

SPICES DAILY

August 02, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at Erode market remained steady to range bound today and in Nizamabad market declined slightly. Erode market saw increased arrivals and the demand was near about similar. The buyers are from the domestic markets of North India and local traders are also buying the commodity. 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. Sowing is complete in all the major growing states. Recent rains proved beneficial for cultivation of crop. The prices might remain range bound.

FUTURES MARKETS:

Turmeric futures at the NCDEX traded completely bearish today. NCDEX August futures contract opened firm at Rs. 2590 a quintal and thereafter slide down to Rs. 2522 a quintal. The days trading ended in red at Rs. 2527 a quintal. The number of volumes traded declined to 9910 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 many places over Coastal Karnataka, Kerala, Coastal Andhra Pradesh and Telangana and at a few places over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is in neutral region and MACD is in positive zone. The prices might show volatile movement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2501	2472	2561	2600

TRADE RECOMMENDATION:

Sell below 2543 with a target at Rs. 2510 with a strict stop loss at Rs. 2568. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2250 - 2260	1200 - 1300
	Gattah 2100 - 2150	
Erode	Finger 2500-2600	7000 - 8000
	Gattah 2450 - 2500	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market after rallying to higher levels finally took some sigh of relief. The prices declined by Rs. 100 a quintal and the market saw arrivals of 25 MT's of pepper and the off take was also of the similar quantity. Most of the producing nations have very low stocks. Vietnam has run short of its stocks. The export demand is high and the exporters are looking to buy the commodity at higher prices also. Exchanges are left with reduced stock. Brazil, Srilanka and Indonesia have estimates of poor crop with low carry over stock. Market sources estimates crop of Indonesia to be less by around 25 - 30 percent this season. Harvesting in Srilanka, Indonesia and Brazil is in progress. The domestic demand is also expected to pick up in coming days. Pepper prices might remain firm for few days.

FUTURES MARKETS:

Black pepper prices at NCDEX August futures contract declined after initial recovery, by reason of profit booking by the investors. The August contract opened low at 10650 and then increased to a high of 11009 and thereafter continued to decline and touched a low of Rs. 10225 a quintal. The days trading settled in Red at Rs. 10323 a quintal and the total volumes figure came out as 24198 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Competitors increased prices
3. Vietnam selling White pepper
4. Brazil, Indonesia ,Srilanka low crop estimates
5. World Supply Crunch
6. Brazil withdraws exports

Bearish:

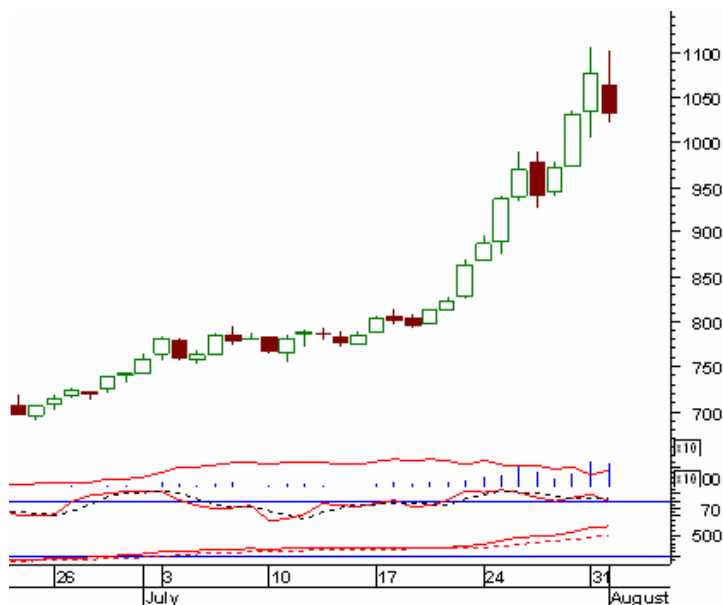
1. Brazil, Indonesia and Sri Lanka harvesting continues

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala, Coastal Andhra Pradesh and Telangana and at a few places over the rest region. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. MACD is in the positive territory maintaining strength in the market, Stochastic has made bearish crossover in overbought zone. The prices might continue to remain volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	10060	9730	10653	11068

TRADE RECOMMENDATION:

Buy near Rs. 10100 - 10115 with a target at Rs. 10320 and then Rs. 10460 with a strict stop loss at Rs.9920. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10300	25
	Ungarbled 9900	25

RED CHILLIES

SPOT MARKETS

Red chilli prices at Guntur market remained steady today. The market saw increased arrivals as against yesterday however demand remained of near about similar quantity. The fresh arrivals have reduced to 500 - 700 bags of chillies. Bangladesh is buying from the market and domestic demand might improve in coming days. The market however has hefty stock of around 30 lakh bags of red chillies. Seeding is in progress and rains might prove beneficial for sowing the crop at this stage. The prices are expected to remain steady to range bound for few days.

FUTURES MARKETS:

Chilli futures at the NCDEX August declined today. The contract opened firm at Rs. 4895 a quintal and thereafter prices declined to a low of Rs. 4810 a quintal. The days trading ended with bearish sentiments at Rs. 4824 a quintal. The total number of volumes traded diminished to 4190 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Reduced arrivals due elections

Bearish:

1. Comfortable stock position
2. Weather favorable for sowing

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala, Coastal Andhra Pradesh and Telangana and at a few places over the rest region. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4760	4638	4901	4984

TRADE RECOMMENDATION:

Sell below 4840 targeting 4768 with a strict stop loss of 4898. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4400-4500	15000
	LCA 334 (loose) Non Cold Storage 3500-4100	

JEERA (Cumin)

SPOT MARKETS

Unjha market did not see any activity today due to rains in the area. The market did not see any fresh arrivals and offtake. The prices remained at similar levels. The market has buyers from international and domestic markets. Traders are making enquiries. Syria and Turkey are short of their normal production there by giving chances of higher exports from India. Geopolitical disturbances in Lebanon, Iran and Syria are disrupting exports from these countries thus providing Indian exporters a better chance to cash in higher gains. The traders from North Indian markets are expecting consumption demand to increase due to festival season. The prices might continue to rule firm for few days.

FUTURES MARKETS:

Jeera prices at NCDEX August futures contract declined on profit taking. The contract opened low at Rs 8150 a quintal and then tried to recover and raised upto Rs. 8249 a quintal. The prices declined on profit booking and went down to Rs. 7915 during the session. The days trading settled in red at Rs. 7957 a quintal. The total volumes traded during the session augmented to 12351 MT's

PRICE DRIVERS:

Bullish:

1. Short crop in other major producing nations
2. Syria crop of inferior quality coupled with low carry over stocks in Turkey, Syria
3. Improvement in domestic and export demand
4. Geopolitical disturbance in Lebanon, Syria, Iran
5. Export enquiries from China, Singapore

Weather: Rain/thundershowers are likely at most places over Gujarat & south Rajasthan; at many places over the rest region. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is in over bought region. MACD is in positive region. The prices might decline initially and thereafter recover.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7850	7763	8151	8256

TRADE RECOMMENDATION:

Buy near 7908 - 7913 with a target of 8056 with a strict stop loss at 7806. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1540- 1600	Nil
	Ganesh 1620	
	Machine Cleaned 1690 - 1840	

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