

SPICES DAILY

July 15, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the primary markets declined today on increased arrivals and low demand. Erode market saw increased arrivals and the demand for turmeric was around 60 - 70 percent of the total inflow. 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 August contract remained bearish as the contract opened at Rs. 2430 a quintal. The prices declined to Rs. 2395 a quintal. The days trading culminated in red at Rs. 2403 per quintal. 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	2401	2363	2473	2515

TRADE RECOMMENDATION:

Sell below Rs. 2415 with target at Rs. 2384 with a strict stop loss at Rs. 2440. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2050	1500
	Gattah 2100 - 2125	
Erode	Finger 2500	6000
	Gattah 2450	

BLACK PEPPER

SPOT MARKETS

Black pepper trading at Kochi market took place at yesterday's price levels and the market saw arrivals and off take of 23 MT's of pepper. 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 remain slightly bearish.

FUTURES MARKETS:

Pepper prices at NCDEX August futures contract opened below previous close at Rs. 7825 a quintal as against previous day's close of Rs. 7862 a quintal and thereafter recovered to a high of Rs. 7888 a quintal and then declined to a low of Rs. 7718 a quintal and the days trading ended low at Rs. 7762 a quintal. The total volumes traded during the session declined and were 2249 MT'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 bearish sentiments. MACD is in the positive territory, Stochastic is in neutral region. The prices might continue to remain bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7708	7640	7850	7908

TRADE RECOMMENDATION:

Sell below Rs. 7775 with a target at Rs. 7690 and then 7660 with a strict stop loss at Rs. 7840 .Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7750	23
	Ungarbled 7350	23

RED CHILLIES

SPOT MARKETS

Red chilli prices at Guntur market remained steady on similar 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. The demand for premium quality of chilli was high. The commodity is being exported to Srilanka and Bangladesh. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

Chilli futures at the NCDEX futures market August contract after previous day's indecision and declined to a low of Rs. 4855 a quintal. The contract opened firm at Rs. 5100 a quintal and declined lowest to Rs. 4855 a quintal. The days trading culminated at Rs. 4894 a quintal. The total volumes traded during the day were 16300 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production

Bearish:

1. Hefty stock
2. 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 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 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 4945 targeting 4798 and then 4768 with a strict stop loss of 5058. 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 3700-4100	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market remained steady today. The arrivals and the demand both increased. Weather is dry keeping fresh arrivals high however high demand is not letting the prices to decline. The demand is high and 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 firm for few days.

FUTURES MARKETS:

Jeera August futures contract at NCDEX followed previous days indecision. The contract opened at Rs. 7106 a quintal and went to a high at Rs. 7180 a quintal but did not sustain and declined to settle at Rs. 7115.60. The total volumes traded diminished to 3804 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 domestic demand
5. 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 commodity in the market.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is flat in neutral region. MACD is in positive region. The prices might show volatile movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7002	6930	7181	7267

TRADE RECOMMENDATION:

Sell below 7132 with target of 7040 with a strict stop loss at 7198. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1380- 1420	6000
	Ganesh	1390 - 1440	
	Machine Cleaned	1490 - 1700	

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