

SPICES DAILY

August 26, 2006

TURMERIC

SPOT MARKETS

Turmeric prices at most of the primary markets remained steady to slightly bearish. Erode market saw high arrivals and the demand for the commodity reduced a bit. The offtake was of around 60 - 70 percent of the total inflow. According to trading sources Erode market has a stock of around 6 - 7 lakh bags of turmeric. Nizamabad market witnessed similar S&D position thus keeping the prices in its previous range. Nizamabad market has a stock of around 2.50 - 2.75 lakh bags of turmeric. Prices are most likely to remain range bound for few days.

FUTURES MARKETS:

Turmeric prices at the NCDEX September futures contract traded indecisive as the prices could not sustain higher levels. The contract opened below previous days close at Rs. 2622 a quintal and thereafter prices surged to a high of Rs. 2649 a quintal. The prices did not sustain at those levels and declined to end in red at Rs. 2622 a quintal. The total volumes traded during the day augmented to 4990 MT's as against previous days 3300 MT's.

PRICE DRIVERS:

Bearish:

1. Increasing arrivals
2. Increased Acreage
3. 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 Andaman & Nicobar Islands and Tamilnadu & Pondicherry and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is bearish in neutral region and MACD is in negative zone. The prices are most likely to be bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2600	2572	2645	2671

TRADE RECOMMENDATION:

Sell below 2630 with a target of Rs. 2612 and then 2600 with a strict stop loss at Rs. 2644. 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	2400-2450	7000
	Gattah	2375-2425	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market continued to trade firm on better position of India in international market. The market saw hefty arrivals of 80 MT's of pepper and offtake was of similar quantity. Brazil crop is expected to hit the markets by October end and is selling its pepper forward. Brazil has increased its price quotes. Vietnam has also increased price of its pepper and has less of ASTA grade to offer. 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. The domestic demand from North India's markets is expected to increase on upcoming festivals. The demand for Indian pepper is likely to improve in coming days from both domestic and international markets. The prices are expected to be slightly firm for few days.

FUTURES MARKETS:

Black pepper prices on NCDEX September futures contract spurt and displayed a breakout in prices that was likely for the past few days. NCDEX September futures contract jumped to open at Rs. 10648 and followed yesterday's recovery. Thereafter the prices shot up to Rs. 11025 a quintal. The trading for the day settled firm at Rs. 10909 and the total volume number of volumes traded almost doubled to 10870 MT's.

PRICE DRIVERS:

Bullish:

1. Global Supply shortage
2. Brazil, Indonesia, Vietnam increases price
3. Vietnam has meager quantity of ASTA
4. India restricts Srilankan Exports by introducing 2500 MT's of quota
5. 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 Andaman & Nicobar Islands and Tamilnadu & Pondicherry 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 bullish crossover in neutral region. The contract is most likely to trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	10772	10616	11026	11286

TRADE RECOMMENDATION:

Buy above Rs. 10858 with a target at Rs. 11015 and then 11080 with a strict stop loss at Rs. 10754. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10300	80
	Ungarbled 9900	

RED CHILLIES

SPOT MARKETS

In Guntur market Red chillies prices continued to decline today on high arrivals and slightly reduced export demand as no fresh buying was seen from the exporter's side. The offtake was of around 27000 bags of chilli. Traders are expecting demand might likely to continue from international and domestic markets. The market saw some consolidation as prices had earlier reached high levels. 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 traded bearish today. The contract slipped to open low at Rs. 5551 a quintal and then the prices declined to a low of Rs. 5467 a quintal. The trading for the day settled in red at Rs. 5481 a quintal. The volumes numbers came out at 10950 MT's and open interest declined as against previous day.

PRICE DRIVERS:

Bullish:

1. High domestic demand on upcoming festival season
2. Crop loss in some chillie growing areas

Bearish:

1. No fresh export demand
2. Hefty arrivals
3. Sowing near completion with expectation of increased acreage
4. Weather favorable for sowing and growth of crop.

Weather:

Rain/thundershowers are likely at a few places over Andaman & Nicobar Islands and Tamilnadu & Pondicherry and isolated over the rest region. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5424	5370	5574	5647

TRADE RECOMMENDATION:

Sell below 5505 targeting 5436 and then 5400 with a strict stop loss at 5556 Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	5200 - 5600
	LCA 334 (Bilty)	5800 - 6400
		40000

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market declined today on higher arrival and slightly reduced demand. The offtake was similar to the inflow of jeera. The market still has high demand from export front and domestic markets. However prices are ruling at higher levels. According to trading sources, fresh export orders of jeera are expected in coming days on better position of India in international market followed by upcoming festival season in Gulf countries. Domestic demand is also likely to recover in coming days. The domestic buyers are mainly from Delhi and South India. Traders from North India are expecting demand to increase due to upcoming festival season in India. The prices might decline a bit and then recover again.

FUTURES MARKETS:

Jeera prices continued to decline at the NCDEX. Jeera September futures opened firm at Rs. 8240 a quintal and thereafter declined to the low of Rs. 8153 a quintal. The days trading ended in red at Rs. 8183.90. Total volumes traded during the day declined to 5169 MT's as against previous days 8097 MT's.

PRICE DRIVERS:

Bullish:

1. Competitors offer inferior quality jeera at higher prices
2. Domestic and international demand likely to improve ahead of festival season

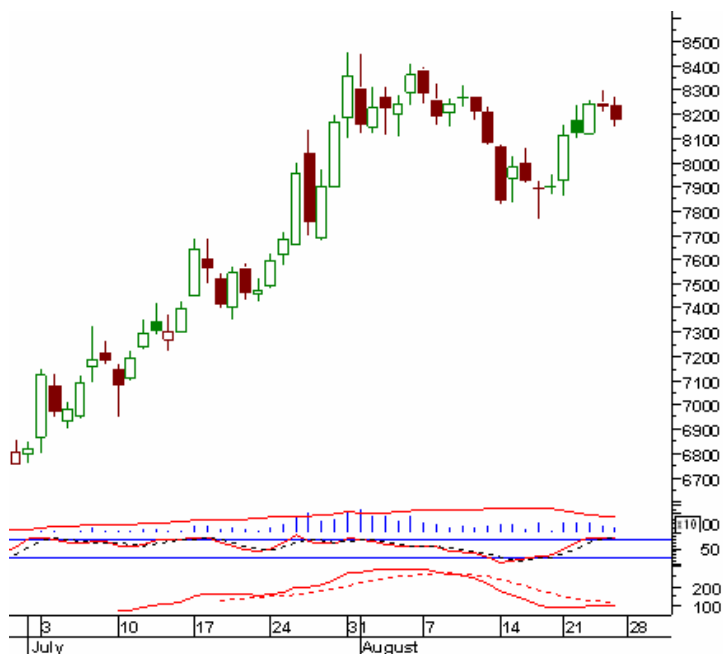
Bearish:

1. Increasing arrivals
2. No fresh Export demand
3. Jeera contains slight moisture

Weather: Rain/thundershowers are likely at a few places over Gujarat region, East Rajasthan and Konkan & Goa and isolated over the rest region. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic has made bearish crossover in oversold region. MACD is in positive zone. The prices might move volatile with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEXSeptember	8120	8063	8265	8315

TRADE RECOMMENDATION:

Sell below 8210 with a target of 8150 and then 8125 with a strict stop loss at 8254. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1460 - 1560	3000
	Ganesh	1540 - 1600	
	Machine Cleaned	1625 - 1725	

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