

SPICES DAILY

July 04, 2006

TURMERIC

SPOT MARKETS

Most of the major turmeric markets remained steady today. The prices are hovering on the lower side these days, as monsoon rains are pouring bearish sentiments in the market. Sowing is at its peak and some increased acreage is reported in Karnataka this year. Sowing is expected to complete in another 7 - 10 days in Erode and by July middle in Andhra Pradesh and Maharashtra. The arrivals have decreased in the rainy season and corresponding demand is also poor. There seems no fresh lease of life for turmeric markets at the moment and thus prices are expected to trade steady to slightly range bound.

FUTURES MARKETS:

Turmeric futures today retreated its initial gains, but still managed to close the day with marginal gains. NCDEX July turmeric opened on slightly weak note at Rs 2296 and then slipped to the lows of Rs 2282. However, the prices then recovered and saw the highs of Rs2343 before finally culminating at Rs 2310 a quintal. The total volumes traded during the session increased to 2040 MT's.

PRICE DRIVERS:

Bearish:

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

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 sowing 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	2296	2259	2333	2350

TRADE RECOMMENDATION:

Sell near 2332 with target of 2310 and then 2300 with stop loss at 2343. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2000-2050	2500
	Gattah 1950-2000	
Erode	Finger 2400-2450	3000-4000
	Gattah 2300-2350	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market extended its recent bullish tone on the day of lower arrivals and high demand. Market saw arrivals and off take of mere 3 Mt of Pepper. The demand for black pepper is high, thanks to the buying interest from international markets. Indian prices have become attractive against other major producing countries. Government of 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:

Pepper futures at NCDEX saw another day of remarkable gains today. July pepper futures contract opened gap and saw a small set back during initial hours. The prices then bounced on the back of buying interest on the bullish fundamentals. The contract opened firm at Rs. 7476 and then traded mostly green in the range of Rs 7375-76648, before closing the day with a handsome gain of Rs 190 at Rs7590. The total volumes traded during the day increased to 3444 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

Bearish:

1. Less domestic consumption in monsoon Season.

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 at this stage will prove beneficial for flowering pepper crop.

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	7477	7383	7653	7741

TRADE RECOMMENDATION:

Risk lovers can Sell NCDEX July Pepper below 7650 with target of 7550 with stop loss at 7725. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 7450	3
	Ungarbled 7050	3

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur remained subdued today. Gathering momentum in sowing, piling stocks with market and poor international demand are containing the prices on the lower side. Further, increased expected acreage this year is also sending some bearish message to the market. Any fresh demand from export front would give some boost to the prices, until then they are likely to remain range bound.

FUTURES MARKETS:

Chilli futures at NCDEX opened the on bearish note and traded volatile before closing the day with marginal losses. July contract opened weak at Rs. 4475 a quintal and then slipped to the lows of Rs 4430. However, the prices recovered towards the end of the session to finish the session with a marginal loss of Rs 5 at Rs4495. The total volumes traded during the day decreased to 3465 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 mixed sentiments in the market. The prices are likely to show volatile movements with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX July	4443	4394	4598	4651

TRADE RECOMMENDATION:

Sell below 4530 targeting 4450 with stop loss of 4598. 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	-
	LCA 334 (loose) Non Cold Storage	3600-4200	

JEERA (Cumin)

SPOT MARKETS

Jeera traded at steady prices in Unjha market on the balanced demand supply situation. The arrivals have decreased these days due to rainy season. 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. 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 down side potential seems small and thus some recovery is likely in near future.

FUTURES MARKETS:

Jeera futures at NCDEX made a quantum jump today, as strong fundamentals supported the higher prices. NCDEX July contract opened the day on a bullish note at Rs 6498, which was the lowest price for the day. The prices took off after firm opening and traded as high as Rs 6718 a quintal. The trading for the day settled with hefty gains of Rs 258.4 at Rs 6718 a quintal. The total volumes traded jumped to 4590 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

Weather:

Isolated rains are likely over West Rajasthan. Rainfall activity over southeast Rajasthan is likely to increase after 24-36 hours with possibility of isolated heavy rains. 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 seem in 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 6666 with target of 6775 and stop loss at 6600. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1300- 1340	3000
	Ganesh 1310 - 1350	
	Machine Cleaned 1460 - 1560	

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