

## SPICES DAILY

August 07, 2006

### TURMERIC

#### SPOT MARKETS

Most of the turmeric market remained closed today. Erode market remained closed today in celebration of a local festival. The market will reopen on Tuesday. Erode market has a hefty stock of 6-7 lakh bags of turmeric and Nizamabad market has a stock of around 2.75 lakh bags of turmeric. According to trading sources recent rains proved beneficial for cultivation of crop. The traders are expecting demand to improve in coming days. The prices might remain range bound.

#### FUTURES MARKETS:

Turmeric futures at the NCDEX declined today. NCDEX August futures contract opened gap up at Rs. 2524 a quintal as against previous close of Rs. 2513 a quintal. The prices thereafter declined to Rs. 2504 a quintal and closed in red at Rs. 2511 a quintal. The number of volumes traded declined to 2700 MT's as against previous 10600 MT's.

#### PRICE DRIVERS:

##### Bearish:

1. Increased Acreage
2. Hefty stock

##### Bullish:

1. Improving domestic demand
2. Slight Export Demand

#### Weather:

Rain/thundershowers are likely at most places over Telangana; at many places over north Coastal Andhra Pradesh, Coastal & North Interior Karnataka, and at a few places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Decrease in rainfall activity likely over north Coastal Andhra Pradesh and Telangana after 24 hours. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

#### TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is in oversold region and MACD is in positive zone. The prices might decline.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2491	2461	2549	2580

#### TRADE RECOMMENDATION:

Sell below 2518 with a target at Rs. 2492 and then 2482 with a strict stop loss at Rs. 2537. Trade cautiously with intra day outlook.

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

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market remained slightly firm today. The market did not see any fresh arrivals however demand was seen on high buying interest. The off take was of 20 MT's of the commodity. The prices improved further on unconfirmed reports of governments putting a cap on import of Black pepper from Srilanka to a quantum of around 2500 MT's. 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 domestic demand for pepper is high and traders from Delhi market are supplying to traders in Bengal and Bihar. The prices are expected to increase for few days.

### FUTURES MARKETS:

Black pepper prices at NCDEX August futures traded firm as the contract opened up at Rs. 10349 a quintal. The prices thereafter declined to a low of Rs. 10287 a quintal and then increased to a high of Rs. 10628 a quintal. The days tracing settled firm at Rs. 10552 a quintal and the volumes traded during the day declined to 6368 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Indian pepper prices competitive in global market
2. Brazil, Indonesia, Srilanka low crop estimates
3. World Supply Crunch
4. Unconfirmed reports of cap on imports from Srilanka
5. High demand from markets of north and East India

#### Bearish:

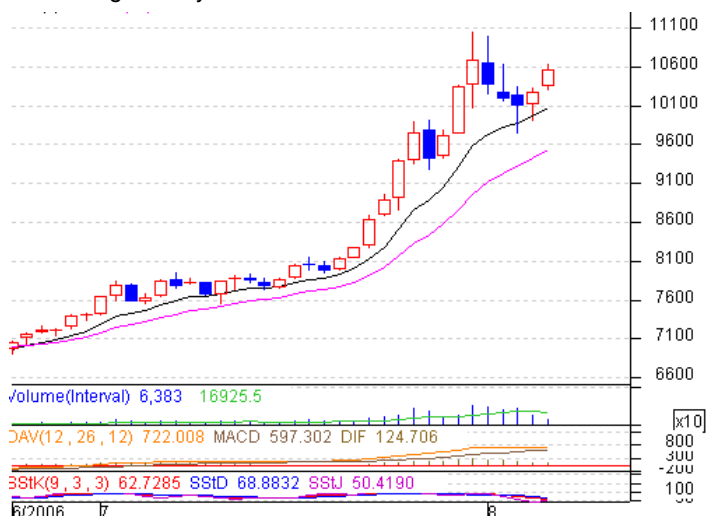
1. Brazil, Indonesia and Sri Lanka harvesting continues

### Weather:

Rain/thundershowers are likely at most places over Telangana; at many places over north Coastal Andhra Pradesh, Coastal & North Interior Karnataka, and at a few places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Decrease in rainfall activity likely over north Coastal Andhra Pradesh and Telangana after 24 hours. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are indicating bullish sentiments. MACD is in positive territory, Stochastic is in neutral region. The prices might remain firm during the day.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	10358	10105	10689	11008

### TRADE RECOMMENDATION:

Buy above Rs. 10465 with a target at Rs. 10688 and then 10770 with a strict stop loss at Rs. 10294. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10300	-
	Ungarbled 9900	20

## RED CHILLIES

### SPOT MARKETS

Red chilli market at Guntur remained closed today. Guntur market has been witnessing low demand of about 50 - 55 percent of the total inflow. The market has a hefty stock of around 35 lakh bags of red chillies. According to trading sources export demand from Singapore, Malaysia, Srilanka and Bangladesh has been seen. Seeding and sowing is in progress and rains might prove beneficial for this purpose. The market sources are expecting the acreage to increase this year. The market has expectation of slight improvement in demand from North India. 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 firm today. The contract opened low at Rs. 4710 a quintal and the prices surged to a high of Rs. 4784 a quintal and saw a low of Rs. 4703 a quintal. The days trading ended in green at Rs. 4750 a quintal. The total number of volumes traded diminished to 3275 MT's as against previous sessions 5850 MT's.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

1. Comfortable stock position
2. Weather favorable for sowing
3. Expectation of increased acreage

### Weather:

Rain/thundershowers are likely at most places over Telangana; at many places over north Coastal Andhra Pradesh, Coastal & North Interior Karnataka, and at a few places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Decrease in rainfall activity likely over north Coastal Andhra Pradesh and Telangana after 24 hours. Rains will be beneficial for rain fed chilli crop.

### TECHNICALS

Candlesticks are showing bullish sentiments. Stochastic is in neutral region. MACD is in negative zone. The prices are most likely to open firm and thereafter decline.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4711	4652	4812	4849

### TRADE RECOMMENDATION:

Sell below 4780 targeting 4720 and then 4685 with a strict stop loss at 4827. Trade cautiously with intra day outlook.

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

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices at Unjha market traded range bound today on nearly similar demand and supply situation. The market saw slightly reduced arrivals and the off take was higher than the day's inflow. The arrivals might reduce gradually and the demand is expected to remain firm in the near future. According to trading sources, Unjha market has a stock of around 6 - 7 lakh bags of jeera. The demand for the commodity might again recover on promising export scenario for Indian Jeera as Syria and Turkey are short of their normal production. The traders from North Indian markets are expecting consumption demand to increase due to festival season. The prices might remain range bound to slightly firm for few days.

### FUTURES MARKETS:

Jeera prices at NCDEX August futures contract continuing with its up trend surged today. The contract opened up at Rs 8210 a quintal and thereafter hovered between Rs. 8047 - 8210 a quintal. The days trading settled firm at Rs. 8165.20 a quintal. The total volumes numbers increased to 5343 MT's as against previous days 4434 MT's. However open interest figures declined to 3984 MT's.

### PRICE DRIVERS:

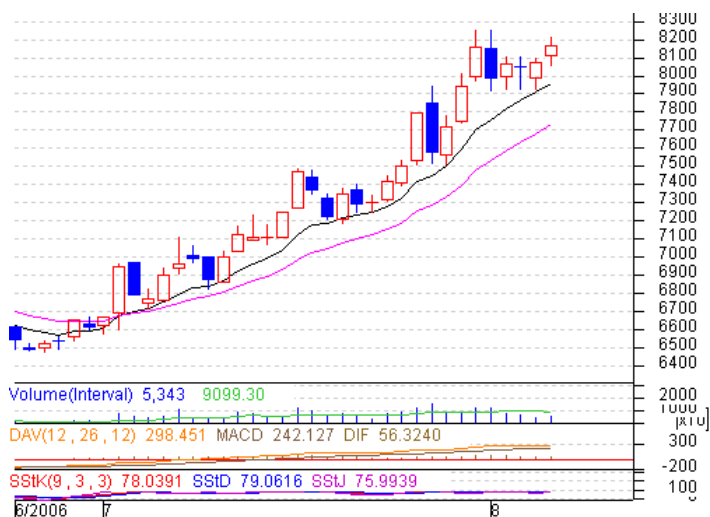
#### Bullish:

1. Short crop in other producing nations
2. Syria crop of inferior quality coupled with low carry over stocks in Turkey, Syria
3. Improvement in domestic demand
4. Geopolitical disturbance in Lebanon

**Weather:** Rain/thundershowers are likely at many places over Konkan & Goa, Madhya Maharashtra and Marathawada and at a few places over the rest region. Increase in rainfall activity likely over Gujarat Region, Konkan & Goa and Madhya Maharashtra during next 2-3 days. Rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic is in neutral region. MACD is in positive zone. The prices might most likely remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	8109	8018	8255	8306

### TRADE RECOMMENDATION:

Buy above 8140 with a target of 8248 and then 8278 with a strict stop loss at 8056. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1500- 1600	5000
	Ganesh	1600	
	Machine Cleaned	1650 - 1820	

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