

SPICES DAILY

August 25, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the primary markets remained steady to slightly firm on improved demand for the commodity. Erode market saw slightly increased arrivals but the demand was high thus keeping the prices in similar range. The offtake was of around 75 percent of the total inflow. According to trading sources Erode market has a stock of around 6 - 7 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 traded range bound to slightly firm. The contract opened below previous days close at Rs. 2617 a quintal. The prices did not look back and traded firm up to a high of Rs. 2638 a quintal. The trading for the day ended in green at Rs. 2627 a quintal. The volumes traded during the day diminished to 3300 MT's as against previous days 3630 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock

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 north Coastal Andhra Pradesh and Andaman Islands and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic has made bearish crossover in neutral region and MACD is in negative zone. The prices are most likely to remain range bound with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2601	2580	2652	2682

TRADE RECOMMENDATION:

Buy above 2620 with a target of Rs. 2640 and then 2652 with a strict stop loss at Rs. 2606. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2350-2400	1500
	Gattah 2125-2150	
Erode	Finger 2450-2500	8000
	Gattah 2400-2450	

BLACK PEPPER

SPOT MARKETS

Black pepper in Kochi market traded firm today on improved demand from international markets and demand from domestic markets. The market saw arrivals and offtake of 7 MT's of pepper. Brazil crop is expected to hit the markets by October end and it 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 however it has less of quantity to sell. Indonesia crop is delayed and it is still offering at higher prices. However market has fear of Inflow of pepper from Srilanka but the present situation seems to be in favour of India. 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 demand for pepper is increasing and the buyers are from Bihar, Punjab and Uttar Pradesh. The domestic demand in North India's markets might improve on upcoming festival season. The prices are expected to remain range bound to slightly firm for few days.

FUTURES MARKETS:

Black pepper on NCDEX September futures contract followed yesterday's recovery as the contract opened Re 1 up at Rs. 10500 a quintal as against previous close of Rs. 10499 per quintal. The price recovered highest to Rs. 10630 a quintal and was lowest at Rs. 10471 a quintal. The trading for the day settled at Rs. 10586 and the total volume numbers increased to 5146 MT's as against previous sessions 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 from international and domestic markets

Bearish:

1. Sri Lanka harvesting continues
2. India provides import concessions to import pepper from ASEAN

Weather:

Rain/thundershowers are likely at a few places over north Coastal Andhra Pradesh and Andaman Islands and isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	10500	10326	10773	10881

TRADE RECOMMENDATION:

Buy above Rs. 10560 with a target at Rs. 10668 and then 10745 with a strict stop loss at Rs. 10480. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10100	7
	Ungarbled 9700	

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market declined today on reduced demand as the prices reached high levels. The market however still has 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 steady to slightly firm for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX September futures contract declined slightly today. The contract slipped to open low at Rs. 5610 a quintal and then the prices declined to a low of Rs. 5555 a quintal. The trading for the day settled in red at Rs. 5574 a quintal. The volumes traded declined to 10695 MT's as against previous days 14960 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. Prices Reach high level
2. Hefty arrivals
3. Sowing near completion with expectation of increased acreage

Weather:

Rain/thundershowers are likely at a few places over north Coastal Andhra Pradesh and Andaman Islands and isolated over the rest region. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing bearish sentiments. Stochastic has made a bearish crossover in neutral region. MACD is turning flat in positive zone. The prices are most likely to be volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5510	5438	5647	5758

TRADE RECOMMENDATION:

Sell below 5590 targeting 5520 and then 5475 with a strict stop loss at 5640 Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 5400 - 5700	40000 - 50000
	LCA 334 (Bilty) 6000 - 6400	

JEERA (Cumin)

SPOT MARKETS

Jeera in Unjha market continued to trade firm. The market again saw reduced arrivals due to rains and the demand was high near around 3.5 -4 times that of inflow. The market has high demand from export front and domestic markets. According to trading sources, fresh export orders are coming in the market and recently 18 MT's of jeera export is finalized. Importers are still negotiating to buy around 30 MT's of commodity in coming days. Domestic demand is likely to recover once the weather conditions improve. The domestic buyers are mainly from Delhi and South India. Other producing nations are quoting inferior quality of jeera at higher prices thus increasing the chance of rise in Indian jeera exports. Traders from North India are expecting demand to increase due to upcoming festival season in India and ahead of Ramzan festival in Gulf countries. The prices might continue to remain firm.

FUTURES MARKETS:

Jeera prices declined slightly at NCDEX. The trading for the day however ended indecisive Jeera September futures opened firm at Rs. 8250 a quintal and thereafter traded in the range of Rs. 8210 - 8297.10 a quintal. The days trading ended in red at Rs. 8229.90. Total volumes traded during the day were of 8097 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 Gujarat and Rajasthan. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is in oversold region. MACD is moving upwards in positive zone. The prices might move volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEXSeptember	8150	8064	8296	8388

TRADE RECOMMENDATION:

Buy above 8200 with a target of 8270 and then 8310 with a strict stop loss at 8145. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1480 - 1590	2000 - 3000
	Ganesh	1540 - 1600	
	Machine Cleaned	1670 - 1780	

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