

SPICES DAILY

July 03, 2006

TURMERIC

SPOT MARKETS

Most of the major turmeric markets remained closed today. The prices remained bearish throughout the week and thereafter turned steady to slightly firm. The arrivals are steady to low and demand is low. According to trading sources, sowing in Karnataka is complete and acreage has increased by around 15 - 20 percent this year. Sowing is expected to complete in another 7 - 10 days in Erode and by July middle in Andhra Pradesh and Maharashtra. The prices are expected to trade steady to slightly range bound as they have declined to lower levels and then continue to decline on poor demand, increased acreage and hefty stock in the markets.

FUTURES MARKETS:

Turmeric prices at NCDEX July futures contract remained indecisive and traded range bound. The contract opened below previous days close at Rs. 2296 a quintal and thereafter traded side ways and recovered to a high of Rs. 2304 a quintal and then traded sideways. The prices hovered between Rs. 2292 - 2309 a quintal. The days trading finally settled at Rs. 2300 a quintal. The total volumes traded during the session declined to 300 MT's.

PRICE DRIVERS:

Bearish:

1. Turmeric sowing speeds up
2. Sowing completes in Karnataka
3. Hefty stock in Nizamabad market
4. Expectation of rise in acreage

Weather:

Rain/thundershowers are likely at many places over the region outside Tamil Nadu and Rayalseema where it may be at a few places. The rainfall activity over Telangana is expected to increase. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Close below 9 days and 18 days EMA shows the bearish trend is still intact. However, stochastic and MACD are hinting for some improvement in the prices. Candlesticks are showing indecision in the market sentiments. Thus, the indicators are showing mixed sentiments and prices are likely to show volatile movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2287	2259	2322	2350

TRADE RECOMMENDATION:

Sell near 2310 with target of 2287 and stop loss at 2325. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	Closed	-
	Gattah	Closed	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market continued to increase today as buyers showed keen interest in the commodity. Market saw arrivals and off take of 20 Mt of Pepper. The demand for black pepper is high on buying interest from international markets as Indian prices have become attractive against other major producing countries. Government of India and India and STCL are expected to sign a deal to export Indian pepper to Pakistan. Vietnam is offering at higher prices as against India and has sold a large part of its produce. Brazil and Indonesia has estimates of poor crop with low carry over stock. Pepper might continue to see firm sentiments for few days.

FUTURES MARKETS:

NCDEX July pepper futures contract opened firm at Rs. 7270 a quintal as against previous days close of Rs. 7263 a quintal and thereafter surged to a high of Rs. 7456 a quintal and closed at Rs. 7450 per quintal. The total volumes traded during the day diminished to 1606 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Vietnam offers at higher prices
3. Vietnam stocks depleting
4. Indonesia crop delays
5. Brazil, Indonesia low crop estimates
6. Government of India undertaking likely to sign deal to supply pepper to Pakistan

Bearish:

1. Less domestic consumption in monsoon Season.

Weather:

Heavy to very heavy rainfall is likely at a few places over Coastal Karnataka. Isolated heavy rainfall is likely over Kerala. Rains at this stage are suitable for cultivation of pepper.

TECHNICALS

Close above 9 days and 18 days EMA shows strength in the market. MACD is in the positive territory, where as Stochastic is in the overbought region, which warrants some caution on the part of the bulls.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	7330	7258	7570	7632

TRADE RECOMMENDATION:

Buy NCDEX July Pepper above 7455 with target of 7560 with stop loss at 7382. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7350	20
	Ungarbled 6950	20

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained closed today. The prices are declining on low demand and moderate arrivals. According to trading sources, the market has a hefty stock of around 37 - 40 lakh bags of red chillies. Sowing has started and will gain pace in coming days. The market lacks buying interest on no fresh demand from international markets. The market is under selling pressure on low demand, expectation of increased acreage, and hefty stock. The prices are likely to trade range bound with slightly bearish inclination.

FUTURES MARKETS:

Red Chilli prices at NCDEX July contract opened firm Rs. 4560 a quintal and thereafter declined to a low of Rs. 4465 a quintal. The days trading ended with bearish sentiments at Rs. 4500 quintal. The total volumes traded during the day diminished to 2585 MT's.

PRICE DRIVERS:

Bullish:

Low Production

Bearish:

1. Sowing begins
2. High arrivals due to sowing season
3. Low demand
4. Lacks export demand
5. Hefty stock

Weather:

Rain/thundershowers are likely at many places over the region outside Tamil Nadu and Rayalseema where it may be at a few places. 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

Close below 9 days and 18 days EMA shows the bearish trend is still intact. However, stochastic and MACD are hinting for some improvement in the prices. Candlesticks are showing indecision in the market sentiments. Thus, the indicators are showing some weakness in the market sentiments. The prices are likely to show volatile movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4443	4394	4557	4601

TRADE RECOMMENDATION:

Sell below 4522 targeting 4448 with stop loss of 4571. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage Closed	-
	LCA 334 (loose) Non Cold Storage Closed	

JEERA (Cumin)

SPOT MARKETS

Jeera traded at similar prices in Unjha market on almost similar demand - supply situation. The inflow decreased slightly due to some rains in the area and demand also improved. The chances for exports are bright this year as most of the major jeera producing countries including Syria and Turkey are short of their normal production. With the onset of rains the arrivals might decrease and the demand might be seen in the market. The prices are at their lowest levels and are expected to recover for few days.

FUTURES MARKETS:

Jeera prices at NCDEX July contract recovered today on buying interest in the commodity. The contract opened low at Rs. 6420 a quintal and then continued to surge upto a level of Rs. 6497 and declined slightly to settle with bullish sentiments at Rs. 6490 a quintal. The total volumes traded dropped to 510 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. Improved Demand

Weather:

Rain/thundershowers are likely at many places over the region outside West Rajasthan and Kutch where it may be at a few places. 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

The indicators are slightly in the favour of bulls. Close above 9 days and 18 days EMA shows strength in the bull camp. Stochastic is in the neutral region and MACD is still hovering in the negative territory.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	6392	6326	6560	6626

TRADE RECOMMENDATION:

Buy above 6470 with target of 6550 and stop loss at 6423. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1310- 1340	3000
	Ganesh 1310 - 1360	
	Machine Cleaned 1460 - 1560	

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