

## SPICES DAILY

August 03, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric prices at most of the major turmeric markets declined today. In Erode market the prices declined on high arrivals and low demand. The off take was of only 60 - 70 percent of the total arrivals. The buyers are from the domestic markets of North India and local traders are also buying the commodity. 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 range bound to slightly firm.

#### FUTURES MARKETS:

Turmeric futures at the NCDEX remained indecisive today. NCDEX August futures contract opened firm at Rs. 2547 a quintal and thereafter the prices hovered between Rs. 2512 - Rs. 2547 a quintal. The days trading finally settled up at Rs. 2531 a quintal. The number of volumes traded diminished to 4820 MT's as against previous days 9910 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 many places over Coastal Karnataka, Kerala, Coastal Andhra Pradesh and Telangana 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 indecision. Stochastic is in neutral region and MACD is in positive zone. The prices might remain slightly firm.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2512	2482	2578	2603

#### TRADE RECOMMENDATION:

Buy above 2523 with a target at Rs. 2556 and then 2561 with a strict stop loss at Rs. 2498. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2225 - 2230	1500
	Gattah 2075 - 2120	
Erode	Finger 2400-2500	6000
	Gattah 2400 - 2450	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market declined slightly on some selling in the market as the prices had reached astronomical highs. The prices declined by Rs. 100 a quintal and the off take was of 4 MT's. 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. Brazil, Srilanka and Indonesia have estimates of poor crop with low carry over stock. Market sources estimates crop of Indonesia to be less by around 25 - 30 percent this season. Harvesting in Srilanka, Indonesia and Brazil is in progress. 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 followed its previous up trend after opening low at Rs. 10266 a quintal. The prices remained volatile throughout the day and declined to a low of Rs. 10151 a quintal after trading high up to Rs. 10635 a quintal. The days trading ended in red at Rs. 10199 per quintal. The volumes traded during the day were of 19172 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 many places over Coastal Karnataka, Kerala, Coastal Andhra Pradesh and Telangana 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 continue to decline on technical correction.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	9909	9730	10639	10766

### TRADE RECOMMENDATION:

Sell below Rs. 10312 with a target at Rs. 10062 and then Rs. 9965 with a strict stop loss at Rs. 10505. 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 reduced arrivals and less demand due to panchayati election in the area. Export demand is steady and domestic demand is low. The market however has hefty stock of around 30 lakh bags of red chillies. Seeding is in progress and rains might prove beneficial for sowing the crop at this stage. The prices are expected to remain steady to range bound for few days.

### FUTURES MARKETS:

Chilli futures at the NCDEX August remained bearish today. The contract opened firm at Rs. 4835 a quintal and prices declined to a low of Rs. 4788 a quintal. The days trading ended with bearish sentiments equal to previous day's close of Rs. 4824 a quintal. The total number of volumes traded increased to 5430 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Low Production
2. Reduced arrivals due elections

#### Bearish:

1. Comfortable stock position
2. Weather favorable for sowing
3. Sluggish Demand

### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala, Coastal Andhra Pradesh and Telangana 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 has made bearish crossover in neutral region. MACD is in negative zone. The prices are most likely to decline.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4754	4701	4878	4950

### TRADE RECOMMENDATION:

Sell below 4845 targeting 4802 and then 4788 with a strict stop loss at 4878. 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	10000
	LCA 334 (loose) Non Cold Storage 3500-4100	

## JEERA (Cumin)

### SPOT MARKETS

Unjha market did not see any fresh change in price. The market saw high demand for the commodity on international buying interest and improving domestic demand. Traders are making enquiries. Syria and Turkey are short of their normal production there by giving chances of higher exports from India. 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 continue to rule firm for few days.

### FUTURES MARKETS:

Jeera prices at NCDEX August futures contract recovered today. The contract opened firm at Rs 7985 a quintal and then hovered between Rs. 7918 - 8108 a quintal. The days trading settled with bullish sentiments at Rs. 8028 a quintal. The total volumes traded during the session declined to 7743 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 and export demand
4. Geopolitical disturbance in Lebanon
5. Export enquiries from China, Singapore

**Weather:** Rain/thundershowers are likely at many places over Konkan & Goa and Madhya Maharashtra and at a few places over the rest region. Rains might affect arrivals of the commodity in the market.

### TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic is in neutral region. MACD is in positive zone. The prices might decline initially and thereafter recover.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	7914	7850	8159	8256

### TRADE RECOMMENDATION:

Buy above 7990 with a target of 8098 with a strict stop loss at 7908. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1540- 1600	4000 - 5000
	Ganesh 1620	
	Machine Cleaned 1690 - 1840	

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2005 Indian Agribusiness Systems Pvt Ltd.