

SPICES DAILY

August 24, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the primary markets remained steady on nearly similar S&D conditions. Nizamabad market remained closed today due to Amavasya. Erode market saw arrivals of similar quantity of turmeric and the demand was high. The offtake continued to be of around 80 percent of the total inflow. According to trading sources 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 declined slightly. The contract opened below previous days close at Rs. 2629 quintal and the prices increased to Rs. 2660 a quintal. The prices declined to the low of Rs. 2610 a quintal. The trading for the day ended in red at Rs. 2620 a quintal. The volumes traded during the day diminished to 3630 MT's as against previous days 7650 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock
3. Weather suitable for cultivation of crop

Bullish:

1. Improving demand ahead of festival season
2. Slight loss to Crop in AP, Maharashtra

Weather:

Rain/thundershowers are likely at a few places over the region outside interior Karnataka where it may be isolated. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is flat in neutral region and MACD is in negative zone. The prices are most likely to remain volatile with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2603	2573	2644	2670

TRADE RECOMMENDATION:

Sell below 2625 with a target of Rs. 2610 and then 2598 with a strict stop loss at Rs. 2634. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2450-2500	6000
	Gattah	2400-2450	

BLACK PEPPER

SPOT MARKETS

Black pepper in Kochi market continued to trade at steady prices. The market saw slightly increased arrivals of 30 MT's of pepper and the off take was of similar quantity. Brazil is selling its pepper forward at reduced prices. Market has reports of Vietnam selling its ASTA pepper at reduced prices when compared with Indian pepper prices. Indonesia crop is delayed and it is still offering at higher prices. Lack of demand from international markets is not letting the prices to recover. 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. In Delhi market buyers are from Bihar, Punjab and Uttar Pradesh. The domestic demand in North India's markets might improve ahead of festival season. The prices are expected to remain range bound to for few days.

FUTURES MARKETS:

Black pepper at NCDEX September futures contract witnessed slightly bullish price movement. The contract opened firm at Rs. 10420 a quintal as against previous close of Rs. 10387 per quintal. The prices declined to a low of Rs. 10360 a quintal and thereafter recovered to a high of Rs. 10525 and ended firm at Rs. 10499 a quintal. The total volumes traded during the day were of 4218 MT's.

PRICE DRIVERS:

Bullish:

1. Global Supply shortage
2. India restricts Srilankan Exports by introducing 2500 MT's of quota
3. Improved demand in markets of North India.
4. Vietnam selling at slightly higher price

Bearish:

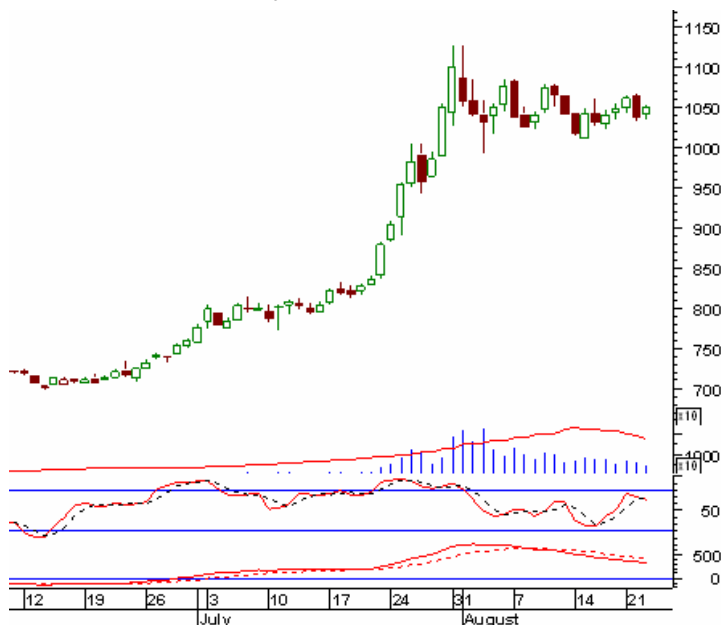
1. Sluggish international demand
2. Sri Lanka harvesting continues
3. India provides import concessions to import pepper from ASEAN

Weather:

Rain/thundershowers are likely at a few places over the region outside interior Karnataka where it may be isolated. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bullish sentiments. MACD is in positive territory; Stochastic has made bullish crossover in neutral region. The contract is most likely to trade bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	10323	10120	10652	10782

TRADE RECOMMENDATION:

Buy above Rs. 10480 with a target at Rs. 10570 and then 10600 with a strict stop loss at Rs. 10414. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	10000	30
	Ungarbled	9600	

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market remained almost similar as the market saw increased arrivals and high demand. Both traders and farmers were sold their commodity. The market has high export demand as well as domestic demand. International buyers are from Bangladesh and Srilanka and domestic buyers are from the markets of South India and West Bengal. Traders are expecting demand from international markets is likely to continue. The domestic demand is likely to improve due to upcoming festival season. Sowing is still in progress in Andhra Pradesh and the acreage is likely to expand. The prices are expected to remain slightly firm for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX September futures contract traded slightly firm today. The contract opened high at Rs. 5654 a quintal and then the prices declined to a low of Rs. 5580 a quintal but could not sustain lower levels and thereafter recovered and ended firm at Rs. 5637 a quintal. The volumes numbers declined to 14960 MT's as against previous days 21880 MT's.

PRICE DRIVERS:

Bullish:

1. High domestic and export demand
2. Crop loss in some chillie growing areas
3. Boost in demand ahead of festivals

Bearish:

1. Sowing near completion with expectation of increased acreage

Weather:

Rain/thundershowers are likely at a few places over the region outside interior Karnataka where it may be isolated.. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing indecision. Stochastic has made a bullish crossover 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	5549	5456	5710	5842

TRADE RECOMMENDATION:

Buy above 5615 targeting 5685 and then 5724 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 5400 - 6000	60000
	LCA 334 (Bilty) 6300 - 6700	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha for most of the grade continued to trade slightly firm. The market saw reduced arrivals due to rains and the demand was high. The offtake was near around 3.5 - 4 times that of inflow representing buying interest. The prices are recovering on high export and domestic demand. According to trading sources, fresh export orders for 18 MT's of jeera is received and the importers are negotiating to buy around 30 MT's of commodity in coming days. The total demand comprises of greater share of international demand. Domestic demand is likely to recover once the weather conditions improve. The domestic buyers were mainly from Delhi and South India Competitors are quoting at higher prices and quality of their jeera is inferior as against Indian Jeera. Traders from North India are expecting demand to increase gradually due to upcoming festival season in India and are expecting heavy buying from Gulf countries ahead of Ramzan festival. The prices might remain firm.

FUTURES MARKETS:

Jeera prices continued to surge at NCDEX on bullish advices from spot markets. Jeera at September continued to rock on bullish activities as the contract opened slightly low at Rs. 8120. Thereafter the prices shot up to high of Rs. 8257 a quintal. Trading for the day settled firm at Rs 8242.80. Total volumes traded remained almost similar to that of previous day and the figures came out as Rs. 10848 MT's.

PRICE DRIVERS:

Bullish:

1. High Export demand
2. Competitors offer higher prices
3. Competitors have inferior quality jeera
4. Domestic and international demand likely to improve ahead of festival season

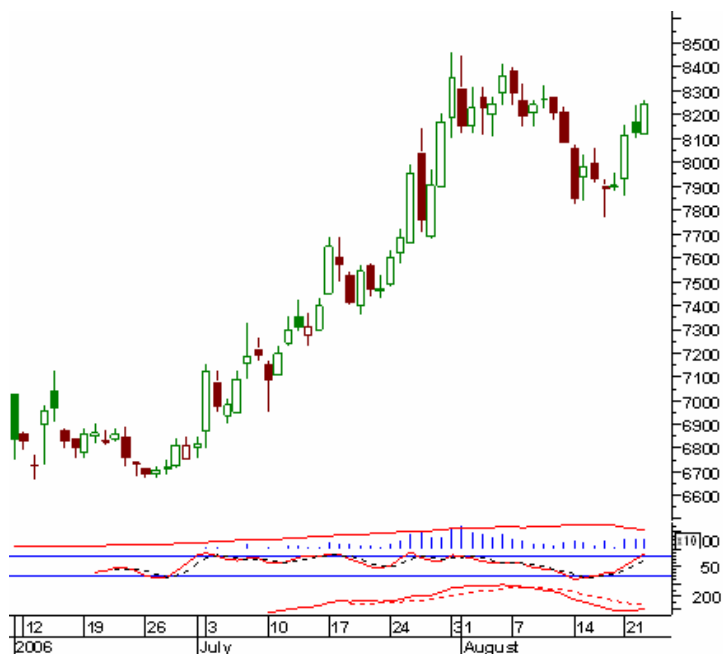
Bearish:

1. Jeera contains slight moisture

Weather: Rain/thundershowers are likely at many places over southwest Rajasthan and at a few places over rest region. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic has entered in oversold region. MACD is moving upwards in positive zone. The prices might move volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEXSeptember	8150	8041	8361	8461

TRADE RECOMMENDATION:

Buy above 8205 with a target of 8288 and then 8330 with a strict stop loss at 8142. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1460 - 1570	2000
	Ganesh 1520 - 1580	
	Machine Cleaned 1650 - 1780	

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