

## SPICES DAILY

July 14, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices at most of the primary markets remained steady to range bound on almost similar supply demand scenario. Erode market saw slightly increased arrivals and the demand for turmeric was around 75 percent of the total inflow. The market has a stock of around 6 - 7 lakh bags. Buyers from local area are buying from Nizamabad market and the demand from foreign markets is not present. Sowing in Karnataka is complete and in Tamil Nadu might end in a couple of days. Traders are expecting increase in acreage this year. The prices are expected to remain steady to range bound with slightly bearish sentiments.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX August contract remained slightly bearish as the contract opened at Rs. 2451 a quintal. The prices hovered between Rs. 2433 - 2460 a quintal. The days trading culminated at Rs. 2438 per quintal. The total volumes traded during the day declined to 1510 MT's.

#### PRICE DRIVERS:

##### Bearish:

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

#### Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka, Kerala and Lakshadweep; at many places over Andaman & Nicobar Islands and at a few places over South Interior Karnataka. It may be isolated over the rest region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

#### TECHNICALS

Candlesticks are showing bearish sentiments. Stochastic is bearish in neutral region and MACD is in negative zone. The prices might decline.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2416	2381	2464	2508

#### TRADE RECOMMENDATION:

Sell below Rs. 2445 with target at Rs. 2423 with a strict stop loss at Rs. 2462. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	2250	1000-1200
	Gattah	2200	
Erode	Finger	2500-2550	4000 - 4500
	Gattah	2450 - 2500	

## BLACK PEPPER

### SPOT MARKETS

Black pepper trading at Kochi market took place at yesterday's price levels. The market saw some arrivals as the prices are at higher levels. 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 below previous close at Rs. 7880 a quintal as against previous day's close of Rs. 7892 a quintal and thereafter traded volatile and went up to a high of Rs. 7931 a quintal and then declined again to end in red at Rs. 7862 per quintal. The total volumes traded during the session were 3247.

### 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 most places over Coastal Karnataka, Kerala and Lakshadweep; at many places over Andaman & Nicobar Islands and at a few places over South Interior Karnataka. It may be isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are indicating indecision. MACD is in the positive territory, Stochastic is in neutral region. The prices might continue to remain volatile.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7789	7688	7930	8027

### TRADE RECOMMENDATION:

Buy near Rs. 7808 - 7812 with a target at Rs. 7886 and then 7925 with a strict stop loss at Rs. 7752. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7750	14
	Ungarbled 7350	14

## 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. However the demand for premium quality of chilli was high. The commodity is being exported to Srilanka and Bangladesh. Bangladesh and Srilanka are buying LCA 334 grade however Malaysia is buying other variety. According to market sources the market has a stock of about 40 lakh bags of around 45 Kgs. each. According to market sources producers have stopped seeding and planting red chillies for the time being due to insufficient rains in the area. The prices are expected to remain slightly firm.

### FUTURES MARKETS:

Chilli futures at the NCDEX futures market August contract after previous day's recovery continued to trade firm. The contract opened firm at Rs. 5054 a quintal and raised up to Rs. 5175 a quintal. The days trading culminated at Rs. 5083 a quintal. The total volumes traded during the day enhanced to 16990 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Low Production
2. Improved demand
3. Farmers postpone seeding due to insufficient rains

#### Bearish:

1. Hefty stock

### Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka, Kerala and Lakshadweep; at many places over Andaman & Nicobar Islands and at a few places over South Interior Karnataka. It may be 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 indecision. Stochastic has made bullish crossover in neutral region. MACD is in negative zone. The prices are most likely to recover.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	5055	4952	5175	5326

### TRADE RECOMMENDATION:

Buy above 5015 targeting 5114 with a strict stop loss of 4942. 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	20000 - 25000
	LCA 334 (loose) Non Cold Storage 3700-4100	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market continued to increase today. The arrivals and the demand both increased and the demand for jeera was almost double the inflow of commodity. 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 ended indecisive today. The contract opened at Rs. 7125 a quintal and went to a high at Rs. 7235 a quintal. The prices declined to Rs. 7085 a quintal. The trading for the day settled at Rs 7127.70 a quintal. The total volumes traded diminished to 7362 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Expectation of low crop in other major producing nations
2. Syria crop of inferior quality
2. Low carry over stocks in Turkey and Syria
3. Improvement in domestic demand
4. Demand increasing from Export Front

#### Weather:

Rain/thundershowers are likely at a few places over Madhya Maharashtra and East Rajasthan and isolated 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

Candlesticks are indicating indecision. Stochastic is bullish in neutral region. MACD is in positive region. The prices might decline initially and thereafter recover.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7087	7001	7170	7271

### TRADE RECOMMENDATION:

Buy near 7098 -7102 with target of 7168 and then 7200 with a strict stop loss at 7052. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1380- 1420	4000 - 5000
	Ganesh	1390 - 1440	
	Machine Cleaned	1490 - 1700	

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