

SPICES DAILY

August 22, 2006

TURMERIC

SPOT MARKETS

Most of the primary markets for turmeric traded range bound to slightly firm. The demand for turmeric was high and the offtake was of 75 - 80 percent. Nizamabad market saw reduced arrivals and high demand thus giving slight lift to prices. 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 firm today. The contract opened low at Rs. 2641 quintal and thereafter the prices surged to Rs. 2652 a quintal. The trading for the day settled firm at Rs. 2641 a quintal. The volumes traded during the day were of 5320 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:

Scattered to fairly widespread rainfall is likely over Coastal Karnataka and north interior Karnataka during next 48 Hrs. Scattered over Coastal Andhra Pradesh, Telangana during next 2-3 day. Ongoing rainfall activities over Kerala are likely to continue during next 3-4 days. Isolated rainfall is likely over Rayalseema and Tamilnadu during next 4-5 days. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating firm sentiments. Stochastic is in neutral region and MACD has just entered negative zone. The prices might remain slightly firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2509	2584	2665	2683

TRADE RECOMMENDATION:

Buy above 2635 with a target of Rs. 2656 and then 2665 with a strict stop loss at Rs. 2618. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2300-2400	2000
	Gattah 2100-2150	
Erode	Finger 2450-2500	3500-4000
	Gattah 2400-2450	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market remained steady. The market saw fresh arrivals of 10 MT's and the offtake was of similar quantity. Indonesia crop is delayed and it is still offering at higher prices. Brazil is selling its pepper forward at reduced 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. 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 is traded firm today. The contract opened Rs 5 up at Rs. 10498 a quintal as against previous close of Rs. 10493 per quintal. The prices surged to a high of Rs. 10650 a quintal and were lowest at Rs. 10435 a quintal. The days trading ended firm at Rs. 10614 a quintal. The total volumes traded during the day were 7016 MT's.

PRICE DRIVERS:

Bullish:

1. Global Supply shortage
2. High demand ahead of festival season
3. India restricts Srilankan Exports by introducing 2500 MT's of quota

Bearish:

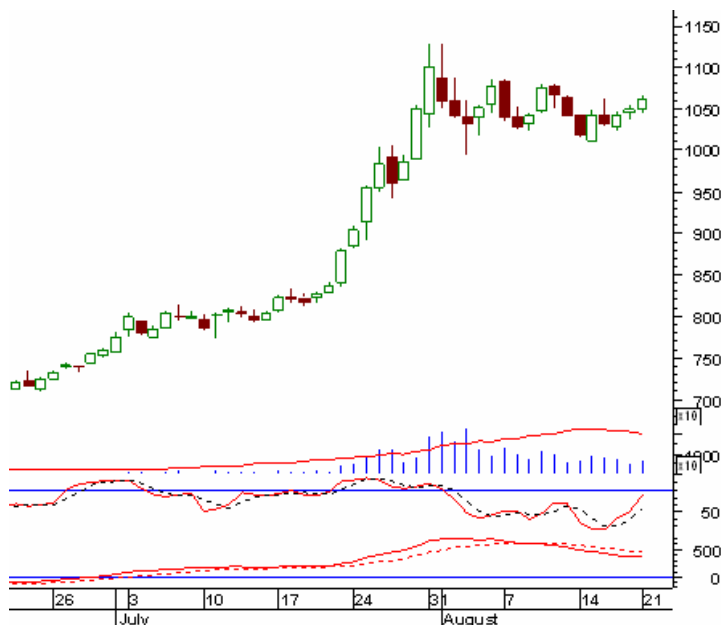
1. Sri Lanka harvesting continues
2. India provides import concessions to pepper from ASEAN

Weather:

Scattered to fairly widespread rainfall is likely over Coastal Karnataka and north interior Karnataka during next 48 Hrs. Scattered over Coastal Andhra Pradesh, Telangana during next 2-3 day. Ongoing rainfall activities over Kerala are likely to continue during next 3-4 days. Isolated rainfall is likely over Rayalseema and Tamilnadu during next 4-5 days. 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.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	10431	10272	10770	10880

TRADE RECOMMENDATION:

Buy above Rs. 10590 with a target at Rs. 10710 and then 10790 with a strict stop loss at Rs. 10500. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10000	10
	Ungarbled 9600	

RED CHILLIES

SPOT MARKETS

Guntur market of Red chillies reopened with hefty arrivals. However this did not let the prices to decline on high demand for the commodity. Export demand is present from Bangladesh and Srilanka. Traders are expecting demand from international markets is likely to continue. The domestic demand is from the markets of South India and west Bengal. Sowing is near completion with an expectation of increased acreage this year. 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 traded firm today. The contract opened high at Rs. 5550 a quintal and thereafter the prices jumped to a high of Rs. 5684 a quintal. The days trading ended in green at Rs. 5647 a quintal with the volumes traded augmented to 24975 MT's.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Sowing in progress with expectation of increased acreage

Weather:

Scattered to fairly widespread rainfall is likely over Coastal Karnataka and north interior Karnataka during next 48 Hrs. Scattered over Coastal Andhra Pradesh, Telangana during next 2-3 day. Ongoing rainfall activities over Kerala are likely to continue during next 3-4 days. Isolated rainfall is likely over Rayalseema and Tamilnadu during next 4-5 days. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing bullish sentiments. Stochastic is in neutral region. MACD is in positive zone. The prices are most likely to be firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5560	5454	5707	5812

TRADE RECOMMENDATION:

Buy above 5626 targeting 5706 and then 5752 with a strict stop loss at 5565 Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 5300 - 5700	50000
	LCA 334 (Bilty) 6000	

JEERA (Cumin)

SPOT MARKETS

Jeera market at Unjha saw reduced arrivals and the demand for the commodity was around three times the inflow. The arrival reduced due to rains. Jeera has moisture thus increased its weight. There are unconfirmed reports in the market the sea routes have reopened for Iran and Syria. The market has news some importers have drawn from India. The domestic demand might improve once road routes reopen. Traders from North India are expecting demand to increase gradually. The prices might remain range bound to slightly firm.

FUTURES MARKETS:

Jeera prices surged at NCDEX taking cues from spot markets coupled with speculative buying. NCDEX September futures contract traded mostly firm today. The contract opened bullish at Rs 7930 a quintal as against previous close of 7903.90 a quintal. Thereafter the prices surged to high of Rs. 8111.40 a quintal. The total volumes traded increased to 11208 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 once climate favors

Bearish:

1. Unconfirmed reports of reopening of sea routes
2. Reduced domestic demand on blockage of road routes.

Weather:

Fairly widespread to widespread with isolated heavy rainfall are likely over Rajasthan, north Gujarat and Konkan & Goa during next 24-36 Hrs. Scattered rainfall is likely over Marathwara and Madhya Maharashtra and during next 2-3. Rains might affect arrivals of the commodity in the market.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	8040	7937	8199	8270

TRADE RECOMMENDATION:

Buy above 8072 with a target of 8180 and then 8214 with a strict stop loss at 7988. Trade cautiously with intra day outlook.

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

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