at NCDEX traded at higher levels after a few days indecision. July contract opened low at Rs. 4523 a quintal and thereafter recovered to a high of Rs. 4650 a quintal. The days trading culminated with bullish sentiments at Rs. 4636 a quintal. The total volumes traded during the day augmented to 3190 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Low Production
2. Some international demand seen

#### Bearish:

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

### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, and Kerala; and isolated over the rest 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 bullish sentiments in the market. Stochastic has just entered in overbought zone and MACD has made bullish crossover. The prices are likely to remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4523	4387	4849	5054

### TRADE RECOMMENDATION:

Buy near 4602 - 4608 targeting 4720 and then 4750 with stop loss of 4522. 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	20000
	LCA 334 (loose) Non Cold Storage	3200-4000	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market remained steady today despite small arrivals in the market. The day's arrivals were just 10 percent of the previous day's arrivals by reason of heavy rains in the area. The demand is increasing and the exporters from Mumbai are buying at current prices. 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 prices might recover for few days.

### FUTURES MARKETS:

Jeera futures at NCDEX surged towards higher levels. July contract opened low at Rs 6565 a quintal and thereafter was highest at Rs. 6745 a quintal. The trading for the day settled at Rs 6709 a quintal. The total volumes traded declined to 1377 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
5. Reducing arrivals on heavy rains

#### Weather:

Heavy to very heavy rainfall is likely at a few places over Gujarat till tomorrow and isolated heavy rainfall is likely over south Rajasthan and West Madhya Pradesh. 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 in neutral region. The prices might recover and remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6604	6498	6810	6934

### TRADE RECOMMENDATION:

Buy near 6670 - 6674 with target of 6788 and then 6820 stop loss at 6588. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1320 - 1360	350
	Ganesh 1330 - 1370	
	Machine Cleaned 1480 - 1580	

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