

SPICES DAILY

August 30, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in Erode market declined slightly and in Nizamabad remained steady. Prices in Erode market declined on slightly increased arrivals and the demand remained somewhat similar. The markets have export as well as domestic demand for the commodity. Nizamabad market is catering to Gulf countries. However, European nations and US are buying alleppey grade. The markets also have demand from Northern as well as southern India. According to latest estimates from trading sources Erode and Nizamabad markets have a stock of around 6 lakh bags and 2.25 lakh bags of turmeric respectively. The prices are most likely to continue slightly firm on high export demand and improving domestic demand for few days.

FUTURES MARKETS:

Turmeric at the NCDEX September futures contract after few days of bearish sentiments recovered today on bullish cues from physical markets. NCDEX September futures contract opened firm at Rs. 2565 a quintal and thereafter recovered to a high of Rs. 2598 a quintal. The days trading ended in green at Rs. 2584 per quintal. The total volume numbers for the day were 6930 a quintal.

PRICE DRIVERS:

Bearish:

1. Hefty stock

Bullish:

1. High Export demand
2. Domestic demand Improving on upcoming festival season
3. Slight loss to Crop in AP, Maharashtra

Weather: Rain/thundershowers are likely at many places over north 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 bullish sentiments. Stochastic has made bullish crossover in oversold region and MACD is in negative zone. The contract is most likely to continue firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2555	2535	2603	2629

TRADE RECOMMENDATION:

Buy above 2575 with a target of Rs. 2602 and then 2615 with a strict stop loss at Rs.2555. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2250-2350	500
	Gattah 2100-2125	
Erode	Finger 2400-2450	4000
	Gattah 2350-2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices continued firm on high demand for the commodity on favourable position of India in international market. The prices did not decline even though Kerala Marketfed sold 320 tonnes of pepper at the rate of Rs. 108 a Kg. The export scenario for Indian pepper is good as competitors are increasing price of their pepper and do not have much to offer. The market has only fear of Inflow of pepper from Srilanka. The domestic demand 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:

September futures contract on NCDEX continued with its previous bull run after witnessing slight decline in prices in the early trading hours of the day. The contract opened firm at Rs. 11597 a quintal thereafter declined to Rs. 11411 level and then continued to surge and made a fresh high of Rs. 11775 per quintal. The days trading settled at Rs. 11671 per quintal. The total volumes traded during the day increased to 9673 MT's.

PRICE DRIVERS:

Bullish:

1. High demand from international and domestic markets
2. Competitors raise price

Bearish:

1. Marketfed Sells 320 MT's of pepper , likely to sell more
2. Sri Lanka harvesting continues

Weather:

Rain/thundershowers are likely at many places over north 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 indecision. MACD is in positive territory; Stochastic is in oversold region. The contract is most likely to trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	11559	11412	11779	11930

TRADE RECOMMENDATION:

Sell below Rs. 11710 with a target at Rs. 11595 and then 11560 with a strict stop loss at Rs. 11795. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 10900	160
	Ungarbled 10500	

RED CHILLIES

SPOT MARKETS

Guntur market for Red chillies saw slight recovery in prices. The arrival remained in similar range and off take was of around 10000 bags. The buyers are from domestic as well as international markets. Bangladesh is buying but exports are expected to gain pace. 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 traded firm today. The contract opened up at Rs. 5550 quintal and thereafter increased to Rs. 5662 a quintal. The trading for the day settled in green at Rs. 5632 a quintal. The volumes traded during the session were 15790 MT's of chilli.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Sowing near completion with expectation of increased acreage

Weather:

Rain/thundershowers are likely at many places over north 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 bullish sentiments. Stochastic is in neutral region. MACD is in positive zone. The prices are most likely to be volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5550	5499	5709	5758

TRADE RECOMMENDATION:

Buy above 5615 targeting 5685 and then 5708 with a strict stop loss at 5562. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 5300-5700	15000 - 20000
	LCA 334 (Bilty) 5900 - 6000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market increased today on high demand. The demand for jeera from domestic and international markets is increasing day by day and on an average it is almost double to triple of the arrivals. The offtake was of around 10000 bags of jeera thus reflecting high demand for the commodity. Buyers from Singapore are purchasing good quantity of jeera. The export scenario for jeera is favourable as according to trading sources Syria has increased the price of its jeera. Traders are expecting some fresh export orders of jeera in coming days on better position of India in international market followed by upcoming festival season in Gulf countries and in India. The prices might remain firm for few days.

FUTURES MARKETS:

Jeera prices at the NCDEX. Jeera September futures contract traded mostly firm today however by the end of the session ended with complete indecision. The contract opened firm at Rs. 8299 a quintal and thereafter hovered between Rs. 8251.50 - 8358 a quintal. The days trading ended in red at Rs. 8288.90 a quintal. The total volumes traded decreased to 7209 MT's.

PRICE DRIVERS:

Bullish:

1. Favorable Position of Indian Jeera in International market
2. Competitors offer inferior quality jeera at higher prices
3. Domestic and international demand high and is expected to improve ahead of festival season

Bearish:

1. Jeera contains slight moisture

Weather: Rain/thundershowers are likely at a few places over south Gujarat region and Konkan & Goa and Marathawada and isolated over the rest region. Increase in rainfall activity over Marathawada, north Madhya Maharashtra and Gujarat Region after 1-2 days. 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 continue to be volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEXSeptember	8243	8147	8359	8446

TRADE RECOMMENDATION:

Buy above 8265 with a target of 8310 and then 8330 with a strict stop loss at 8232. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q	3500
	Ganesh	
	Machine Cleaned	
	1480 - 1580	
	1560 - 1620	
	1650 - 1725	

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