

## SPICES DAILY

July 12, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices at most of the major turmeric markets remained steady. In Erode market the arrivals were in almost similar range and the demand for turmeric was moderate. According to sources Erode market has a stock of around 6 - 7 lakh bags. Sowing in Karnataka is complete and in Tamil Nadu might end in a couple of days. Nizamabad market saw steady sentiments. Sowing of turmeric in Karnataka is expected to be complete by around 90% and might end in another 2 - 4 days. Traders are expecting increase in acreage this year. The prices are expected to trade steady to range bound.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX August contract opened Re 1 up at Rs. 2445 a quintal, as against the previous day's close of Rs. 2444 per quintal. The prices remained indecisive throughout the day as they recovered to a high of Rs. 2467 and declined to a low of Rs. 2432 a quintal. The days trading culminated at Rs. 2459 per quintal. The total volumes traded during the day declined to 2170 MT's.

#### PRICE DRIVERS:

##### Bullish:

1. Reducing arrivals

##### Bearish:

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

#### Weather:

Scattered rainfall is likely over Kerala, Tamilnadu and Karnataka during next 3-4 days. Rainfall activity may increase after 15 July, 06. Rains in turmeric growing regions might prove beneficial for sowing the crop.

#### TECHNICALS

Candlesticks are showing indecision in the market. Stochastic is bearish in neutral region and MACD is in negative zone. The prices might recover.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2430	2396	2514	2549

#### TRADE RECOMMENDATION:

Buy above Rs. 2454 with target at Rs. 2472 with a strict stop loss at Rs. 2442. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2250	700 - 800
	Gattah 2200	
Erode	Finger 2500-2550	3500 - 4000
	Gattah 2450 - 2500	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market increased today on news of some fresh buying from the exporters at higher prices. Sellers are unwilling to sell at current prices as they are expecting to fetch higher prices for the commodity in the near future. The sentiments for Indian pepper are still bullish as India's position in international markets is very strong. Vietnam has slashed price of its pepper but is still offering at higher prices than India, moreover it 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 at Rs. 7662 a quintal as against previous days close of Rs. 7681 a quintal and thereafter declined to Rs. 7543 per quintal and then recovered and surged a high of 7850 a quintal. The total volumes figures augmented to 4166 MT's.

### 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:

Scattered rainfall is likely over Kerala, Tamilnadu and Karnataka during next 3-4 days. Rainfall activity may increase after 15 July, 06. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

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



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7686	7573	7908	8000

### TRADE RECOMMENDATION:

Buy above Rs. 7802 with target at Rs. 7904 and then 7984 with a strict stop loss at Rs. 7722 .Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7650	NIL
	Ungarbled 7250	NIL

## RED CHILLIES

### SPOT MARKETS

Red chilli prices at Guntur market remained at similar levels on somewhat similar S&D situation. Buying is from local markets of Andhra Pradesh, South India also processors prevented the prices to decline further. The commodity is being exported to Srilanka and Bangladesh, but in meager quantities. According to market sources the market has a stock of about 40 lakh bags of around 45 Kgs. each. The market is expecting increased acreage this year. The prices are expected to remain steady to range bound.

### FUTURES MARKETS:

Chilli futures at the NCDEX futures market August contract after previous few days' indecision opened low at Rs. 4870 a quintal thereafter prices declined to a low of Rs. 4870 a quintal. The days trading culminated at Rs. 4898 a quintal. The total volumes traded during the day increased to 8020 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Low Production
2. Improved demand

#### Bearish:

1. Sowing begins
2. Hefty stock

### Weather:

Scattered rainfall is likely over Kerala, Tamilnadu and Karnataka during next 3-4 days. Rainfall activity may increase after 15 July, 06. 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 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	4866	4756	5079	5223

### TRADE RECOMMENDATION:

Buy above 4980 targeting 5048 with a strict stop loss of 4928. 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 3200-4100	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices in Unjha market continued to remain steady today. The arrivals decreased today due to Guru Purnima. The demand is high and 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 and harvesting in turkey is expected to complete by August. The prices might continue to remain slightly firm for few days.

### FUTURES MARKETS:

Jeera August futures contract at NCDEX after yesterday's technical correction in prices opened at Rs. 6855.10 a quintal and thereafter shot up to the high of Rs. 7034.00. The trading for the day settled firm at Rs 7000.60 a quintal. The total volumes traded enhanced to 3741 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:

Madhya Maharashtra, Marathwada and Gujarat, are also likely to receive isolated rainfall during next 3-4 days. Scattered rainfall is likely over Rajasthan during next 4-5 days. 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 has made bullish crossover in neutral region. The prices might recover and remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	6898	6822	7094	7199

### TRADE RECOMMENDATION:

Buy above 6970 with target of 7092 and then 7140 with a strict stop loss at 6880. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1340- 1380	2000 - 2500
	Ganesh 1350 - 1400	
	Machine Cleaned 1450 - 1650	

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