

SPICES DAILY

August 29, 2006

TURMERIC

SPOT MARKETS

Most of the major turmeric markets saw a decline in turmeric prices on reduced demand at current prices. Prices in Erode market decline despite low arrivals today as demand for the commodity also declined resulting in an off take of about 75 - 80 percent of inflow. Nizamabad market too witnessed less trade. The markets have demand from Northern as well as southern India. Erode and Nizamabad markets have a stock of around 6 - 7 lakh bags and 2.50 - 2.75 lakh bags of turmeric respectively. The prices are most likely to continue range bound for few days.

FUTURES MARKETS:

Turmeric at the NCDEX September futures contract continued to trade bearish as the prices declined to a low of Rs. 2545 a quintal after opening slightly up at Rs. 2584 a quintal. The days trading ended in red at Rs. 2558 a quintal.

PRICE DRIVERS:

Bearish:

1. Increasing arrivals
2. Hefty stock

Bullish:

1. Improving demand ahead of festival season
2. Slight loss to Crop in AP, Maharashtra

Weather:

Costal A.P. is likely to experience fairly widespread with heavy rainfall during next 2 days. Rainfall activities over Talangana and Karnataka are likely to increase after 24 hrs. Kerala is likely to experience scattered rains. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is in oversold region and MACD is in negative zone. The contract is most likely to observe slight bounce in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	2532	2510	2585	2604

TRADE RECOMMENDATION:

Buy above 2545 with a target of Rs. 2562 and then 2572 with a strict stop loss at Rs. 2532. 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	3000
	Gattah 2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices are surging on high demand for the commodity on favourable position of India in international market. The export scenario for Indian pepper is good as competitors are increasing price of their pepper and do not have much to offer. Exporters in India have recently made buying of pepper indicating presence overseas buying interest. Brazil is selling its pepper forward as the crop there is expected to enter the markets by October end. The market has only fear of Inflow of pepper from Srilanka. The domestic demand from North India's markets has declined slightly 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:

September futures contract on NCDEX followed its bull run and opened firm at Rs. 11320 a quintal. Thereafter the prices surged and made a new high of the contract at Rs. 11590 a quintal. The days trading ended firm at Rs. 11560 per quintal.

PRICE DRIVERS:

Bullish:

1. Global Supply shortage
2. Competitors raise price
3. Exporters bought Pepper
4. Vietnam has meager quantity of ASTA
5. India restricts Srilankan Exports by introducing 2500 MT's of quota
6. High demand from international and domestic markets

Bearish:

1. Sri Lanka harvesting continues
2. India provides import concessions to import pepper from ASEAN

Weather:

Costal A.P. is likely to experience fairly widespread with heavy rainfall during next 2 days. Rainfall activities over Talangana and Karnataka are likely to increase after 24 hrs. Kerala is likely to experience scattered rains. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bullish sentiments. MACD has made bullish crossover 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	11320	11200	11735	11880

TRADE RECOMMENDATION:

Buy above Rs. 11470 with a target at Rs. 11660 and then 11720 with a strict stop loss at Rs. 11325. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled NA	-
	Ungarbled NA	

RED CHILLIES

SPOT MARKETS

Guntur market for Red chillies saw reduced arrivals due to festival in the region. The demand for the commodity was also low by the same reason. 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 recovered today. The contract opened low at Rs. 5458 quintal and thereafter increased to Rs. 5545 a quintal. The trading for the day settled in green at Rs. 5535 a quintal. The open interest for the day increased marginally as against previous day.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Sowing near completion with expectation of increased acreage

Weather:

Costal A.P. is likely to experience fairly widespread with heavy rainfall during next 2 days. Rainfall activities over Talangana and Karnataka are likely to increase after 24 hrs. Kerala is likely to experience scattered rains. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing bullish sentiments. Stochastic is in oversold region. MACD is in positive zone. The prices are most likely to remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX September	5468	5377	5601	5647

TRADE RECOMMENDATION:

Buy above 5518 targeting 5578 and then 5612 with a strict stop loss at 5474. 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	15000 - 20000
	LCA 334 (Bilty) 5800 - 6000	

JEERA (Cumin)

SPOT MARKETS

Unjha market for jeera remained closed today in celebration of some festival. The demand for jeera is increasing day by day and on an average it is almost double to triple of the arrivals. 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 to around \$2100. Also the quality of jeera offered by Syria and other competitors is inferior to that of India. 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 and in India. The prices might remain firm for few days.

FUTURES MARKETS:

Jeera prices at the NCDEX. Jeera September futures contract after witnessing slight profit booking again surged today. The contract opened firm at Rs. 8200 a quintal and thereafter increased to Rs. 8315 a quintal. The days trading ended firm at Rs. 8295 a quintal.

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

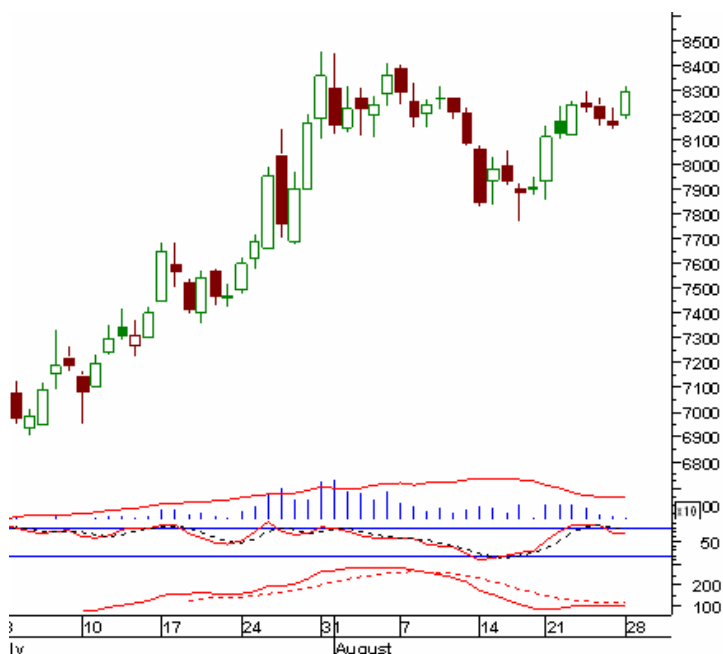
Bearish:

1. Jeera contains slight moisture

Weather: Scattered rainfall over Marathwara and Madhya Maharastra is likely to increase during next 3-4 days. Rainfall activity over Rajasthan and Gujarat may increase after 3-4 days. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bullish sentiments. Stochastic is in neutral region. MACD is in positive zone. The prices might continue to remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEXSeptember	8211	8121	8361	8461

TRADE RECOMMENDATION:

Buy above 8278 with a target of 8354 and then 8388 with a strict stop loss at 8226. Trade cautiously with intra day outlook.

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

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.