

SPICES DAILY

August 21, 2006

TURMERIC

SPOT MARKETS

Most of the primary markets for turmeric trading remained closed today. Turmeric prices in Erode market are ranging in their previous band. At the end of the week the market saw increased arrivals with high demand for the commodity. 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. Weather is favourable for growth of crop. The arrivals and demand both are likely to increase in coming days. Prices might remain range bound for few days.

FUTURES MARKETS:

Turmeric prices at the NCDEX September futures contract continued to trade mostly bearish today. The contract opened low at Rs. 2604 a quintal and thereafter the prices hovered between Rs. 2604 - 2638 a quintal. The trading for the day settled with indecision at Rs. 2618 a quintal. The volumes traded during the day were of 2970 MT's and open interest was of 14390 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock
3. Weather favorable for growth of crop

Bullish:

1. Improving demand ahead of festival season
2. Meager loss to Crop

Weather: Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastall Karnataka, Kerala and Lakshadweep and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is in neutral region and MACD is in positive zone. The prices might remain slightly bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2599	2572	2634	2664

TRADE RECOMMENDATION:

Sell below 2624 with a target of Rs. 2600 and then 2588 with a strict stop loss at Rs. 2642. 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 continued to increase today. The market however did not see any fresh arrivals or offtake. Indonesia crop is delayed and it is still offering at higher prices. Brazil is selling its pepper at reduced prices. India has offered a tariff concession on import duty on import of pepper in India from ASEAN. 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 for few days.

FUTURES MARKETS:

Black pepper at NCDEX September futures contract traded firm today. The contract opened firm at Rs. 10450 a quintal as against previous close of Rs. 10412 per quintal. The prices surged to a high of Rs. 10550 a quintal. The trading for the day ended in green at Rs. 10482 a quintal. The total volumes traded during the session were 5257 MT's and the open interest was of 7789 MT's.

PRICE DRIVERS:

Bullish:

1. Global Supply shortage
2. High demand ahead of festival season
3. Indonesia crop delayed

Bearish:

1. Brazil and Sri Lanka harvesting continues
2. Brazil declines price
3. India provides import concessions to pepper from ASEAN

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastal Karnataka, Kerala and Lakshadweep and isolated over the rest region.. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating indecision. MACD is in positive territory; Stochastic has made a bullish crossover in neutral region. The prices might show volatile movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	10330	10065	10650	10861

TRADE RECOMMENDATION:

Buy above Rs. 10435 with a target at Rs. 10605 and then 10650 with a strict stop loss at Rs. 10308. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Guntur market of Red chillies remained closed today. The demand for commodity is high. 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 mostly bearish today. The contract opened low at Rs. 5580 a quintal and thereafter the prices hovered in the range of Rs. 5513 - 5614 a quintal. The days trading ended in red at Rs. 5555 a quintal with the volumes traded equal to 12905 MT's. The open interest was 18855 MT's.

PRICE DRIVERS:

Bullish:

1. Export of commodity
2. Reseeding required in some areas
3. Crop loss in certain areas
4. Boost in demand ahead of festivals

Bearish:

1. Sowing in progress with expectation of increased acreage

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastal Karnataka, Kerala and Lakshadweep and isolated over the rest region.. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing indecision. Stochastic has made bearish crossover in overbought region. MACD is in positive zone. The prices are most likely to be firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5512	5455	5617	5740

TRADE RECOMMENDATION:

Buy above 5528 targeting 5615 and then 5675 with a strict stop loss at 5458. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Jeera market at Unjha did not see any trading activity today due to rains in the region. The demand for the commodity is high but offtake is less from the market due to rains thus restricting the prices to increase. 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 as road routes reopen. Traders from North India are expecting demand to increase gradually. The prices might remain range bound.

FUTURES MARKETS:

Jeera prices at NCDEX September futures contract traded mostly range bound today. The contract opened slightly up at Rs 7905 a quintal as against previous close of 7900 a quintal. Thereafter the prices hovered between Rs. 7875 - 7950 a quintal. The total volumes traded decreased to 3234 MT's as against previous days 11010 MT's.

PRICE DRIVERS:

Bullish:

1. Short crop in other producing nations
2. 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.
3. Jeera gains moisture keeping off buyers

Weather:

Rain/thundershowers are likely at most places over East Rajasthan; at many places over north Gujarat Region and West Rajasthan; at a few places over south Gujarat Region, Saurashtra & Kutch and Konkan & Goa and isolated over the rest region. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is in oversold region. MACD is in positive zone. The prices might move volatile with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	7843	7771	8002	8066

TRADE RECOMMENDATION:

Sell below 7918 with a target of 7842 and then 7818 with a strict stop loss at 7974. Trade cautiously with intra day outlook.

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

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