

SPICES DAILY

August 09, 2006

TURMERIC

SPOT MARKETS

Erode market of turmeric reopened today and saw hefty arrivals of around 10000 bags of turmeric. The demand for the commodity was slightly low as the off take was near around 70 percent of the inflows. The market will remain closed in celebration of Raksha Bhandhan with a possibility of increased arrivals on Thursday. Turmeric prices at Nizamabad continued to remain at previous levels. Both the markets have hefty stocks Erode market has a stock of 6-7 lakh bags of turmeric and Nizamabad market has a stock of around 2.75 lakh bags of turmeric. The traders are expecting demand to improve in coming days. The prices might remain range bound.

FUTURES MARKETS:

Turmeric prices at the NCDEX August futures contract declined today. The contract opened low at Rs. 2467 a quintal as against previous close of Rs. 2505 a quintal and continued to decline to the low at of Rs. 2467 a quintal. The days trading settled in red at Rs. 2475 a quintal. The number of volumes traded increased to 4060 MT's as against previous days 2300 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock

Bullish:

1. Improving demand
2. Slight Crop Loss

Weather: Rain/thundershowers are likely at most places over Coastal Karnataka and Andaman & Nicobar Islands; at a few places over interior Karnataka and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is bearish in neutral region and MACD has made bearish crossover in positive zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2439	2409	2513	2549

TRADE RECOMMENDATION:

Sell below 2480 with a target at Rs. 2442 with a strict stop loss at Rs. 2510. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2225 - 2230	1000
	Gattah 2075 - 2120	
Erode	Finger 2350 - 2450	10000
	Gattah 2350 - 2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market continued to decline today. The market saw fresh arrivals and off take was of similar quantity. The market does not have any fresh export demand however domestic demand in North India's markets might improve. According to trading sources, Markfed has called for tenders to sell Ungarbled pepper. Government is likely to put a cap on import of Black pepper from Srilanka. Most of the producing nations have very low stocks. Exchanges and cooperatives are left with reduced stock. Harvesting in Srilanka, Indonesia and Brazil is in progress. These nations have estimates of poor crop with low carry over stock. Market sources estimate crop of Indonesia to be less by around 25 - 30 percent this season. The prices are expected to increase for few days.

FUTURES MARKETS:

Black pepper at NCDEX August futures contract-opened firm at Rs. 10175 a quintal and then traded firm up to a high of Rs. 10261 a quintal, thereafter the prices declined sharply on selling pressure to a low of Rs. 9977 a quintal. The days trading settled bearish at Rs. 10013 and the total volumes traded numbers came out as 5858 MT's.

PRICE DRIVERS:

Bullish:

1. Govt. likely to put a cap on imports from Srilanka
2. High demand from markets of North India

Bearish:

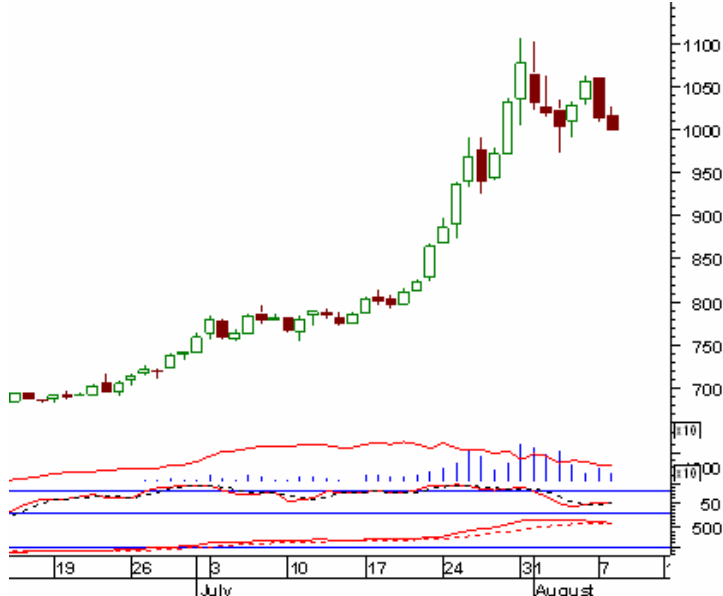
1. Brazil, Indonesia and Sri Lanka harvesting continues
2. No fresh Export demand
3. Markfed calls tender to sell Ungarbled pepper

Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka and Andaman & Nicobar Islands; at a few places over interior Karnataka and isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. MACD has made bearish crossover in positive territory, Stochastic is bearish in neutral region. The prices might remain volatile during the day.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	9722	9419	10326	10640

TRADE RECOMMENDATION:

Sell below Rs. 10105 with a target at Rs. 9900 and then 9815 with a strict stop loss at Rs. 10265. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10000	20
	Ungarbled 9600	

RED CHILLIES

SPOT MARKETS

Red chilli prices at Guntur market remained steady today on similar S& D condition. Guntur market saw steady arrivals however demand was near about 60 - 65 percent of the total inflow. According to trading sources the market has a hefty stock of around 35 lakh bags of red chillies. Export demand is present and buyers are from Bangladesh and Singapore. Also, domestic demand is expected to improve after few days. Seeding and sowing is in progress with an expectation of increased acreage this year. The prices are expected to remain steady to range bound for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX August futures contract mostly traded indecisive. The contract opened firm at Rs. 4774 a quintal and the prices hovered between Rs. 4742 - 4790 a quintal. The prices failed to sustain at higher levels and the days trading ended in red at Rs. 4758 a quintal. The total number of volumes traded declined to 1125 MT's as against 1580 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Export of commodity
3. Expectation of increase in demand

Bearish:

1. Comfortable stock position
2. Sowing in progress with expectation of increased acreage

Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka and Andaman & Nicobar Islands; at a few places over interior Karnataka and isolated over the rest region. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing indecision. Stochastic is in neutral region. MACD is in negative zone. The prices are most likely to decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4656	4562	4835	4896

TRADE RECOMMENDATION:

Sell below 4770 targeting 4712 with a strict stop loss at 4816. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4450 - 4950	25000 - 30000
	LCA 334 (loose) Non Cold Storage NA	

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market remained steady today on few arrivals due to rains in the region. The off take was similar to the day's arrivals. The buyers are from international and domestic markets. According to trading sources, Unjha market has a stock of around 6 - 7 lakh bags of jeera. The demand is expected to be firm in the near future. The traders from North Indian markets are expecting demand to increase gradually. The prices might remain range bound for few days.

FUTURES MARKETS:

Jeera prices at NCDEX August futures contract traded bearish today. The contract opened firm at Rs 8110 a quintal and thereafter remained bearish for most of the day with a lowest level of Rs.7950.10. The days trading ended in red at Rs. 7996.20 a quintal and the volumes traded declined to 2298 MT's as against previous 3411 MT's.

PRICE DRIVERS:

Bullish:

1. Short crop in other producing nations
2. Syria crop of inferior quality coupled with low carry over stocks in Turkey, Syria
3. Expectation of demand to improve

Weather: Rain/thundershowers are likely at most places over Konkan & Goa, Madhya Maharashtra, East Rajasthan and Gujarat Region and at a few places over the rest region. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is bearish in neutral region. MACD is in positive zone. The prices might most likely to decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7913	7781	8110	8258

TRADE RECOMMENDATION:

Sell below 8045 with a target of 7942 and then 7918 with a strict stop loss at 8130. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1450- 1590	1000 - 1500
	Ganesh 1590	
	Machine Cleaned 1640 - 1800	

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