

SPICES DAILY

July 27, 2006

TURMERIC

SPOT MARKETS

Turmeric prices remained steady to slightly firm at most of the major turmeric trading markets. In Erode the prices remained steady on similar S&D position. The demand is around 80 percent of the total arrivals. The buyers are from markets of North India particularly from Delhi market. Nizamabad market saw slight improvement in prices as sowing is complete. Erode market has a hefty stock of 6-7 lakh bags of turmeric and Nizamabad market has a stock of around 2.75 lakh bags of turmeric. Export demand is from Malaysia, Singapore, Gulf countries and Sri Lanka. Sowing is complete in Andhra Pradesh (other than Duggirala) and Maharashtra. The prices might remain range bound to slightly firm for the moment.

FUTURES MARKETS:

Turmeric futures at the NCDEX started the day on a weaker note and after the mid session prices surged to higher levels. NCDEX August futures contract after past few days indecision opened firm at Rs. 2501 a quintal and declined to a low of Rs. 2465 and thereafter surged to create days high at Rs. 2614. The trading for the session ended in green at Rs. 2591 a quintal. The volume numbers came out high at 25060 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock

Bullish:

1. Improving domestic demand
2. Export Demand

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

TECHNICALS

Candlesticks are showing bullish sentiments. Stochastic has just entered in the neutral region and MACD is in negative zone. The prices might show volatile movements with slight improvement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2561	2510	2640	2684

TRADE RECOMMENDATION:

Buy above Rs. 2575 with target at Rs. 2614 and then 2625 with a strict stop loss at Rs. 2544. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2250	1500-1700
	Gattah 2150	
Erode	Finger 2450-2550	5000
	Gattah 2450-2500	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market continued to skyrocket, as according to some unconfirmed sources the pepper quote by Vietnam jumped up. The prices are improving on world supply crunch. Most of the producing nations have very low stocks. The prices are improving on the back of good export demand and lucrative international prices. The prices made yet another quantum jump of Rs 600 per quintal during the day. The market did not see any fresh arrivals as the sellers are holding back their stock in anticipation of further rise in prices. Export demand is high and attracting buyers from international markets. The supply side is short and the demand is high. Exchanges are left with reduced stock. Brazil, Srilanka and Indonesia have 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, Indonesia and Brazil is in progress. Pepper prices might remain firm for few days.

FUTURES MARKETS:

Pepper prices at NCDEX traded firm following its uptrend. The August contract of pepper at NCDEX opened the day firm at Rs 9398 and then the prices surged to a high of Rs 9684 a quintal. The prices thereafter declined to a low of Rs. 9335 and then recovered again to make contracts fresh high of Rs. 9904 a quintal. The trading for the day settled at Rs. 9687 a quintal. The total volume traded during the day was of 20881 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Srilanka poor crop expectation
3. Higher quote by Vietnam in depleting stock scenario
4. Brazil, Indonesia low crop estimates
5. Sellers holding stock
6. World Supply Crunch

Bearish:

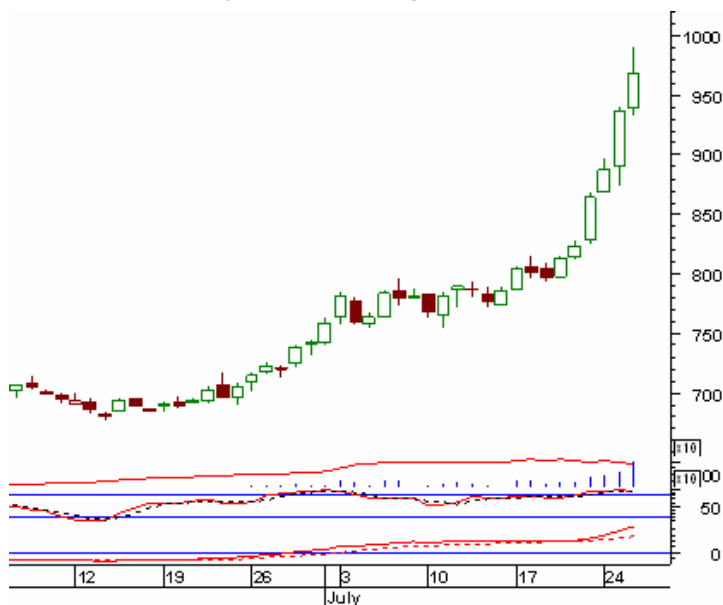
1. Brazil, Indonesia and Sri Lanka harvesting continues

Weather:

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

TECHNICALS

Candlesticks are indicating strong bullish sentiments. MACD is in the positive territory, Stochastic has made bearish crossover in the overbought region. The prices might continue to remain firm, expect some volatility on profit booking.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	9400	9180	9905	10187

TRADE RECOMMENDATION:

Buy above Rs. 9600 with a target at Rs. 9790 and then 10,020 with a strict stop loss at Rs. 9444. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 9000	NIL
	Ungarbled 8600	NIL

RED CHILLIES

SPOT MARKETS

Red chilli prices in Guntur remained steady even though the arrivals declined today by reason of rains and ahead of elections in the area. The demand for red chilli improved slightly however the arrivals are expected to decline slightly in the coming days. According to trading sources there are fewer buyers for premium quality of chilli at current prices. The market has hefty stock of red chillies. Seeding is in progress and rains might prove beneficial for sowing the crop at this stage. The prices are expected to remain range bound to slightly firm.

FUTURES MARKETS:

Chilli futures at the NCDEX ended indecisive today as the august contract opened firm at Rs. 4860 a quintal and thereafter declined steeply to 4651 and then recovered in the later session to Rs. 4860. The days trading ended near the opening price at Rs. 4809 a quintal. The total number of volumes traded augmented to 15790 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Reduced arrivals due to rains, elections
3. Improved demand

Bearish:

1. Comfortable stock position

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Andhra Pradesh, Coastal Karnataka and Kerala and at a few places over the rest region. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing indecision. Stochastic has made bullish crossover in oversold region. MACD has made crossover in negative zone. The prices are most likely to recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4694	4640	4901	5041

TRADE RECOMMENDATION:

Buy above 4782 targeting 4898 and then 4980 with a strict stop loss of 4694. 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	3500-4100	

JEERA (Cumin)

SPOT MARKETS

Firmness in Jeera markets remained intact today as the prices continued to improve on reduced arrivals and heavy demand. Demand is expected to remain good at the stage 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. Further, harvesting in turkey (delayed) is expected to complete by August. The traders from North Indian markets are expecting consumption demand to increase due to festival season. Rains at this stage might further shoot up prices due to reduced arrivals. The prices might rule firm for few days.

FUTURES MARKETS:

Jeera prices at NCDEX August futures contract jumped today and created a new high on active participation of bulls in the market. The contract opened firm at Rs 7525 a quintal and the prices moved upto a high of Rs. 7798 a quintal. The days trading ended in green at Rs. 7753 a quintal. The total volumes traded during the session augmented to 12558 MT's as against yesterday's 6942 MT's.

PRICE DRIVERS:

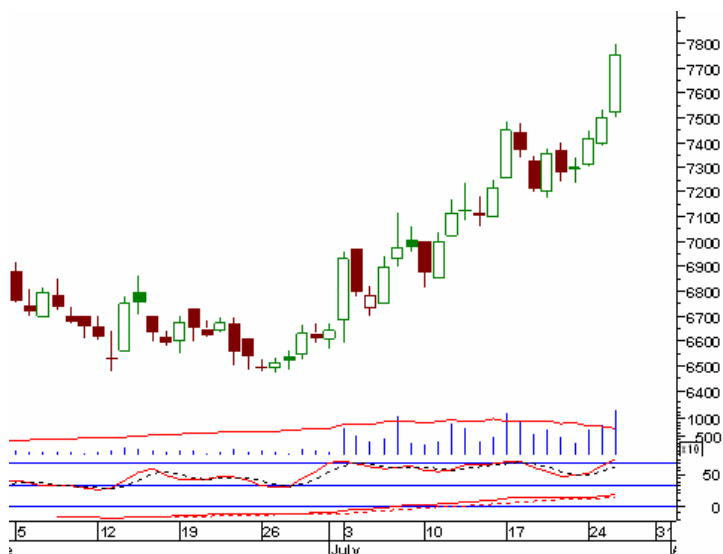
Bullish:

1. Short 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 and export demand

Weather: Rain/thundershowers are likely at many places over Rajasthan and Konkan & Goa and at a few places over the rest region. 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 bullish sentiments in the market. Stochastic is bullish in overbought region. MACD is in positive region. The prices might continue to trade firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7636	7524	7927	8133

TRADE RECOMMENDATION:

Buy above 7730 with target of 7850 and then 7920 with a strict stop loss at 7634. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1470- 1520	3500
	Ganesh	1530 - 1540	
	Machine Cleaned	1630 - 1900	

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