

SPICES DAILY

August 12, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at Erode market declined today due to slightly reduced demand. However prices for premium quality of turmeric recovered in Nizamabad and for other qualities remained same. Duggirala market also saw increase in prices on improved demand. 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 to slightly firm.

FUTURES MARKETS:

Turmeric prices at the NCDEX August futures contract declined today. The contract opened firm at Rs. 2486 a quintal and then declined to a low of Rs. 2465 a quintal. The days trading settled in red at Rs. 2469 a quintal. The number of volumes traded increased to 6410 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock

Bullish:

1. Improving demand
2. Weather condition improves

Weather: Rain/thundershowers are likely at many places over north coastal Andhra Pradesh; Coastal Karnataka and Kerela and at a few places over the rest region. Increase in rainfall activity likely over north coastal Andhra Pradesh & Telangana from 13th onwards. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating indecision. Stochastic is bearish in neutral region and MACD has entered in negative zone. The prices might decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2440	2410	2493	2513

TRADE RECOMMENDATION:

Sell below 2477 with a target of Rs. 2456 with a strict stop loss at Rs. 2491. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2300 - 2350	2000
	Gattah 2150 - 2180	
Erode	Finger 2350 - 2450	7000
	Gattah 2350 - 2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market remained steady today. The market did not see any fresh arrivals or off take. According to trading sources, a 100 percent EOU purchased around 200 MT's of commodity from Kerela Marketfed. The market does not have any fresh export demand however 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 firm at Rs. 10523 a quintal. Thereafter prices dropped to the low of Rs. 10240 a quintal and settled in red at Rs. 10339 a quintal. The total volumes traded during the day declined to 3499 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:

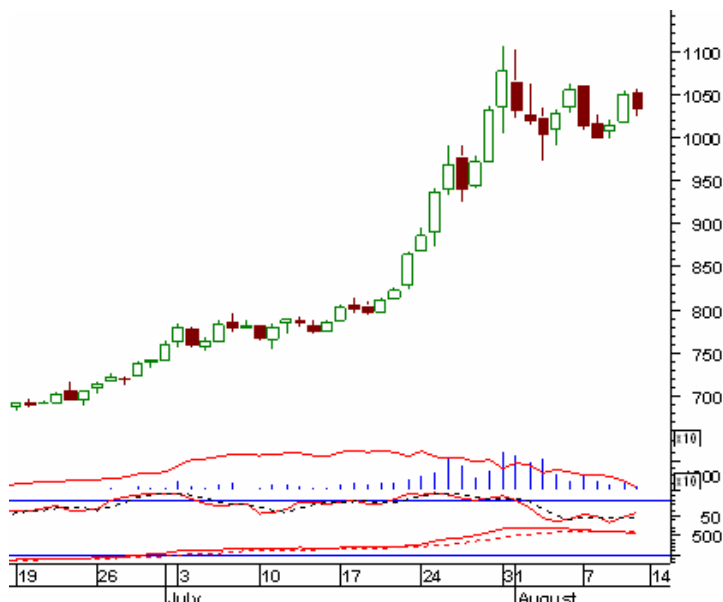
1. Brazil, Indonesia and Sri Lanka harvesting continues
2. No fresh Export demand
3. EOU Purchased from Marketfed

Weather:

Rain/thundershowers are likely at many places over north coastal Andhra Pradesh; Coastal Karnataka and Kerela and at a few places over the rest region. Increase in rainfall activity likely over north coastal Andhra Pradesh & Telangana from 13th onwards. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	10178	9905	10553	10768

TRADE RECOMMENDATION:

Sell below Rs. 10380 with a target at Rs. 10195 with a strict stop loss at Rs.10520. Trade cautiously with intra day outlook.

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

RED CHILLIES

SPOT MARKETS

Red chilli prices at Guntur market continued to trade at similar levels on lack of any fresh news. The off take was of near around 15000 bags. According to trading sources 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. Red chilli crop this year was already less as the Indian production was low this year. 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 ruled firm on bullish cues from spot markets. The contract opened slightly firm at Rs. 4770 a quintal and thereafter the prices surged to the high of Rs. 4935 a quintal. The days trading settled in green at Rs. 4904 a quintal. The total number of volumes traded increased to 12720 MT's as against previous days 3700 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

Weather:

Rain/thundershowers are likely at many places over north coastal Andhra Pradesh; Coastal Karnataka and Kerala and at a few places over the rest region. Increase in rainfall activity likely over north coastal Andhra Pradesh & Telangana from 13th onwards. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4824	4693	5006	5083

TRADE RECOMMENDATION:

Buy above 4850 targeting 4975 with a strict stop loss at 4756. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4400 - 5000	20000 - 25000
	LCA 334 (loose) Non Cold Storage NA	

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market quoted at similar levels as the demand was higher than the arrivals of the commodity reflecting presence of buying interest for Jeera. The arrivals are reducing due to rains in the region. The demand for the commodity is expected to improve further once the weather clears and road traffic begins. Jeera stock has absorbed moisture and gained weight. The buyers from international markets are buying around 1500 bags of Indian jeera as routes from Turkey and Syria are still not open for trade. 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 range bound to slightly firm.

FUTURES MARKETS:

Jeera prices at NCDEX August futures contract declined today. The contract opened gap up at Rs 8075 a quintal and thereafter declined to a low of Rs. 7980 and then settled in red at Rs. 8014.30 a quintal. The total volumes numbers declined to 1527 MT's as against previous days 1788 MT's.

PRICE DRIVERS:

Bullish:

1. Short crop in other producing nations
2. Syria crop of inferior quality coupled with low carry over stocks in Turkey, Syria
3. Expectation of demand to improve
4. Geopolitical tensions continue

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

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7919	7847	8108	8257

TRADE RECOMMENDATION:

Buy above 7970 with a target of 8050 and then 8090 with a strict stop loss at 7910. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q	2000
	Ganesh	
	Machine Cleaned	

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