

SPICES DAILY

July 22, 2006

TURMERIC

SPOT MARKETS

Turmeric prices declined today at Nizamabad market and traded at similar levels in Erode market. Nizamabad market saw reduced arrivals and demand was short as market could not see trade of around 200 - 400 bags of turmeric. The prices are declining on low demand for the commodity particularly in local markets of the area. The market has high stock and less demand. Erode market continued with similar price movement as the market saw slightly increased arrivals and similar rise in demand was seen thus keeping the demand - supply ratio same. 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. Sowing in Andhra Pradesh is likely to continue up to first week of August. The prices are expected to decline if the rains continue.

FUTURES MARKETS:

Turmeric futures at the NCDEX continued to decline today following bearish spot market sentiments. August contract opened low at Rs 2456 and thereafter declined to a low of Rs. 2423 a quintal. The days trading closed in red at Rs. 2444 per quintal. The total volumes traded during the day dropped by 100 MT's at 2620 MT's.

PRICE DRIVERS:

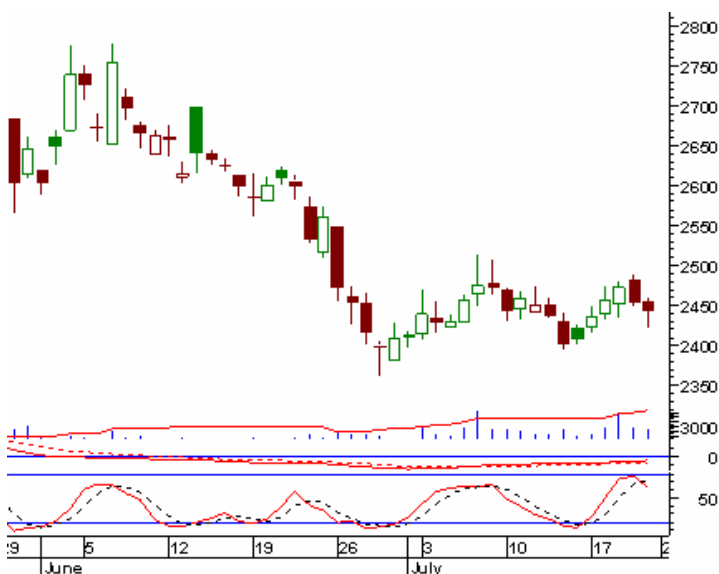
Bearish:

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

Weather: Rain/thundershowers are likely at many places over Coastal Karnataka and north Coastal Andhra Pradesh, at few places over the rest region outside Tamilnadu & Rayalseema where it will be isolated. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2423	2396	2482	2514

TRADE RECOMMENDATION:

Sell near Rs. 2452 - 2455 with target at Rs. 2430 with a strict stop loss at Rs. 2468. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2050 - 2100	1000
	Gattah 2000 - 2050	
Erode	Finger 2500	5000 - 6000
	Gattah 2450	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market continued to quote at higher levels. The market did not see any fresh arrivals as producers and stockists are reluctant to sell at current prices. According to market sources the stock of pepper are declining and NCDEX has a stock of around 8792 MT's and NMCE's CWC designated warehouses has a stock of around 2195 MT's. International market scenario at present is bullish and favourable for India as it is in a competitive position in the market. Europe is making enquiries and seems interested in buying heavy pepper from India. Vietnam has sold a large part of its produce and is left with less of the commodity. Vietnam is selling white pepper in the market and has stopped offering its black pepper for international buyers. Harvesting in Indonesia is in progress. Brazil and Indonesia has 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 is in progress and crop is short this year. Vietnam is quoting \$ 1950 and Indonesia at \$ 1950. Indian parity is between \$ 1925 - 1975 .Pepper prices might remain firm for few days.

FUTURES MARKETS:

Pepper prices at NCDEX August futures contract followed its uptrend and previous days surge in prices. The prices ruled firm as the contract opened firm at Rs. 8140 a quintal. The prices declined to Rs. 8125 a quintal and thereafter recovered to a high of Rs. 8268 a quintal and settled firm at Rs. 8230 a quintal. The total number of volumes traded augmented to 4978 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Srilanka poor crop expectation
3. Brazil, Indonesia, Srilanka low crop estimates
4. High Demand
5. Low stock of pepper

Bearish:

1. Srilanka Harvesting begins
2. Indonesia continues harvesting

Weather: Rain/thundershowers are likely at many places over Kerala, Coastal Karnataka and north Coastal Andhra Pradesh; at a few places over the rest region outside Tamilnadu and Rayalseema where it will be isolated. 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 and is in overbought zone. The market might see volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	8132	8030	8293	8378

TRADE RECOMMENDATION:

Buy above Rs. 8195 with a target at Rs. 8275 with a strict stop loss at Rs. 8134. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 8150	NIL
	Ungarbled 7750	NIL

RED CHILLIES

SPOT MARKETS

Red chilli in Guntur market continued to trade at similar prices on low demand. The off take was just 40 - 60 percent of the total inflow. According to market sources the market has demand of premium quality of chilli at lower prices. According to market sources the market has a stock of about 28 - 30 lakh bags of around 45 Kgs. each. Increased acreage of crop is expected as farmers are encouraged by good prices this year. The prices are expected to remain slightly bearish on low domestic demand.

FUTURES MARKETS:

Chilli futures at the NCDEX after about a week's indecision got a clear direction following bearish notes from the spot. August contract opened at Rs 5005 and thereafter declined to a low of Rs. 4835 a quintal. The days trading ended in red at Rs. 4864 a quintal. The total number of volumes traded increased to 14450 MT's as against previous 5825 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. 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 north Coastal Andhra Pradesh; at a few places over the rest region outside Tamilnadu and Rayalseema where it will be isolated. 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 bearish sentiments. Stochastic has made bearish crossover in neutral region. MACD is in positive zone. The prices might remain bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4757	4692	4946	5052

TRADE RECOMMENDATION:

Sell below Rs. 4895 with a target at Rs. 4820 with a strict stop loss at Rs. 4954. 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	15000
	LCA 334 (loose) Non Cold Storage	3800-4100	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market traded firm today on reduced arrivals and high demand. The offtake was higher than the inflow. 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 demand for jeera is high and is expected to improve from domestic markets in the coming days. The traders in the North Indian markets are expecting demand to increase within a fortnight due to festival season. The prices might rule firm for few days.

FUTURES MARKETS:

Jeera August futures at NCDEX declined today on profit booking following previous days surge in prices. The contract opened high at Rs 7367 and then reached a high of Rs. 7398. The prices declined to a low of Rs. 7241 and ended in red at Rs. 7280 a quintal. The total volumes traded during the session declined to 5100 MT's.

PRICE DRIVERS:

Bullish:

1. Short crop in other major producing nations
2. Syria crop of inferior quality
3. Low carry over stocks in Turkey and Syria
4. High demand
5. Improvement in domestic demand

Weather:

Isolated heavy to very heavy falls also likely over Madhya Pradesh, Konkan & Goa, Madhya Maharashtra, Gujarat and East Rajasthan. Weather is not a matter of much concern as harvesting is complete and however 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	7215	7170	7326	7398

TRADE RECOMMENDATION:

Buy near 7240 with target of 7288 with a strict stop loss at 7204. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1430- 1480	5000
	Ganesh 1490 - 1500	
	Machine Cleaned 1500 - 1800	

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