

## SPICES DAILY

August 11, 2006

### TURMERIC

#### SPOT MARKETS

Turmeric at most of the major turmeric markets remained firm. The markets saw high arrivals after yesterday's holiday and due to improved weather conditions. The demand for the commodity also increased and offtake was of near around 80 percent of the total arrivals in Erode market. 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 traded indecisive. The contract opened at Rs. 2479 a quintal similar to previous day's close of Rs. 2479 a quintal. The prices hovered between Rs. 2475 - 2499 a quintal. The days trading settled in green at Rs. 2485 a quintal. The number of volumes traded declined to 2860 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 and north Coastal Andhra Pradesh and at a few places over the rest region outside Tamil Nadu and Rayalaseema where it may be isolated. 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 made bearish crossover in negative zone. The prices might decline.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	2456	2439	2514	2535

#### TRADE RECOMMENDATION:

Sell below 2495 with a target at Rs. 2480 with a strict stop loss at Rs. 2506. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2300 - 2350	1700 - 1800
	Gattah 2100 - 2160	
Erode	Finger 2450 - 2500	6000 - 7000
	Gattah 2400	

## BLACK PEPPER

### SPOT MARKETS

Black pepper prices at Kochi market increased today. The market did not see any fresh arrivals however off take were hefty of around 210 MT's. According to trading sources, some enquiries from foreign buyers were seen. The market does not have any fresh export demand however domestic demand in North India's markets might improve. Markfed has called for tenders to sell Ungarbled pepper. India is likely to put a cap on import of Black pepper from Srilanka. Most of the producing nations have very low stocks. The prices are expected to remain range bound to slightly firm for few days.

### FUTURES MARKETS:

Black pepper at NCDEX August futures contract-traded firm as the contract opened gap up at Rs. 10190 a quintal. Thereafter prices surged to a high of Rs. 10550 a quintal and settled in green at Rs. 10498 a quintal. The total volumes traded during the day augmented to 5165 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Govt. likely to put a cap on imports from Srilanka
2. High demand from markets of North India
3. Export enquiries

#### Bearish:

1. Brazil, Indonesia and Sri Lanka harvesting continues
2. No fresh Export demand
3. Markfed calls tender to sell Ungarbled pepper

### Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala and north Coastal Andhra Pradesh and at a few places over the rest region outside Tamil Nadu and Rayalaseema where it may be isolated. Rains at this stage will prove beneficial for pepper crop.

### TECHNICALS

Candlesticks are indicating firm 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	10354	10078	10654	10769

### TRADE RECOMMENDATION:

Buy above Rs. 10360 with a target at Rs. 10620 with a strict stop loss at Rs.10150. 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 - 20000 thus reflecting slightly improved demand. According to trading sources the market has a hefty stock of around 30-32 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. The market has eyes on weather conditions in Andhra Pradesh, Madhya Pradesh and Maharashtra. The prices are expected to remain steady to range bound for few days.

### FUTURES MARKETS:

Chilli prices at the NCDEX August futures contract traded indecisive today. The contract opened firm at Rs. 4756 a quintal and the prices hovered between Rs. 4690 a quintal. The trading settled at Rs. 4735 - 4785 a quintal. The days trading finally ended at Rs. 4765. The total number of volumes traded declined to 3700 MT's.

### PRICE DRIVERS:

#### Bullish:

1. Export of commodity
2. 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 Coastal Karnataka, Kerala and north Coastal Andhra Pradesh and at a few places over the rest region outside Tamil Nadu and Rayalaseema where it may be isolated. Rains will be beneficial for rain fed chilli crop.

### TECHNICALS

Candlesticks are showing indecision. Stochastic is in neutral region. MACD is in negative zone. The prices are most likely to remain range bound with bullish bias.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	4710	4657	4826	4884

### TRADE RECOMMENDATION:

Buy above 4790 targeting 4846 with a strict stop loss at 4710. 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 at Unjha market traded steady as the arrivals were of 2500 - 3000 bags and the demand remained same. The arrivals are reducing due to rains in the region. The demand for the commodity is expected to improve once the weather clears and road traffic begins. The buyers from international markets are interested in Indian jeera and demand is likely to increase in domestic markets. According to trading sources, 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 slightly firm for few days.

### FUTURES MARKETS:

Jeera prices at NCDEX August futures contract surged on buying interest. The contract opened gap down at Rs 8009 a quintal and thereafter declined to Rs. 7962 and then posted sharp gains to a high of Rs. 8125 a quintal. The days trading settled in green at Rs. 8059 a quintal. The total volumes numbers increased to 1788 MT's as against previous days 1548 MT's.

### PRICE DRIVERS:

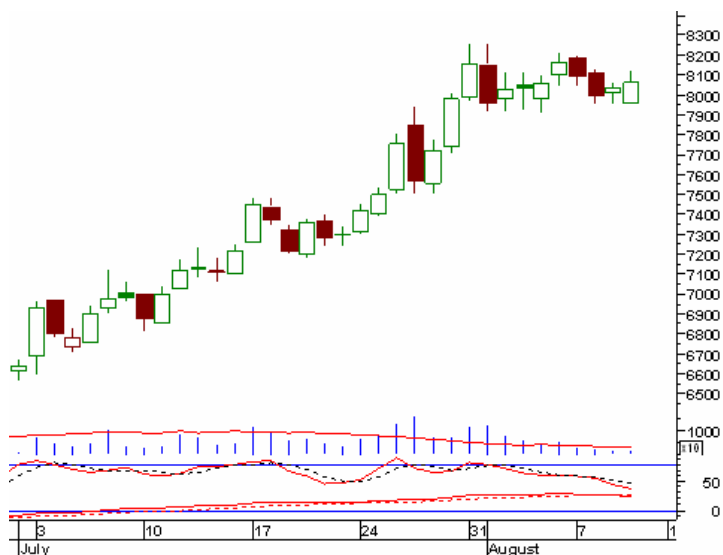
#### Bullish:

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

**Weather:** Rain/thundershowers are likely at many places over Konkan & Goa, Madhya Maharashtra, East Rajasthan and Gujarat Region and at a few places over the rest region. The rainfall activity is likely to increase over Gujarat Region from 12<sup>th</sup>. 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 continue to recover.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX August	8009	7913	8151	8256

### TRADE RECOMMENDATION:

Buy above 8025 with a target of 8120 and then 8150 with a strict stop loss at 7952. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q	2500 - 3000
	Ganesh	
	Machine Cleaned	

### 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.