

SPICES DAILY

July 17, 2006

TURMERIC

SPOT MARKETS

Turmeric market at Nizamabad and Guntur remained closed today. Turmeric prices at most of the primary markets were on the weaker side on the previous day due to increased arrivals and low demand. Erode market saw increased arrivals and the demand for turmeric was around 60 - 70 percent of the total inflow on Friday. The market has a stock of around 6 - 7 lakh bags. In Nizamabd market demand is from the markets of Uttar Pradesh and Delhi market. Sowing in Karnataka is complete and in Tamil Nadu might end in a couple of days. Traders are expecting increase in acreage this year. The prices are expected to remain steady to range bound with slightly bearish sentiments.

FUTURES MARKETS:

Turmeric prices at the NCDEX remained on the firmer side during the last trading day of the week, but the futures shed the initial gains before closing. August contract opened firm at Rs 2423 and there after it traded mostly green throughout the day in the range of Rs 2400-2425. The days trading closed in green at Rs. 2403 per quintal but initial gains were absent. The total volumes traded during the day increased to 2520 MT's.

PRICE DRIVERS:

Bearish:

1. Brisk sowing activity
2. Increased acreage being projected in Karnataka
3. Hefty stock
4. Increasing arrivals
5. Low demand

Weather: Rain/thundershowers are likely at most places over Coastal Karnataka and at a few places over north Andhra Pradesh and South Interior Karnataka. It may be isolated over the rest region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are showing bearish sentiments. Stochastic is bearish in oversold region and MACD is in negative zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2385	2363	2431	2454

TRADE RECOMMENDATION:

Sell below Rs. 2415 with target at Rs. 2390 with a strict stop loss at Rs. 2430. 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 trading at Kochi market was subdued today as there were no arrivals in the market. The prices remained static. According to market sources harvesting in Srilanka has begun and India is importing immature pepper from Srilanka. The grinders and oleoresin companies are buying Srilankan pepper as the market has unconfirmed reports of higher oil content in Srilankan Pepper. However crop in Srilanka is short this year. The condition is favourable for Indian grinders as they get some concessions on such imports. Rupee is weak against dollar and it is offering at \$ 1850 tonnes to US markets. Vietnam has sold a large part of its produce and market has some reports of loss to pepper crop in South-eastern Vietnam. Brazil and Indonesia has estimates of poor crop with low carry over stock. Pepper prices might see some range bound movement.

FUTURES MARKETS:

Pepper prices at Kochi market are trading firm on competitive position of India in international market. Pepper prices at NCDEX August futures contract opened below previous days close at Rs. 7750 a quintal as against previous day's close of Rs. 7762 a quintal and thereafter traded mostly positive in the range of Rs 7740-7888 before closing with some good gains. The total volumes traded during the session declined and were 1691MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Srilanka Harvesting begins
3. Srilanka poor crop expectation
4. Srilankan pepper has high oil content
5. Vietnam stocks depleting
6. Brazil, Indonesia low crop estimates

Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka and Kerala; at many places over Lakshadweep and Andaman & Nicobar Islands and at a few places over north Andhra Pradesh and South Interior Karnataka. It may be isolated over the rest region. 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 remain volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7709	7595	7964	8052

TRADE RECOMMENDATION:

Buy above Rs. 7820 with a target at Rs. 7900 and then 7950 with a strict stop loss at Rs. 7740 .Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7750	NIL
	Ungarbled 7350	NIL

RED CHILLIES

SPOT MARKETS

Red chilli market remained closed today. The red chilli prices at Guntur market were steady on Friday on steady S&D position. The demand was low and inflow was slightly higher than previous day's arrivals. According to market sources the market has a stock of about 40 lakh bags of around 45 Kgs. each. As rains affected a large part of the previous crop, the demand for premium quality of chilli is high. The commodity is being exported to Srilanka and Bangladesh. Increased acreage of crop this year is adding some bearish pressure on the prices. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

Chilli futures at the NCDEX futures market remained volatile today. August chilli opened firm at Rs 4915 and thereafter it traded volatile in the range of Rs 4890-4978, before finally closing the day with marginal gains. The days trading culminated at Rs. 4938 a quintal. The total volumes traded during the day were 5035 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Weaker monsoon

Bearish:

1. Hefty stock
2. Low demand due to poor quality
3. Increased expected acreage

Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka and at a few places over north Andhra Pradesh and South Interior Karnataka. It may be isolated over the rest region. 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 will be affected.

TECHNICALS

Candlesticks are showing bearish sentiments. Stochastic is bearish in neutral region. MACD is flat in negative zone. The prices are most likely to remain bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4763	4694	4985	5102

TRADE RECOMMENDATION:

Sell below 4960 targeting 4880 and then 4940 with a strict stop loss of 5020. 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 prices in Unjha market were slightly firm today. The arrivals decreased today, which put some pressure on the prices, as demand is good. The demand is good as exporters from Mumbai are buying at current prices. Export of inferior quality of Jeera is being made to Dubai and Singapore. 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 remain slightly on the firmer side at the stage.

FUTURES MARKETS:

Jeera August futures at NCDEX saw a quantum jump today on speculative buying in anticipation of higher prices due to good demand in coming days. The August contract opened slightly weak at Rs. 7102 a quintal but it recovered thereafter to see the highs of Rs 7249. The contract finally settled higher at Rs 7244. The total volumes traded increased to 4914 MT's.

PRICE DRIVERS:

Bullish:

1. Expectation of low crop in other major producing nations
2. Syria crop of inferior quality
4. Low carry over stocks in Turkey and Syria
5. Improvement in domestic demand
6. Demand increasing from Export Front

Weather:

Rain/thundershowers are likely at a few places over Madhya Maharashtra and Rajasthan and isolated over the rest region. Rainfall over Madhya Maharashtra is likely to increase after 48 hours. Weather is not a matter of much concern as harvesting is complete and however any rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are bullish sentiments in the market. Stochastic is bullish in neutral region. MACD is in positive region. The prices might show volatile movements with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7100	7037	7320	7400

TRADE RECOMMENDATION:

Buy above 7193 with target of 7280 with a strict stop loss at 7130. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1390- 1430	5000
	Ganesh	1400 - 1450	

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