

SPICES DAILY

August 14, 2006

TURMERIC

SPOT MARKETS

Most of the major turmeric trading markets remained closed today. The markets are receiving higher arrivals and have improved demand for the commodity. Erode market will remain close on Tuesday and Wednesday. In Nizamabad weather condition improved and the arrivals and demand both increased. Erode market has a stock of 6-7 lakh bags of turmeric and Nizamabad market has a stock of around 2.75 lakh bags of turmeric. The traders are expecting demand to improve in coming days. The prices might remain range bound.

FUTURES MARKETS:

Turmeric prices at the NCDEX August futures contract continued to trade bearish. The contract opened low at Rs. 2462 a quintal and then recovered up to Rs. 2476 a quintal. The days trading closed at lowest price of Rs. 2433 a quintal. The number of volumes traded decreased to 3000 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock

Bullish:

1. Improving demand

Weather: Rain/thundershowers are likely at most places over north coastal Andhra Pradesh at many places over Telangana, Coastal Karnataka, Kerala and Lakshadweep and at a few places over the rest region outside Tamil Nadu & Pondicherry 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 bearish in oversold region and MACD is in negative zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2396	2362	2463	2505

TRADE RECOMMENDATION:

Sell below 2448 with a target of Rs. 2424 with a strict stop loss at Rs. 2468. 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 declined today. The market saw fresh arrivals and offtake was of similar quantity. According to trading sources Kerala Marketfed is sold 200 MT's of pepper and is expected to sell more quantity. The domestic demand in North India's markets might improve. India is likely to put a cap on import of Black pepper from Srilanka however quantum for the same is to be still finalized. 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 August futures contract-traded bearish as the contract opened slightly low at Rs. 10326 a quintal. Thereafter prices hovered between Rs. 10110 - 10400 a quintal. The days trading settled in red at Rs. 10130 a quintal. The total volumes traded during the day declined to 1693 MT's.

PRICE DRIVERS:

Bullish:

1. Govt. likely to put a cap on imports from Srilanka
2. High demand from markets of North India

Bearish:

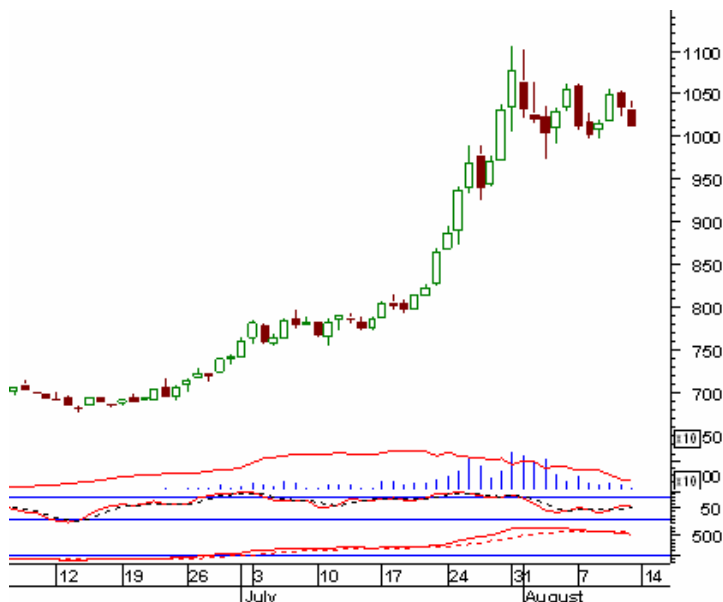
1. Brazil, Indonesia and Sri Lanka harvesting continues
2. EOU Purchased from Marketfed
3. Marketfed likely to sell more of commodity

Weather:

Rain/thundershowers are likely at most places over north coastal Andhra Pradesh at many places over Telangana, Coastal Karnataka, Kerala and Lakshadweep and at a few places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated.. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. MACD is in positive territory, Stochastic is bearish in neutral region. The prices might show volatile movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	9906	9722	10349	10640

TRADE RECOMMENDATION:

Sell below Rs. 10240 with a target at Rs. 10056 with a strict stop loss at Rs. 10382. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	9900	15
	Ungarbled	9500	

RED CHILLIES

SPOT MARKETS

Guntur market for red chillies remained closed today. The prices remained steady throughout the week. Market sources informed the market has a hefty stock of around 30 lakh bags of red chillies comprising of 5 - 6 lakh bags of old chillies. Export demand is present and buyers are from Bangladesh, Srilanka and Singapore. Also, domestic demand is expected to improve after few days due to festival season. Seeding and sowing is in progress with an expectation of increased acreage this year. According to trading sources there are unconfirmed reports of crop loss due to recent rains in Maharashtra, Andhra Pradesh and Madhya Pradesh. The market also has unconfirmed reports hinting a doubt towards the quality of chilli traded in Exchanges. The sowing might end in a fortnight. The prices are expected to remain steady to range bound for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX August futures contract declined. The contract opened firm at Rs. 4920 a quintal and thereafter the prices surged to the high of Rs. 4988 a quintal. The days trading settled in red at its lowest price of Rs. 4858 a quintal. The total number of volumes traded declined to 4785 MT's as against previous days 12720 MT's.

PRICE DRIVERS:

Bullish:

1. Export of commodity
2. Unconfirmed reports of Crop loss in growing areas
3. Expectation of increase in demand

Bearish:

1. Comfortable stock position
2. Sowing in progress with expectation of increased acreage
3. Unconfirmed reports of poor quality of chilli in Exchanges

Weather:

Rain/thundershowers are likely at most places over north coastal Andhra Pradesh at many places over Telangana, Coastal Karnataka, Kerala and Lakshadweep and at a few places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing bearish sentiments. Stochastic is bearish in neutral region. MACD is in negative zone. The prices are most likely to trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4813	4755	4988	5039

TRADE RECOMMENDATION:

Sell below 4888 targeting 4828 with a strict stop loss at 4932. 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 (loose) Non Cold Storage Closed	

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market declined today. The arrival and demand for the commodity is low due to closure of road route on heavy rains in nearby regions and flood like situations. The demand was still greater than arrivals reflecting buyer's interest in the commodity. According to trading sources around 3000 bags are exported daily from Kandla Port but domestic demand is still not high. The possible reason for this is the moisture in jeera has increased its weight and therefore demand in domestic market might pick up gradually as the festival season is approaching. Foreign buyers are purchasing the commodity as they are not getting any supply from Turkey and Syria the other major producing countries due to geopolitical disturbances in those nations. Unjha market has a stock of around 6 - 7 lakh bags of jeera. The traders from North Indian markets are expecting demand to increase gradually. The prices might remain steady to range bound.

FUTURES MARKETS:

Jeera prices at NCDEX August futures contract posted sharp declines. The contract opened gap down at Rs 8001.50 a quintal and thereafter declined to a low of Rs. 7780 a quintal and then settled in red at Rs. 7830 a quintal. The total volumes numbers increased to 1635 MT's as against previous days 1527MT's.

PRICE DRIVERS:

Bullish:

1. Short crop in other producing nations
2. Expectation of demand to improve
3. Geopolitical tensions continue

Bearish:

1. Reduced arrivals and offtake

Weather: Rain/thundershowers are likely at most places over Gujarat region; at many places over Madhya Maharashtra, southeast Rajasthan and Saurashtra & Kutch and at a few places over the rest region outside north Rajasthan where it may be isolated. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is bearish in neutral region. MACD is in positive zone. The prices might move volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7716	7594	7920	8032

TRADE RECOMMENDATION:

Sell below 7865 with a target of 7752 with a strict stop loss at 7950. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1440 - 1580	2000 - 2500
	Ganesh	1580	
	Machine Cleaned	1630 - 1790	

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