



SPICES DAILY

August 17, 2006

TURMERIC

SPOT MARKETS

Most of the major turmeric markets remained closed today. In Erode the demand for the commodity is moderate these days and is expected to improve in coming days. In Nizamabad demand for turmeric is high and is expected to increase ahead of festivals. Both Erode and Nizamabad market has enough stocks. The traders are expecting demand to improve in coming days. The prices might remain range bound.

FUTURES MARKETS:

Turmeric prices at the NCDEX September futures contract recovered today. The contract opened firm at Rs. 2609 a quintal and then surged highest up to Rs. 2650 a quintal. The trading for the day settled with bullish sentiments at Rs. 2643 a quintal. The volumes traded during the day declined to 7900 MT's as against previous days 9670 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock

Bullish:

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

Weather: Fairly widespread rainfall with isolated heavy falls is likely over Coastal Karnataka, North Interior Karnataka, Coastal Andhra Pradesh and Telangana during next 2 days, then rainfall activities over the region may decrease. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic is in neutral region and MACD is in positive zone. The prices might remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2620	2603	2664	2704

TRADE RECOMMENDATION:

Buy above 2634 with a target of Rs. 2664 and then 2680 with a strict stop loss at Rs. 2612. 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 improved today on bullish hints from international markets. Indonesia crop is delayed and it is still offering at higher prices. The market saw arrivals and offtake of 20 MT's of turmeric reflecting buying interest in the market. 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 however quantum for the same is to be still finalized. Most of the producing nations have very low stocks. The prices are expected to remain range bound to slightly firm for few days.

FUTURES MARKETS:

Black pepper at NCDEX September futures contract turned bullish again as the contract opened at Rs. 10120 a quintal that was below previous day's close of 10177 a quintal. The prices thereafter surged to a high of Rs. 10492 a quintal and the days trading ended bullish at Rs. 10390 a quintal. The volumes traded during the day were 8596 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:

Fairly widespread rainfall with isolated heavy falls is likely over Coastal Karnataka, North Interior Karnataka, Coastal Andhra Pradesh and Telangana during next 2 days, then rainfall activities over the region may decrease. 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 show volatile movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	10167	10054	10503	10781

TRADE RECOMMENDATION:

Buy above Rs. 10324 with a target at Rs. 10550 and then 10650 with a strict stop loss at Rs. 10148. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 9900	20
	Ungarbled 9500	

RED CHILLIES

SPOT MARKETS

Guntur market for red chillies remained closed. The market has a stock of 20 - 25 lakh bags of chilli. Export demand is present and buyers are from Bangladesh, 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 continued to gallop on bullish cues from spot. The contract opened firm at Rs. 5340 a quintal and thereafter the prices surged to the high of Rs. 5565 a quintal. The days trading settled bullish at Rs. 5550 a quintal. The total number of volumes traded augmented to 30230 MT's as against previous days 22675 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:

Fairly widespread rainfall with isolated heavy falls is likely over Coastal Karnataka, North Interior Karnataka, Coastal Andhra Pradesh and Telangana during next 2 days, then rainfall activities over the region may decrease. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing bullish sentiments. Stochastic is bullish and has just entered overbought zone. MACD is in positive zone. The prices are most likely to be volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5452	5340	5703	5853

TRADE RECOMMENDATION:

Buy above 5482 targeting 5634 and then 5758 with a strict stop loss at 5368. 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 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. The market will remain closed and reopen on 18th. 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 traded mostly firm and ended indecisive. The contract opened gap up at Rs 7938 a quintal. The prices hovered between Rs. 7840 - 8030 a quintal. The days trading ended at Rs. 7965 a quintal. The total volumes numbers declined to 9243 MT's as against previous days 9534 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: Fairly widespread to widespread with isolated heavy rainfall over Gujarat, southeast Rajasthan, Konkan & Goa, Marathwara and Madhya Maharashtra and during next 24-48 Hrs. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is in oversold region. MACD is in positive zone. The prices might move volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	7849	7763	8111	8201

TRADE RECOMMENDATION:

Buy above 7920 with a target of 8035 and then 8080 with a strict stop loss at 7830. 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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