

SPICES DAILY

August 16, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in most of the primary markets declined today. Erode market saw slightly reduced arrivals ahead of next two days holidays. The demand for the commodity was moderate as the off take was only around 70 - 75 percent. In Nizamabad also almost similar sentiments prevailed with slightly better demand condition. Both Erode and Nizamabad market has enough stocks. The traders are expecting demand to improve in coming days. The prices might remain range bound.

FUTURES MARKETS:

Turmeric prices at the NCDEX September futures contract declined today on heavy speculative selling. The contract opened low at Rs. 2593 a quintal and then recovered up to Rs. 2671 a quintal. Thereafter the prices continued to decline and were lowest at Rs. 2593 a quintal. The trading for the day settled with bearish sentiments at Rs. 2603 a quintal. The volumes traded during the day increased to 9670 MT's as against previous days 5560 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock

Bullish:

1. Improving demand

Weather: Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu & Pondicherry and Rayalaseema 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 neutral region and MACD is in positive zone. The prices might move volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2589	2552	2636	2671

TRADE RECOMMENDATION:

Sell below 2620 with a target of Rs. 2588 and then 2572 with a strict stop loss at Rs. 2645. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2300 - 2400	1500
	Gattah 2100 - 2150	
Erode	Finger 2400 - 2450	4000
	Gattah 2350 - 2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market continued to decline today on no fresh demand from international markets and lack of domestic demand from west and east India. The market saw increased arrivals and offtake was of similar quantity. According to trading sources Kerala Marketfed is expected to sell more quantity. The domestic demand in North India's markets might improve ahead of festival season. 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 September futures contract opened at Rs. 10430 a quintal that was below previous day's close of 10427 a quintal. The prices continued to decline and were lowest at Rs. 10150 a quintal. The contract witnessed volatile price movements and traded in red for most of the day. The days trading finally settled at Rs. 10177 a quintal. The total volumes traded during the session were 6998 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:

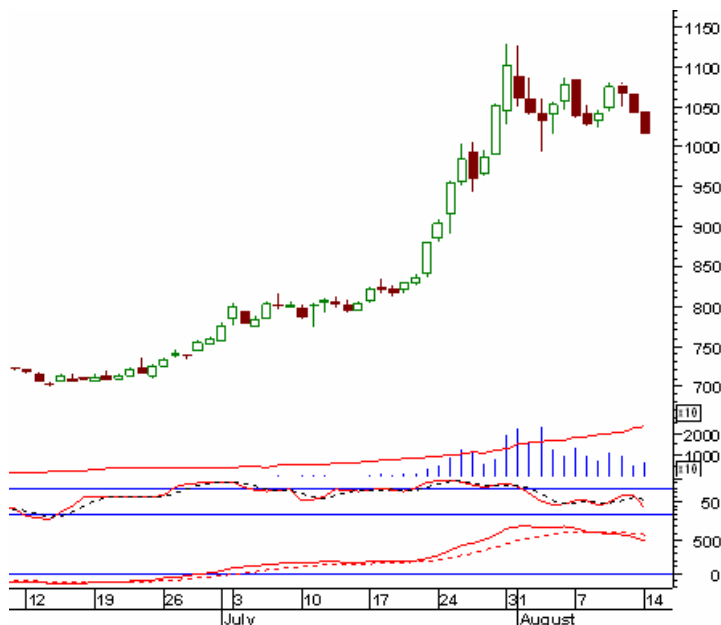
1. Brazil and Sri Lanka harvesting continues
2. No fresh demand from international markets
3. Marketfed likely to sell more of commodity

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu & Pondicherry and Rayalaseema 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 September	9947	9650	10445	10661

TRADE RECOMMENDATION:

Sell below Rs. 10245 with a target at Rs. 10045 and then 9960 with a strict stop loss at Rs. 10395. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 9700	30
	Ungarbled 9300	

RED CHILLIES

SPOT MARKETS

Guntur market for red chillies saw slightly reduced arrivals today and the demand for the commodity was high. The prices improved after past steady to range bound movement of prices. The market has a stock of 20 - 25 lakh bags of chilli. Export demand is present and buyers are from Bangladesh, the domestic demand is from South India and west Bengal. The demand is expected to improve due to festival season. Seeding and sowing is in progress with an expectation of increased acreage this year. According to trading sources Warangal and Khammam needs to be seeded again due to loss from rains. The market also has reports of loss in Maharashtra, Madhya Pradesh and Andhra Pradesh. The sowing might end in a fortnight. The prices are expected to remain firm for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX September futures contract continued to trade firm on bullish cues from spot. The contract opened firm at Rs. 5239 a quintal and thereafter the prices surged to the high of Rs. 5368 a quintal. The days trading settled at Rs. 5310 a quintal. The total number of volumes traded declined to 22675 MT's as against previous days 34830 MT's.

PRICE DRIVERS:

Bullish:

1. Export of commodity
2. Reseeding required in some areas
3. Crop loss in certain areas
4. Boost in demand ahead of festivals

Bearish:

1. Sowing in progress with expectation of increased acreage

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu & Pondicherry and Rayalaseema where it may be isolated. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing bullish sentiments. Stochastic is bullish and has just entered overbought zone. MACD is in positive zone. The prices are most likely to be firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5200	5112	5461	5572

TRADE RECOMMENDATION:

Buy above 5280 targeting 5372 and then 5448 with a strict stop loss at 5210. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 4700 - 5300	15000
	LCA 334 (loose) Non Cold Storage 4200 - 4500	

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market declined slightly. The arrival declined due to closure of road route on heavy rains. The demand for jeera was similar to the inflow. According to trading sources international demand is present 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. With the improvement in geo political conditions the sea routes might reopen thus giving international buyers to purchase from Turkey, Syria. The market will remain closed and reopen on 18th. Traders from North India are expecting demand to increase gradually. The prices might remain range bound.

FUTURES MARKETS:

Jeera prices at NCDEX September futures contract posted slipped down sharply. The contract opened gap down at Rs 8063 a quintal and thereafter declined to a low of Rs. 7826 a quintal and then settled in red at Rs. 7846 a quintal. The total volumes numbers increased to 9534 MT's as against previous days 7824 MT's.

PRICE DRIVERS:

Bullish:

1. Short crop in other producing nations
2. Expectation of demand to improve

Bearish:

1. Geopolitical tensions discontinue, sea routes might reopen
2. Reduced domestic demand on blockage of road routes.
3. Jeera gains moisture keeping off buyers

Weather: Rain/thundershowers are likely at many places over Madhya Maharashtra, Marathwada, Gujarat, southeast Rajasthan & at a few places over the rest region. Rainfall activity over Gujarat region & Mumbai) likely to increase from 15th night onwards. Rains might affect arrivals of the commodity in the market.

TECHNICALS

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



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	7761	7662	7972	8079

TRADE RECOMMENDATION:

Sell below 7890 with a target of 7766 and then 7720 with a strict stop loss at 7988. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1420 - 1560	1500 - 2000
	Ganesh	1560	
	Machine Cleaned	1620 - 1750	

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.