

SPICES DAILY

August 28, 2006

TURMERIC

SPOT MARKETS

Most of the Turmeric markets remained closed today. Turmeric prices are moving range bound to slightly bearish in Erode on high arrivals and steady demand for the commodity. The daily offtake is around 70 - 75 percent of the total inflow. According to trading sources Erode market has a stock of around 6 - 7 lakh bags of turmeric. Turmeric prices in Nizamabad market are moving range bound on similar demand - supply situation. Nizamabad market has a stock of around 2.50 - 2.75 lakh bags of turmeric. Prices are most likely to continue range bound for few days.

FUTURES MARKETS:

Turmeric prices at the NCDEX September futures contract were driven by bears as the prices declined to a low of Rs. 2580 a quintal after opening at Rs. 2622 a quintal. The days trading ended at the lowest price of Rs. 2580 a quintal. The total volumes traded during the day augmented to 6010 MT's as against previous days 4990 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 many places over Andaman & Nicobar Islands; at a few places over north Coastal Andhra Pradesh 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	2552	2533	2609	2638

TRADE RECOMMENDATION:

Sell below 2585 with a target of Rs. 2560 with a strict stop loss at Rs. 2604. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market continued to surge on favourable position of India in international market. The market saw arrivals and offtake of 40 MT's of pepper. Brazil is selling its pepper forward as the crop there is expected to enter the markets by October end. Other major producing nations have increased prices of their pepper. However market has fear of Inflow of pepper from Srilanka. The domestic demand from North India's markets is high and is likely to increase on upcoming festivals in India and overseas. The demand for Indian pepper is likely to improve in coming days from both domestic and international markets. The prices are expected to be firm for few days.

FUTURES MARKETS:

NCDEX Black pepper remained strong today. September futures contract followed yesterday's recovery in prices and opened firm at Rs. 10990 a quintal. Thereafter the prices surged and made a new high of the contract at Rs. 11319 a quintal and ended firm at Rs. 11265. The total volumes figures for the day were 8424 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. High 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 many places over Andaman & Nicobar Islands; at a few places over north Coastal Andhra Pradesh 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 entered oversold region. The contract is most likely to trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	11016	10778	11563	11730

TRADE RECOMMENDATION:

Buy above Rs. 11235 with a target at Rs. 11480 and then 11565 with a strict stop loss at Rs. 11050. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10600	40
	Ungarbled 10200	

RED CHILLIES

SPOT MARKETS

Guntur market for Red chillies remained closed today. The prices after trading firm declined slightly by the weekend as prices touched high levels earlier. Moreover demand from Bangladesh reduced but traders believe it is likely to recover again. 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 range bound to slightly firm for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX September futures contract continued to trade bearish today. The contract opened at Rs. 5496 quintal and hovered between Rs. 5451 - 5510 quintal. The trading for the day settled in red at Rs. 5450 a quintal. The volumes traded declined to 4885 MT's as against previous days 10950 MT's.

PRICE DRIVERS:

Bullish:

1. High domestic demand on upcoming festival season
2. Crop loss in some chillie growing areas
3. Traders expecting demand from international markets

Bearish:

1. Hefty arrivals
2. Sowing near completion with expectation of increased acreage

Weather:

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

TECHNICALS

Candlesticks are showing indecision. Stochastic is in oversold region. MACD is in positive zone. The prices are most likely to be volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5378	5280	5514	5601

TRADE RECOMMENDATION:

Buy above 5415 targeting 5450 and then 5475 with a strict stop loss at 5395. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market continued trade in previous range. The demand was high resulting in increased offtake of about 2 - 2.5 times of the day's arrivals. The market has high demand from international and domestic markets. 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. The prices might recover for few days.

FUTURES MARKETS:

Jeera prices declined at the NCDEX. Jeera September futures contract opened low at Rs. 8180 a quintal and thereafter recovered to the high of Rs. 8231 and then ended in red at Rs. 8152 a quintal. Total volumes traded during the day declined to 3087 MT's as against previous days 5169 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
3. Demand from international markets

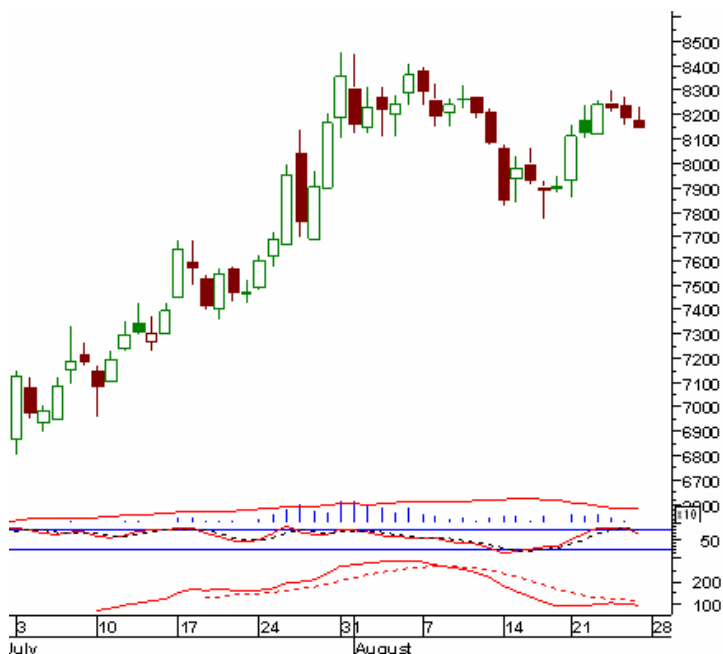
Bearish:

1. Jeera contains slight moisture

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

TECHNICALS

Candlesticks are indicating indecision. 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
NCDEXSeptember	8113	8061	8200	8242

TRADE RECOMMENDATION:

Buy near 8120 - 8122 with a target of 8152 and then 8174 with a strict stop loss at 8100. Trade cautiously with intra day outlook.

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

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