

## SPICES DAILY

August 04, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric market at Erode remained closed today in celebration of some local festival. The prices remained steady at Nizamabad market on lack of any fresh news to move the market. Erode market has a hefty stock of 6-7 lakh bags of turmeric and Nizamabad market has a stock of around 2.75 lakh bags of turmeric. Sowing is complete in all the major growing states. Recent rains proved beneficial for cultivation of crop. The traders are expecting demand to improve in coming days. The prices might remain steady to range bound.

#### FUTURES MARKETS:

Turmeric futures at the NCDEX declined today. NCDEX August futures contract opened Re.1 firm at Rs. 2532 a quintal as against previous close. The prices declined to Rs. 2504 a quintal and settled in red at Rs. 2509 a quintal. The number of volumes traded diminished to 4430 MT's.

#### PRICE DRIVERS:

##### Bearish:

1. Increased Acreage
2. Hefty stock

##### Bullish:

1. Improving domestic demand
2. Slight Export Demand

**Weather:** Rain/thundershowers are likely at most places over Coastal Karnataka, north Coastal Andhra Pradesh and Telangana; at many places over south Coastal Andhra Pradesh, interior Karnataka, Kerala and Andaman & Nicobar Islands and at a few places over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

#### TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is in oversold region and MACD is in positive zone. The prices might remain bearish.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2481	2460	2535	2561

#### TRADE RECOMMENDATION:

Sell below 2515 with a target at Rs. 2502 and then 2490 with a strict stop loss at Rs. 2526. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2225 - 2230	1000
	Gattah 2075 - 2120	
Erode	Finger Closed	-
	Gattah Closed	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market remained steady on no fresh arrival and offtake in the market. The prices had earlier reached astronomical highs. Most of the producing nations have very low stocks. Vietnam has run short of its stocks and has recently reduced price of its 500 GL FAQ pepper. Exchanges are left with reduced stock. Harvesting in Srilanka, Indonesia and Brazil is in progress. These nations have estimates of poor crop with low carry over stock. Market sources estimate crop of Indonesia to be less by around 25 - 30 percent this season. The domestic demand is expected to pick up in coming days. Pepper prices might remain range bound in coming days.

### FUTURES MARKETS:

Black pepper prices at NCDEX August futures contract opened bearish at Rs. 10240 a quintal and thereafter declined to a low of Rs. 9731 a quintal and was highest at Rs. 10350. The prices remained volatile and ended bearish at Rs. 10047 a quintal. The prices declined on technical correction and the total volumes traded increased to 20974 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Indian pepper prices competitive in global market
2. Brazil, Indonesia ,Srilanka low crop estimates
3. World Supply Crunch

#### Bearish:

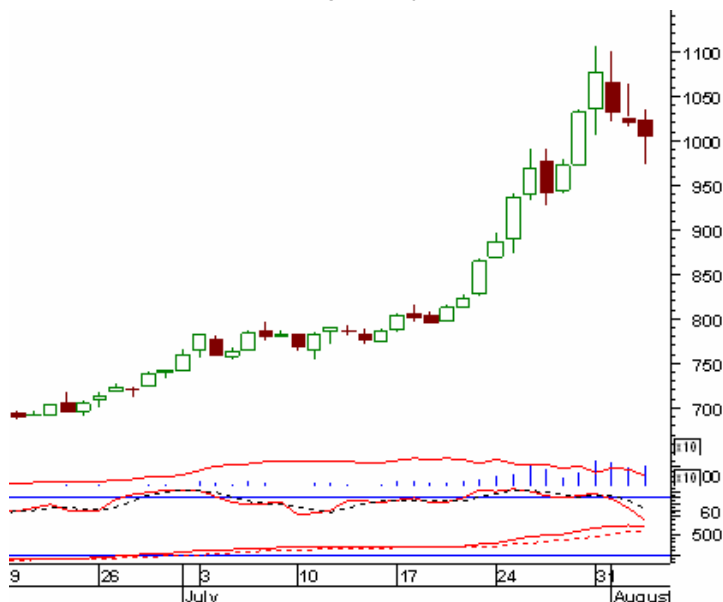
1. Brazil, Indonesia and Sri Lanka harvesting continues
2. Vietnam reduces price

#### Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka, north Coastal Andhra Pradesh and Telangana; at many places over south Coastal Andhra Pradesh, interior Karnataka, Kerala and Andaman & Nicobar Islands and at a few places over the rest region. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

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



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	9724	9417	10331	10653

### TRADE RECOMMENDATION:

Buy above Rs. 9844 with a target at Rs. 10140 with a strict stop loss at Rs. 9615. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10200	Nil
	Ungarbled 9800	Nil

## RED CHILLIES

### SPOT MARKETS

Red chilli prices at Guntur market remained steady today. The market saw increased arrivals on completion of elections in the area and demand was low. According to trading sources export demand from Singapore, Malaysia, Srilanka and Bangladesh has been seen. The market has expectation of slight improvement in demand from North India. The market however has hefty stock of around 35 lakh bags of red chillies. Seeding and sowing is in progress and rains might prove beneficial for this purpose. The market sources are expecting the acreage to increase this year. The prices are expected to remain steady to range bound for few days.

### FUTURES MARKETS:

Chilli prices at the NCDEX August futures contract remained bearish today. The contract opened low at Rs. 4825 a quintal and the prices declined to a low of Rs. 4757 a quintal. The days trading ended with bearish sentiments at Rs. 4781 a quintal. The total number of volumes traded declined to 3425 MT's as against previous days 5430 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Low Production
2. Export of commodity
3. Expectation of increase in demand

#### Bearish:

1. Comfortable stock position
2. Weather favorable for sowing
3. Expectation of increased acreage

### Weather:

Rain/thundershowers are likely at most places over Coastal Karnataka, north Coastal Andhra Pradesh and Telangana; at many places over south Coastal Andhra Pradesh, interior Karnataka, Kerala and Andaman & Nicobar Islands and at a few places over the rest region. Rains will be beneficial for rain fed chilli crop.

### TECHNICALS

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



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4701	4648	4835	4896

### TRADE RECOMMENDATION:

Sell below 4810 targeting 4718 and then 4690 with a strict stop loss at 4880. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4400-4500	25000 - 30000
	LCA 334 (loose) Non Cold Storage N.A.	

## JEERA (Cumin)

### SPOT MARKETS

Jeera prices at Unjha market remained steady today. The market saw higher off take than the inflow in the market. The demand for the commodity increased on international buying interest. According to trading sources, Unjha market has a stock of around 6 - 7 lakh bags of jeera. Syria and Turkey are short of their normal production there by giving chances of higher exports from India. Also, Geopolitical disturbances in Lebanon are disrupting exports from their thus providing Indian exporters a better chance to cash in greater profits. The traders from North Indian markets are expecting consumption demand to increase due to festival season. The prices might remain range bound to firm for few days.

### FUTURES MARKETS:

Jeera prices at NCDEX August futures contract traded volatile today. The contract opened firm at Rs 8050 a quintal and then hovered between Rs. 7920 - 8108 a quintal. The days trading settled with bullish sentiments in green at Rs. 8030.80 a quintal. The total volumes traded during the session declined to 5829 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Short crop in other major producing nations
2. Syria crop of inferior quality coupled with low carry over stocks in Turkey, Syria
3. Improvement in domestic demand
4. Geopolitical disturbance in Lebanon

**Weather:** Rain/thundershowers are likely at most places over Konkan & Goa and Madhya Maharashtra; at many places over Gujarat Region and at a few places 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 neutral region. MACD is in positive zone. The prices might mostly remain firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7920	7780	8111	8256

### TRADE RECOMMENDATION:

Buy above 7998 with a target of 8110 and then 8154 with a strict stop loss at 7910. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1540- 1600	5000
	Ganesh	1620	
	Machine Cleaned	1690 - 1840	

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