

SPICES DAILY

July 10, 2006

TURMERIC

Most of the major turmeric markets remained closed today. Turmeric prices at Erode market on Friday remained steady to slightly firm even on higher arrivals as the demand increased. According to trading sources about 20 wagons of turmeric were dispatched to Delhi market. Erode market has a stock of around 6 - 7 lakh bags of turmeric. The market has routine demand from Delhi, Punjab and West Bengal markets. However market lacks export demand. Traders are expecting increase in acreage this year. Sowing in Karnataka is complete and is around 80 percent done in Tamil Nadu. The prices are expected to trade range bound to slightly firm.

FUTURES MARKETS:

Turmeric prices at the NCDEX July contract opened Rs. 3 above at Rs. 2350 a quintal, than the previous day's close of Rs. 2347 per quintal. The prices recovered up to a high of Rs. 2371 but did not sustain at that level and declined only to end at Rs. 2352 a quintal. The total volumes traded during the day were of 1000 MT's as against previous day's higher volumes of 1810 MT's.

PRICE DRIVERS:

Bullish:

1. Slight Demand from Markets of North India
2. Reducing arrivals

Bearish:

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

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and Kerala. It may be isolated over the rest region. Rains in turmeric growing regions might prove beneficial for sowing the crop.

TECHNICALS

Candlesticks are showing indecision in the market sentiments. Stochastic has made bearish crossover in neutral region and MACD are hinting for some improvement in the prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	2335	2314	2371	2403

TRADE RECOMMENDATION:

Buy above Rs. 2348 with target at Rs. 2364 with a strict stop loss at Rs. 2335. 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 at Kochi market remained steady today on lack of selling interest among producers of the commodity. The producers are holding back their produce with an intention to fetch heavy profits. Vietnam is offering at increased prices as against that of India. Vietnam has sold a large part of its produce. The market is expecting some buying might be seen from the markets of Europe and U.S. The demand for black pepper is high, due to buying interest from international markets. Brazil and Indonesia has estimates of poor crop with low carry over stock. Pepper prices might be firm for few days.

FUTURES MARKETS:

Pepper prices at NCDEX July contract after yesterday's recovery in prices opened firm at Rs. 7690 a quintal and thereafter-surged high up to Rs. 7765 a quintal. The total volumes figures at the end of the day were of just 302 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Vietnam, Indonesia offering at higher prices
3. Vietnam stocks depleting
4. Brazil, Indonesia low crop estimates
5. Sellers unwilling to sell at present levels

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and Kerala. It may be isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating indecision. MACD is in the positive territory, Stochastic has made bullish crossover in neutral region. The prices might remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	7571	7470	7722	7820

TRADE RECOMMENDATION:

Buy above Rs. 7620 with target at Rs. 7720 with a strict stop loss at Rs. 7548 .Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7600	NIL
	Ungarbled 7200	NIL

RED CHILLIES

SPOT MARKETS

Red chilli market in Guntur remained closed today. The prices declined on Friday on low demand, as the off take was just one third of the inflow. Most of the arrivals comprised of huge share from producer's side as they are selling their produce to get money for sowing of next crop. According to market sources the market has a stock of about 37 - 40 lakh bags of around 45 Kgs. each. The market is expecting increased acreage this year. Hefty stocks, low demand, are preventing the prices to rise. The prices are expected to remain steady to range bound.

FUTURES MARKETS:

Chilli futures at the NCDEX futures market July contract traded indecisive as the contract opened at Rs. 4664 a quintal and thereafter prices hovered between Rs.4651 - 4698 a quintal. The days trading culminated in green at Rs. 4677 a quintal. The total volumes traded during the day declined to 1250 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production

Bearish:

1. Sowing begins
2. Low demand
3. Hefty stock

Weather:

Rain/thundershowers are likely at a few places over Coastal Karnataka and Kerala. 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 indecision in the market. Stochastic is in over bought territory. MACD has made bullish crossover. The prices are likely to remain volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4560	4473	4802	4927

TRADE RECOMMENDATION:

Buy near 4648 - 4652 targeting 4750 and then 4800 with a strict stop loss of 4578. 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 remained steady today on similar S&D position. The arrivals increased by a quintal today and the demand also improved and was double than the total inflow. 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. The prices might continue to recover for few days.

FUTURES MARKETS:

Jeera July futures contract at NCDEX after previous days surge in prices opened firm at Rs. 6801 a quintal and then traded towards higher level of Rs. 6875. The trading for the day settled at Rs 6819 a quintal. The total volumes traded diminished to 1200 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 a few places over Konkan & Goa and Rajasthan and isolated 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 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 July	6732	6651	6934	7000

TRADE RECOMMENDATION:

Buy above 6812 with target of 6900 with a strict stop loss at 6745. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Unjha	F.A.Q 1340 - 1380	3000
	Ganesh 1350 - 1390	
	Machine Cleaned 1500 - 1600	

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