

## SPICES DAILY

July 25, 2006

### TURMERIC

#### SPOT MARKETS

Most of the major primary markets of turmeric saw increase in turmeric prices. Nizamabad market saw improved demand however demand from local markets is less. The traders seem to be waiting for the prices to decline and purchase the commodity at lower prices. Erode market has a stock of around 6 lakh bags to 7 lakh bags of turmeric. The buyers were mainly from the markets of North India and local markets. Export demand is from Malaysia, Singapore, Gulf countries and Srilanka. Sowing is complete in Andhra Pradesh and acreage is similar to that of the previous year. Karnataka and Tamil Nadu sowing is also complete with increased acreage this year. The prices might recover slightly on completion of sowing and improvement in demand.

#### FUTURES MARKETS:

Turmeric futures at the NCDEX traded indecisive. August contract opened firm at Rs 2510 and thereafter traded in the range of Rs. 2484 - Rs. 2530 a quintal. The days trading ended in green at Rs. 2512 per quintal. The total volumes traded during the day increased to 7790 MT's.

#### PRICE DRIVERS:

##### Bullish:

1. Improved Demand
2. sowing completes in Andhra, Tamil Nadu & Karnataka
3. Export demand

##### Bearish:

1. Hefty stock

#### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka and Andaman and Nicobar islands and 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. Stochastic has made bullish crossover in the neutral region and MACD is in negative zone. The contract might see recovery in prices.



#### SUPPORT / RESISTANCES:

| Contract     | S1   | S2   | R1   | R2   |
|--------------|------|------|------|------|
| NCDEX August | 2491 | 2473 | 2530 | 2561 |

#### TRADE RECOMMENDATION:

Buy above Rs. 2504 with target at Rs. 2528 and then 2538 with a strict stop loss at Rs. 2488. Trade cautiously with intra day outlook.

| Centers   | Prices/Qtls.     | Arrivals (Bags) one bag = 90 Kgs. |
|-----------|------------------|-----------------------------------|
| Nizamabad | Finger 2200-2250 | 1500                              |
|           | Gattah 2100-2125 |                                   |
| Erode     | Finger 2500-2550 | 5000                              |
|           | Gattah 2450-2500 |                                   |

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market following its bullish sentiments increased by Rs.250 a quintal and the sellers remained absent from the market in expectation of further increase in prices. The market did not see any fresh arrivals. Export demand is high and attracting buyers from international markets. The supply side is short and the demand is high. Exchanges are left with reduced stock and sellers are not coming up with their commodity. Brazil and Indonesia has estimates of poor crop with low carry over stock. Market sources estimates crop of Indonesia to be less by around 25 - 30 percent this season. Harvesting in Srilanka, Indonesia and Brazil is in progress and crop is short this year. Pepper prices might remain firm for few days.

### FUTURES MARKETS:

Pepper prices at NCDEX August futures continued with its astronomical highs as the contract opened firm by Rs. 49 at Rs. 8690 a quintal. The prices surged to a high of Rs. 8965 a quintal and thereafter declined to Rs. 8675 a quintal. The prices again jumped high and ruled firm and the days trading ended in green to settle at Rs. 8868 a quintal. The total volumes traded during the day increased and the figures came out as 10144 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Sellers Unwilling to Sell
2. Brazil, Indonesia, Srilanka low crop estimates
3. High Demand
4. Low stock of pepper

#### Bearish:

1. Brazil, Indonesia, Srilanka harvesting continues

### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka and Andaman and Nicobar islands and 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 overbought zone. The market might see volatile movement of prices.



### SUPPORT / RESISTANCES:

| Contract     | S1   | S2   | R1   | R2   |
|--------------|------|------|------|------|
| NCDEX August | 8783 | 8642 | 9027 | 9245 |

### TRADE RECOMMENDATION:

Buy above 8850 with a target of 8925 and then 9020 with a strict stop loss at 8795.

| Centers | Prices/Qtls.   | Arrivals (Tonnes) |
|---------|----------------|-------------------|
| Kochi   | Garbled 8700   | +250.00           |
|         | Ungarbled 8300 | +250.00           |

## RED CHILLIES

### SPOT MARKETS

Red chilli in Guntur traded at reduced prices today on heavy arrivals in the market. the demand for red chilli is low as the offtake was of just 20000 bags. Sellers are unwilling to sell LCA 334 chilli at current prices as most of the sales are taking place for other grades and varieties. Around 40 percent sellers were traders and the remaining were farmers. Weather is a matter of serious concern as sowing requires water for germination of seeds. Absence of rains is giving hints of delay in sowing activities. The prices are expected to remain range bound.

### FUTURES MARKETS:

Chilli futures at the NCDEX declined today on heavy arrivals at the spot. August contract opened at Rs 4881 and thereafter declined to a low of Rs. 4756 a quintal and could not sustain at those levels. The days trading ended in red at Rs. 4843 a quintal. The total number of volumes traded diminished to 9230 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Low Production
2. Deficient rains

#### Bearish:

1. Hefty stock

#### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka and Andaman and Nicobar islands and isolated over the rest region. Rains will be beneficial for rainfed chilli crop.

### TECHNICALS

Candlesticks are indicating slight recovery in prices. Stochastic is bearish in neutral region. Moving averages are indicating prices might decline. MACD is in negative zone.



### SUPPORT / RESISTANCES:

| Contract     | S1   | S2   | R1   | R2   |
|--------------|------|------|------|------|
| NCDEX August | 4757 | 4656 | 4916 | 5021 |

### TRADE RECOMMENDATION:

Buy above Rs. 4835 with a target at Rs. 4900 with a strict stop loss at Rs. 4785. Trade cautiously with intra day outlook.

| Centers | Prices/Qtl.                              | Arrivals (Bags) 1 bag = 40 to 45 Kgs. |
|---------|--|---------------------------------------|
| Guntur  | LCA 334 (loose) Cold Storage 4400 - 4600 | 50000 - 60000                         |
|         | LCA 334 (loose) Non Cold Storage NA      |                                       |

## JEERA (Cumin)

### SPOT MARKETS

Jeera at Unjha market got traded at slightly firm prices on high demand for the commodity and low arrivals. The off take was higher than arrivals. The demand side of Jeera has more weight as demand from international markets and domestic markets is picking up. Demand is expected to remain 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 (delayed) is expected to complete by August. The traders from North Indian markets are expecting consumption demand to increase due to festival season. The prices might rule firm for few days.

**FUTURES MARKETS:** Jeera August futures at NCDEX traded firm today. The contract opened firm at Rs 7311 and the prices moved upto a high of Rs. 7450 a quintal. The days trading ended in green at Rs. 7419.60 a quintal. The total volumes traded during the session augmented to 6942 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Short crop in other major producing nations
2. Syria crop of inferior quality
3. Low carry over stocks in Turkey and Syria
4. High demand

**Weather:** Rain/thundershowers are likely at many places over Madhya Maharashtra and at a few places over Gujarat, East Rajasthan and Marathwada and isolated over the rest region. Weather is not a matter of much concern as harvesting is complete and however rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic has made bullish crossover in neutral region. MACD is in positive region. The contract might see sharp gains in prices.



### SUPPORT / RESISTANCES:

| Contract     | S1   | S2   | R1   | R2   |
|--------------|------|------|------|------|
| NCDEX August | 7357 | 7280 | 7504 | 7588 |

### TRADE RECOMMENDATION:

Buy above 7410 with target of 7546 with a strict stop loss at 7308. Trade cautiously with intra day outlook.

| Centers | Prices/20 Kgs.              | Arrivals (Bags) |
|---------|-----------------------------|-----------------|
| Unjha   | F.A.Q 1460- 1490            | 3000            |
|         | Ganesh 1500 - 1510          |                 |
|         | Machine Cleaned 1610 - 1810 |                 |

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2005 Indian Agribusiness Systems Pvt Ltd.