

## SPICES DAILY

August 10, 2006

### TURMERIC

#### SPOT MARKETS

Most of the major turmeric markets remain closed today. On the reopening markets might see increased arrivals. Erode market has a stock of 6-7 lakh bags of turmeric and Nizamabad market has a stock of around 2.75 lakh bags of turmeric. The traders are expecting demand to improve in coming days. The prices might remain range bound.

#### FUTURES MARKETS:

Turmeric prices at the NCDEX August futures contract traded indecisive. The contract opened firm at Rs. 2485 a quintal as against previous close of Rs. 2475 a quintal and hovered between Rs. 2463 - 2495. The days trading settled in green at Rs. 2479 a quintal. The number of volumes traded declined to 3000 MT's.

#### PRICE DRIVERS:

##### Bearish:

1. Increased Acreage
2. Hefty stock

##### Bullish:

1. Improving demand
2. Slight Crop Loss

**Weather:** Rain/thundershowers are likely at many places over Coastal Karnataka, Andaman Islands; at a few places over Interior Karnataka and isolated over the rest of the southern region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

#### TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is bearish in neutral region and MACD has made bearish crossover in positive zone. The prices might decline.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2455	2424	2513	2535

#### TRADE RECOMMENDATION:

Sell below 2490 with a target at Rs. 2472 and then 2456 with a strict stop loss at Rs. 2504. 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 steady today. The market did not see any fresh arrivals and off take was of 7MT's. The market does not have any fresh export demand however domestic demand in North India's markets might improve. According to trading sources, some enquiries from foreign buyers were seen. Markfed has called for tenders to sell Ungarbled pepper. Government is likely to put a cap on import of Black pepper from Srilanka however quantum is to be decided. Most of the producing nations have very low stocks. Harvesting in Srilanka, Indonesia and Brazil is in progress. These nations have estimates of poor crop with low carry over stock. The prices are expected to remain range bound for few days.

### FUTURES MARKETS:

Black pepper at NCDEX August futures contract-opened firm at Rs. 10075 a quintal and then declined to a level of Rs. 9981 a quintal. The prices traded high upto Rs. 10200 and the trading for the day settled firm at Rs. 10146 a quintal. The total volumes traded during the day declined to 4397 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 enquiries

#### Bearish:

1. Brazil, Indonesia and Sri Lanka harvesting continues
2. No fresh Export demand
3. Markfed calls tender to sell Ungarbled pepper

### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Andaman Islands; at a few places over Interior Karnataka and isolated over the rest of southern region. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are indicating indecision. MACD is in positive territory, Stochastic is in neutral region. The prices might remain range bound during the day.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	9909	9728	10347	10654

### TRADE RECOMMENDATION:

Buy above Rs. 10085 with a target at Rs. 10252 with a strict stop loss at Rs. 9954. Trade cautiously with intra day outlook.

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

## RED CHILLIES

### SPOT MARKETS

Red chilli prices at Guntur market continued to trade as similar prices on no fresh news to provide strength to the market. According to trading sources the market has a hefty stock of around 30-32 lakh bags of red chillies comprising of 5 - 6 lakh bags of old chillies. Export demand is present and buyers are from Bangladesh, Srilanka and Singapore. Also, domestic demand is expected to improve after few days due to festival season. Seeding and sowing is in progress with an expectation of increased acreage this year. The prices are expected to remain steady to range bound for few days.

### FUTURES MARKETS:

Chilli prices at the NCDEX August futures contract declined today. The contract opened firm at Rs. 4789 a quintal and the prices did not look back and thereafter declined to the days low at Rs. 4690 a quintal. The trading settled at Rs. 4745 a quintal. The total number of volumes traded increased to 5700 MT's as against 1125 MT's.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

1. Comfortable stock position
2. Sowing in progress with expectation of increased acreage

### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Andaman Islands; at a few places over Interior Karnataka and isolated over the rest of the southern region. Rains will be beneficial for rain fed chilli crop.

### TECHNICALS

Candlesticks are showing bearish sentiments. Stochastic is in neutral region. MACD is in negative zone. The prices are most likely to decline.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4658	4560	4827	4883

### TRADE RECOMMENDATION:

Sell below 4774 targeting 4712 with a strict stop loss at 4820. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4400 - 5000	25000 - 30000
	LCA 334 (loose) Non Cold Storage NA	

## JEERA (Cumin)

### SPOT MARKETS

Jeera market at Unjha remained closed today in celebration of Raksha Bhandhan. The demand for commodity is high, the buyers are from international and domestic markets. According to trading sources, Unjha market has a stock of around 6 - 7 lakh bags of jeera. The demand is expected to be firm in the near future. The traders from North Indian markets are expecting demand to increase gradually. The prices might remain range bound to slightly firm for few days.

### FUTURES MARKETS:

Jeera prices at NCDEX August futures contract traded slightly firm today. The contract opened up at Rs 8009 a quintal and thereafter declined to Rs. 7952 and then recovered again from lower levels and settled in up at Rs. 8037.80 a quintal. The total volumes numbers decreased to 1548 MT's as against previous days 2298 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. Expectation of demand to improve

**Weather:** Rain/thundershowers are likely at many places over Konkan & Goa, Madhya Maharashtra, East Rajasthan and Gujarat Region and at a few places over the rest region. 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 recover.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7981	7919	8105	8187

### TRADE RECOMMENDATION:

Buy above 7996 with a target of 8096 and then 8150 with a strict stop loss at 7920. Trade cautiously with intra day outlook.

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

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