



# Commodities Daily

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## SPICES DAILY

August 18, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices remained at its previous level in Nizamabad market. The demand for the commodity is moderate and local buyers are not showing keen remained closed today. In Erode the demand for the commodity is moderate these days and is expected to improve in coming days. Both Erode and Nizamabad market has enough stocks. The traders are expecting demand and arrivals both to improve in coming days. The prices might remain steady to range bound.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX September futures contract traded volatile today. The contract opened gap up at Rs. 2652 a quintal and the prices hovered between 2621 - 2671 a quintal. The trading for the day settled with bearish sentiments at Rs. 2637 a quintal. The volumes traded during the day declined to 5940 MT's.

#### PRICE DRIVERS:

##### Bearish:

1. Increased Acreage
2. Hefty stock
3. Weather favorable for growth of crop

##### Bullish:

1. Improving demand ahead of festival season
2. Meager loss to Crop

**Weather:** Rain/thundershowers are likely at many places over north Coastal Andhra Pradesh, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu and Rayalaseema where it may be isolated. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

#### TECHNICALS

Candlesticks are indicating indecision. Stochastic is in neutral region and MACD is in positive zone. The prices might remain volatile.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2602	2573	2671	2696

#### TRADE RECOMMENDATION:

Sell below 2645 with a target of Rs. 2614 and then 2595 with a strict stop loss at Rs. 2670. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2300 - 2400	1500
	Gattah 2100 - 2150	
Erode	Finger Closed	-
	Gattah Closed	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market declined today. The market saw arrival of 10 MT's of pepper and the offtake was of similar quantity. Indonesia crop is delayed and it is still offering at higher prices. According to trading sources Kerala Marketfed is expected to sell more quantity. The domestic demand in North India's markets might improve ahead of festival season. India is likely to put a cap on import of Black pepper from Srilanka. Most of the producing nations have very low stocks. The prices are expected to remain range bound for few days.

### FUTURES MARKETS:

Black pepper at NCDEX September futures contract traded volatile today as the contract opened at Rs. 10430 a quintal that was slightly above previous day's close of 10421 a quintal. The prices thereafter surged to a high of Rs. 10610 a quintal and thereafter declined to a low of Rs. 10285 and finally settled in red at Rs. 10316 a quintal. The volumes traded during the day were 8075 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Govt. likely to put a cap on imports from Srilanka
2. High demand from markets of North India
3. Export scenario improves
4. Indonesia crop delayed

#### Bearish:

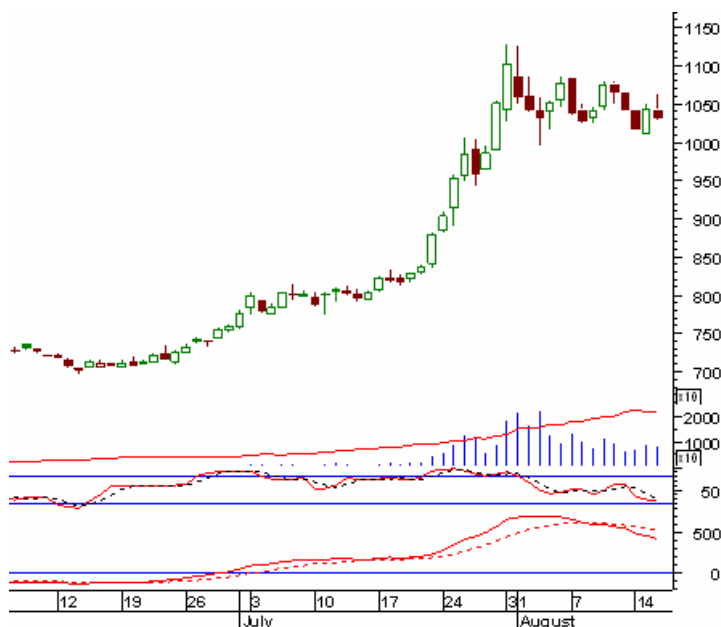
1. Brazil and Sri Lanka harvesting continues
2. Marketfed likely to sell more of commodity

### Weather:

Rain/thundershowers are likely at many places over north Coastal Andhra Pradesh, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu and Rayalaseema where it may be isolated. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are indicating bearish sentiments. MACD is in positive territory, Stochastic is in neutral region. The prices might show volatile movements.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	10176	9922	10603	10797

### TRADE RECOMMENDATION:

Sell below Rs. 10355 with a target at Rs. 10168 and then 10090 with a strict stop loss at Rs. 10498. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 9800	10
	Ungarbled 9400	

## RED CHILLIES

### SPOT MARKETS

Guntur market for red chillies reopened today with an increase in price of the commodity as market saw reduced arrivals of around 20000 bags of chillies. The market has a stock of 20 - 25 lakh bags of chilli. The demand for commodity was high resulting in high offtake. Export demand is present from Bangladesh and Srilanka. Traders are expecting demand from international markets is likely to continue. The domestic demand is from South India and west Bengal. The demand is expected to improve due to festival season. Seeding and sowing is in progress with an expectation of increased acreage this year. According to trading sources Warangal and Khamam needs to be seeded again due to loss from rains. The market also has reports of loss in Maharashtra, Madhya Pradesh and Andhra Pradesh. The sowing might end in a fortnight. The prices are expected to remain firm for few days.

### FUTURES MARKETS:

Chilli prices at the NCDEX September futures contract surged high but could not sustain higher levels and declined sharply by the end of the session. The contract opened firm at Rs. 5590 a quintal and thereafter the prices surged to the high of Rs. 5855 a quintal. The days trading settled at Rs. 5562 a quintal. The total number of volumes traded augmented to 46910 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Export of commodity
2. Reseeding required in some areas
3. Crop loss in certain areas
4. Boost in demand ahead of festivals

#### Bearish:

1. Sowing in progress with expectation of increased acreage

### Weather:

Rain/thundershowers are likely at many places over north Coastal Andhra Pradesh, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu and Rayalaseema where it may be isolated. Rains will be beneficial for rain fed chilli crop.

### TECHNICALS

Candlesticks are showing indecision. Stochastic has made bearish crossover in overbought zone. MACD is in positive zone. The prices are most likely to be volatile.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5458	5285	5669	5853

### TRADE RECOMMENDATION:

Sell below 5625 targeting 5460 and then 5415 with a strict stop loss at 5748. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	5100-5200
	LCA 334 (Bilty)	5600
		20000

## JEERA (Cumin)

### SPOT MARKETS

Jeera market at Unjha remained closed. According to trading sources international demand is present but domestic demand is still not high. The possible reason for this is the moisture in jeera has increased its weight and therefore demand in domestic market might pick up gradually as the festival season is approaching. With the improvement in geo political conditions the sea routes might reopen thus giving international buyers to purchase from Turkey, Syria. Traders from North India are expecting demand to increase gradually. The prices might remain range bound.

### FUTURES MARKETS:

Jeera prices at NCDEX September futures contract declined. The contract opened firm at Rs 7998 a quintal. The prices declined to 7915 a quintal. The days trading settled in red at Rs. 7931.80 a quintal. The total volumes numbers declined to 5598 MT's as against previous days 9243 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Short crop in other producing nations
2. Expectation of demand to improve

#### Bearish:

1. Geopolitical tensions discontinue, sea routes might reopen
2. Reduced domestic demand on blockage of road routes.
3. Jeera gains moisture keeping off buyers

### Weather:

Rain/thundershowers are likely at many places over Gujarat State, Konkan & Goa, north Madhya Maharashtra and north Marathwada and isolated over the rest region. Rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic has made bullish crossover in oversold region. MACD is in positive zone. The prices might move volatile.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	7848	7697	8064	8201

### TRADE RECOMMENDATION:

Sell below 7965 with a target of 7850 and then 7822 with a strict stop loss at 8055. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	Closed	-
	Ganesh	Closed	
	Machine Cleaned	Closed	

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