

SPICES DAILY

August 31, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in Erode market remained at similar price levels on almost similar supply demand position. However in Nizamabad market the prices increased on good demand for the commodity. In Nizamabad the demand improved from domestic markets and export demand for the commodity is high as turmeric from here is being exported to Gulf countries. European nations and US are buying alleppey grade. The markets also have demand from Northern as well as southern India. According to latest estimates from trading sources Erode and Nizamabad markets have a stock of around 6 lakh bags and 2.25 lakh bags of turmeric respectively. The prices are most likely to continue slightly firm on high export demand and improving domestic demand for few days.

FUTURES MARKETS:

Turmeric at the NCDEX September futures contract surged on bullish cues from spot markets and was later followed by speculative buying. NCDEX September futures contract opened firm at Rs. 2585 a quintal and thereafter jumped to a high of Rs. 2671 a quintal. The days trading ended in green at Rs. 2644 per quintal. The total number of volumes traded increased to 18880 MT's as against previous days 6930 MT's.

PRICE DRIVERS:

Bearish:

1. Hefty stock

Bullish:

1. High Export demand
2. Domestic demand Improving on upcoming festival season
3. Slight loss to Crop in AP, Maharashtra

Weather:

Costal A.P. is likely to experience fairly widespread to wide spread with isolated heavy rainfall during next 2 days. Rainfall activities over Talangana and Karnataka are likely to increase after 24 hrs. Kerala is likely to experience scattered rains. 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 bullish sentiments. Stochastic is bullish in neutral region and MACD is bullish in negative zone. The prices closed above 18 days and 9 days moving averages indicating bullishness in the market. The contract is most likely to witness volatile price movement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2621	2585	2672	2704

TRADE RECOMMENDATION:

Buy above 2625 with a target of Rs. 2660 and then 2675 with a strict stop loss at Rs.2598. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2250-2350	2000
	Gattah 2100-2125	
Erode	Finger 2400-2450	4000 - 5000
	Gattah 2350-2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices traded at similar prices as the prices earlier increased sharply. The market saw reduced arrivals of around 75 MT's of pepper and off take was of similar quantity. The export scenario for Indian pepper is still favorable on global supply crunch. The competitors are increasing price of their pepper and do not have much to offer. The domestic demand is likely to increase on upcoming festivals in India and overseas. The demand for Indian pepper is likely to improve in coming days from both domestic and international markets. The prices are expected to be range bound to slightly firm few days.

FUTURES MARKETS:

September futures contract on NCDEX traded volatile throughout the day and ended bearish on profit booking on earlier held buy positions. The contract opened low at Rs. 11644 a quintal and thereafter made a fresh high of Rs. 11849 a quintal and was lowest at Rs. 11461 a quintal. The trading for the day ended in red at Rs. 11565 a quintal. The volumes traded during the day were 9509 MT's.

PRICE DRIVERS:

Bullish:

1. High demand from international and domestic markets
2. Favorable export scenario

Bearish:

1. Marketfed sold 320 MT's of pepper, likely to sell more
2. Sri Lanka harvesting continues

Weather:

Costal A.P. is likely to experience fairly widespread to wide spread with isolated heavy rainfall during next 2 days. Rainfall activities over Talangana and Karnataka are likely to increase after 24 hrs. Kerala is likely to experience scattered rains. 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 indecision in market. MACD is bullish in positive territory; Stochastic has made a bearish crossover in overbought region. Prices closed above Moving averages indicating bullish market The contract is most likely to see some technical correction in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	11411	11265	11671	11851

TRADE RECOMMENDATION:

Sell below Rs. 11605 with a target at Rs. 11465 and then 11412 with a strict stop loss at Rs. 11708. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	10900	75
	Ungarbled	10500	

RED CHILLIES

SPOT MARKETS

Red chillies in Guntur market traded range bound with bullish inclination on high demand for commodity. The arrivals increased slightly but high demand for the commodity did not let the prices to decline. The off take was of around 80 - 90 percent of the inflow. The buyers are from domestic as well as international markets. Bangladesh is buying and exports are expected to gain pace gradually. The domestic demand is likely to improve due to upcoming festival season. The prices are expected to remain range bound to slightly firm for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX September futures contract traded mostly firm today. The contract opened firm at Rs. 5650 quintal and thereafter hovered between Rs. 5600 - 5695 a quintal. The trading for the day settled in green at Rs. 5645 a quintal. The volumes traded during the session declined to 13460 MT's of chilli.

PRICE DRIVERS:

Bullish:

1. High domestic demand on upcoming festival season
2. Demand from international markets
3. Crop loss in some chilli growing areas

Bearish:

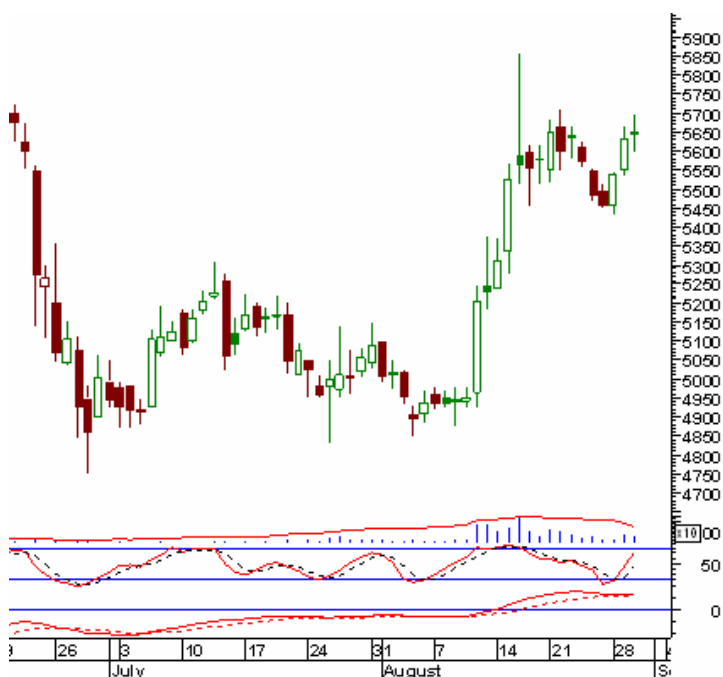
1. Sowing near completion with expectation of increased acreage

Weather:

Costal A.P. is likely to experience fairly widespread to wide spread with isolated heavy rainfall during next 2 days. Rainfall activities over Talangana and Karnataka are likely to increase after 24 hrs. Kerala is likely to experience scattered rains. 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 indecision in the market. Stochastic is bullish in neutral region. MACD is in positive zone. Prices closed above moving averages indicating bullishness in the market. The prices are most likely to be volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5550	5458	5710	5812

TRADE RECOMMENDATION:

Buy above 5665 targeting 5708 and then 5755 with a strict stop loss at 5632. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 5300 - 5800	20000 - 25000
	LCA 334 (Bilty) 5900 - 6000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market remained steady today on high demand for the commodity. The demand for jeera from domestic and international markets is high. The day's off take was around 15000 bags of jeera that was three times of inflow representing high demand for jeera. Buyers are from Singapore and China. The export scenario for jeera is favourable as according to trading sources Syria has increased the price of its jeera. India is offering at lower prices than other competitors. Traders are expecting some fresh export orders of jeera in coming days on better position of India in international market followed by upcoming festival season in Gulf countries and in India. The prices might remain firm for few days.

FUTURES MARKETS:

Jeera prices at the NCDEX. Jeera September futures contract traded indecisive today. The contract opened low at Rs. 8215 a quintal and thereafter hovered between Rs. 8215 - 8331 a quintal. The days trading ended in red at Rs. 8282 a quintal. The total volumes traded declined to 4095 MT's as against previous 7209 MT's.

PRICE DRIVERS:

Bullish:

1. Favorable Position of Indian Jeera in International market
2. Competitors offer inferior quality jeera at higher prices
3. Domestic and international demand high and is expected to improve ahead of festival season

Bearish:

1. Jeera contains slight moisture

Weather: Isolated to scattered rainfall is likely over Konkan & Goa in next 2-3 days and enhance thereafter. Scattered rainfall over Marathwara and Madhya Maharashtra is likely to increase during next 3-4 days. Rainfall activity over Rajasthan and Gujarat is likely to increase after 48 Hrs. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic has made bullish crossover in neutral region indicating possibility of recovery in prices. MACD is turning flat in positive zone. Volumes and open interest both declined. The prices might continue to be volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEXSeptember	8183	8121	8363	8461

TRADE RECOMMENDATION:

Buy above 8240 with a target of 8320 and then 8362 with a strict stop loss at 8180. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q	4000 - 5000
	Ganesh	
	Machine Cleaned	

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.