

SPICES DAILY

August 23, 2006

TURMERIC

SPOT MARKETS

Turmeric at most of the primary markets traded in a similar price range. Nizamabad market saw slightly reduced arrivals and offtake as the demand for turmeric was slightly less. The buyers are from Uttar Pradesh and Madhya Pradesh. Erode market saw increased arrivals and the demand for the commodity was also high. The offtake was high of around 80 percent of the total inflow. According to trading sources Erode market has a stock of around 6 lakh bags of turmeric. Nizamabad market has a stock of around 2.50 - 2.75 lakh bags of turmeric. Prices might remain range bound for few days.

FUTURES MARKETS:

Turmeric prices at the NCDEX September futures contract remained mostly bearish. The contract opened firm at Rs. 2644 quintal and the prices increased to Rs. 2660 a quintal. The prices declined thereafter to a level of Rs. 2625. The trading for the day ended in red at Rs. 2631 a quintal. The volumes traded during the day increased to 7650 MT's as against previous days 5320 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock
3. Weather suitable for cultivation of crop

Bullish:

1. Improving demand ahead of festival season
2. Slight loss to Crop in AP, Maharashtra

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh; at a few places over Coastal Karnataka and Telangana 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 bullish in neutral region and MACD is in negative zone. The prices are most likely to decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2604	2565	2670	2713

TRADE RECOMMENDATION:

Sell below 2636 with a target of Rs. 2612 and then 2606 with a strict stop loss at Rs. 2654. 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	2450-2500	6000
	Gattah	2400-2450	

BLACK PEPPER

SPOT MARKETS

Black pepper in Kochi market traded at similar prices. The market saw fresh arrivals of 20 MT's and the offtake was of similar quantity. Brazil is selling its pepper forward at reduced prices. Indonesia crop is delayed and it is still offering at higher prices. India has offered a tariff concession on import duty on import of pepper in India from ASEAN. India has also restricted Srilankan export of pepper by introducing 2500 MT's of quota. The domestic demand in North India's markets might improve ahead of festival season. However demand from international markets is not visible. The prices are expected to remain range bound to for few days.

FUTURES MARKETS:

Black pepper at NCDEX September futures contract traded bearish today. The contract opened firm at Rs. 10650 a quintal as against previous close of Rs. 10614 per quintal. The prices slipped to a low of Rs. 10332 a quintal and the days trading settled bearish at Rs. 10387 a quintal. The total volumes traded during the session were 6612 MT's.

PRICE DRIVERS:

Bullish:

1. Global Supply shortage
2. India restricts Srilankan Exports by introducing 2500 MT's of quota

Bearish:

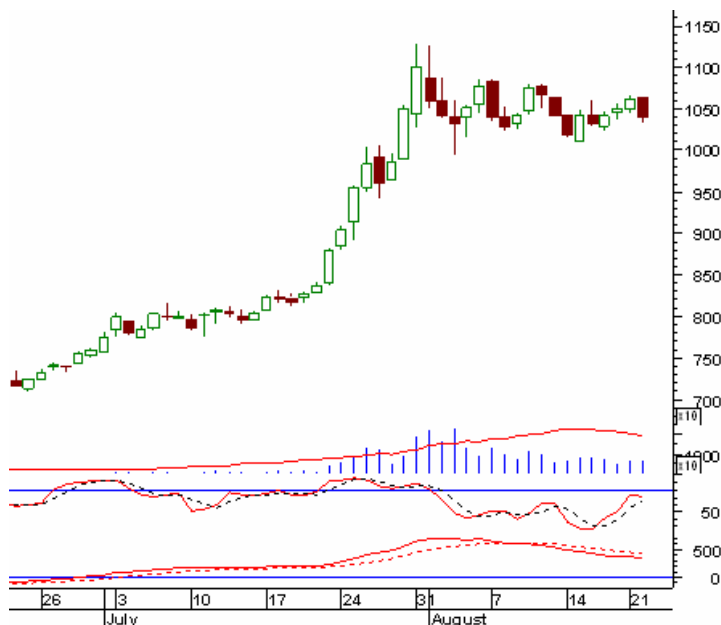
1. Lack of fresh demand from overseas markets
2. Sri Lanka harvesting continues
3. India provides import concessions to import pepper from ASEAN

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh; at a few places over Coastal Karnataka and Telangana and isolated over the rest region. 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 contract is most likely to trade bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	10230	10120	10498	10665

TRADE RECOMMENDATION:

Sell below Rs. 10434 with a target at Rs. 10270 and then 10230 with a strict stop loss at Rs. 10558. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market increased on high demand and slightly reduced arrivals as against last day. The market has high demand from both the export front and domestic markets. International buyers are from Bangladesh and Srilanka and domestic buyers are from the markets of South India and West Bengal. Traders are expecting demand from international markets is likely to continue. The demand is expected to improve due to festival season. The prices are expected to remain slightly firm for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX September futures contract declined slightly on profit taking on earlier held long positions. The contract opened high at Rs. 5665 a quintal and thereafter the prices hovered between Rs. 5550 - 5708 a quintal. The trading for the day ended in red at Rs. 5600 a quintal. The volumes numbers declined a bit to 21880 MT's as against previous days 24975 MT's.

PRICE DRIVERS:

Bullish:

1. High Demand
2. Export of commodity
3. Crop loss in some chillie growing areas
4. Boost in demand ahead of festivals

Bearish:

1. Sowing near completion with expectation of increased acreage

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh; at a few places over Coastal Karnataka and Telangana 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 positive zone. The prices are most likely to be volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5520	5445	5708	5853

TRADE RECOMMENDATION:

Buy above 5540 targeting 5624 and then 5648 with a strict stop loss at 5464 Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	30000
	LCA 334 (Bilty)	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market recovered on high demand for the commodity as improved weather facilitated buying of Jeera from other states. The market saw greater demand than arrivals indicating presence of buying interest. The offtake was of around two to three times that of the inflow. There are unconfirmed reports in the market the sea routes have reopened for Iran and Syria. The domestic demand might continue to improve. The domestic buyers were mainly from Delhi and South India. The exporters from Mumbai and Gujarat are buying jeera at current prices. Traders from North India are expecting demand to increase gradually. The prices might remain slightly firm.

FUTURES MARKETS:

Taking cues from spot markets Jeera prices continued to rule firm at NCDEX. NCDEX September futures contract opened firm at Rs. 8175 a quintal. Thereafter the prices surged to high of Rs. 8238 a quintal and the days trading settled below the days opening at Rs. 8124.80 a quintal. The total volumes traded declined to 10953 MT's as against previous days 3234 MT's.

PRICE DRIVERS:

Bullish:

1. High demand
2. Short crop in other producing nations
3. Expectation of demand to improve ahead of festival season

Bearish:

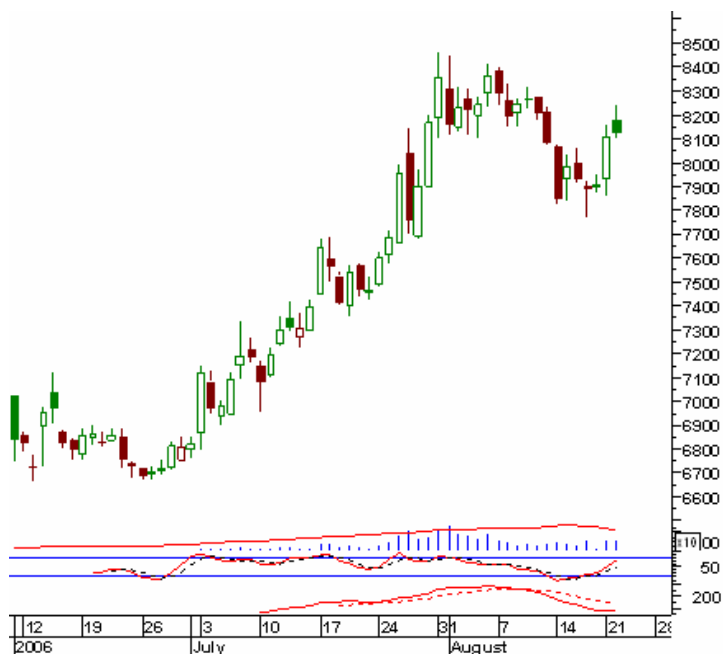
1. Unconfirmed reports of reopening of sea routes

Weather:

Rain/thundershowers are likely at many places over southwest Rajasthan; at a few places over Konkan & Goa and Kutch and isolated over the rest region. Decrease in rainfall activity over southwest Rajasthan after 24 hours. Rains might affect arrivals of the commodity in the market.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEXSeptember	8041	7998	8242	8315

TRADE RECOMMENDATION:

Buy above 8090 with a target of 8154 and then 8200 with a strict stop loss at 8040. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1420 - 1540	3000
	Ganesh 1500 - 1540	
	Machine Cleaned 1650 - 1750	

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