

SPICES DAILY

July 06, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the major turmeric markets remained steady to slightly firm today. According to trading sources Erode market has a stock of around 6 - 7 lakh bags of turmeric. The market saw demand from Delhi, Uttar Pradesh and Bihar and thus recovered slightly. Traders are expecting increase in acreage this year. Sowing in Karnataka is complete and is expected to end by middle of August in Tamil Nadu. Sowing is expected to complete by July middle in Andhra Pradesh and Maharashtra. The prices are expected to trade steady to range bound.

FUTURES MARKETS:

Turmeric NCDEX July contract opened Rs. 4 up at Rs 2314 as against previous close of Rs. 2323 a quintal. The prices hovered between Rs. 2314 - 2335 a quintal. Trading for the day finally culminated at Rs 2323 a quintal. The total volumes traded during the session diminished to 1050 MT's.

PRICE DRIVERS:

Bullish:

1. Slight Demand from Markets of North India

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 & South Interior Karnataka and Kerala and at a few places over the rest region outside Andhra Pradesh and north Tamil Nadu where it may be isolated. 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 slightly firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2303	2281	2350	2375

TRADE RECOMMENDATION:

Buy above 2320 with target of 2343 with stop loss at 2302. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000-2050	1000
	Gattah 1950-2020	
Erode	Finger 2450-2500	3000-3500
	Gattah 2350-2450	

BLACK PEPPER

SPOT MARKETS

Black pepper in Kochi market quoted at similar prices and the market didn't see any fresh selling or buying interest. Market has unconfirmed reports of rise in prices by Vietnam thus helping exporters from India to increase sale. 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 July contract after yesterdays decline on technical correction in prices again bounced back to follow its original bullish trend. The NCDEX July contract opened low at Rs. 7365 a quintal and was lowest at Rs. 7346 a quintal and thereafter the prices recovered to a high of Rs. 7490 a quintal. The trading for the day settled at Rs. 7449 a quintal. The total volumes traded during the day were of 1154 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

Bearish:

1. Less domestic consumption in monsoon Season.

Weather:

Rain/thundershowers are likely at many places over Coastal & South Interior Karnataka, Lakshadweep and Kerala. 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	7363	7299	7551	7651

TRADE RECOMMENDATION:

Buy NCDEX July Pepper above 7450 with target of 7524 with stop loss at 7394. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7500	NIL
	Ungarbled 7100	NIL

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market remained steady today on similar demand supply position. According to market sources the market has a stock of about 37 - 40 lakh bags of around 45 kgs. each. Buying of meager quantity of the commodity is visible from Malaysia. Increased expected acreage this year is also sending some bearish message to the market. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

Chilli futures at NCDEX traded range bound. July contract opened weak at Rs. 4500 a quintal and then traded between Rs. 4560 - 4493 a quintal. The days trading ended in green at Rs. 4531 a quintal. The total volumes traded during the day declined to 2260 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 & South Interior Karnataka, Lakshadweep and Kerala and at a few places over the rest region outside Andhra Pradesh and north Tamil Nadu where it may be isolated. 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 in the market. Stochastic and MACD are hinting for some improvement in the prices. The prices are likely to show bullish sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4440	4359	4638	4742

TRADE RECOMMENDATION:

Buy near 4524 - 4528 targeting 4600 and then 4630 with stop loss of 4470. 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 on similar market sentiments. The exporters from Mumbai are buying at current prices and domestic demand has improved. 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 show some recovery for few days.

FUTURES MARKETS:

Jeera futures at NCDEX after continued to decline today but did not sustain lower levels and ended indecisive. July contract opened low at Rs 6590 a quintal and declined to a low of Rs. 6515 a quintal. The trading for the day settled at Rs 6596.80 a quintal. The total volumes traded declined to 1593 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

Weather:

Rain/thundershowers are likely at most places over Konkan & Goa, Madhya Maharashtra and Gujarat; at many places over Marathawada and southeast 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 indecision. Stochastic is in neutral region. The prices might recover and remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6516	6460	6732	6809

TRADE RECOMMENDATION:

Buy above 6628 with target of 6686 stop loss at 6574. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1320- 1360	3500
	Ganesh 1330 - 1370	
	Machine Cleaned 1480 - 1580	

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