

SPICES DAILY

August 08, 2006

TURMERIC

SPOT MARKETS

Erode market of turmeric remained closed today in celebration of local festival. The market will reopen tomorrow and might see increased arrivals thus bringing down the prices. Turmeric prices at Nizamabad remained at previous levels as the market received thin arrivals due to rains in the region for the past few days. Both the markets have hefty stocks 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. According to trading sources recent rains proved beneficial for cultivation of crop however some damage has been reported in Duggirala due to heavy rains in the area. The traders are expecting demand to improve in coming days. The prices might remain range bound to slightly bearish.

FUTURES MARKETS:

Turmeric prices at the NCDEX August futures contract traded mostly firm and thereafter declined to end bearish. The contract opened Re. 1 up at Rs. 2513 a quintal as against previous close of Rs. 2512 a quintal and then increased up to Rs. 2535 a quintal. The prices thereafter declined to a low of Rs. 2504 a quintal and settled at Rs. 2505 a quintal. The number of volumes traded declined to 2300 MT's as against previous days 2700 MT's.

PRICE DRIVERS:

Bearish:

1. Increased Acreage
2. Hefty stock

Bullish:

1. Improving demand
2. Crop Loss in Duggirala

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka and at a few places over the rest of the southern region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic is in neutral region and MACD is in positive zone. The prices might decline.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | R1 | R2 |
|--------------|------|------|------|------|
| NCDEX August | 2474 | 2456 | 2532 | 2561 |

TRADE RECOMMENDATION:

Sell below 2519 with a target at Rs. 2490 and then 2476 with a strict stop loss at Rs. 2541. Trade cautiously with intra day outlook.

| Centers | Prices/Qtls. | Arrivals (Bags) one bag = 90 Kgs. |
|-----------|--------------------|-----------------------------------|
| Nizamabad | Finger 2225 - 2230 | 200 - 300 |
| | Gattah 2075 - 2120 | |
| Erode | Finger Closed | - |
| | Gattah Closed | |

BLACK PEPPER

SPOT MARKETS

Black pepper prices at Kochi market declined today. The market saw fresh arrivals and off take was comparatively very high. The market has reports of governments putting a cap on import of Black pepper from Srilanka to a quantum of around 2500 MT's. Most of the producing nations have very low stocks. Exchanges and cooperatives are left with reduced stock. Harvesting in Srilanka, Indonesia and Brazil is in progress. These nations have estimates of poor crop with low carry over stock. Market sources estimate crop of Indonesia to be less by around 25 - 30 percent this season. The domestic demand for pepper is high and traders from Delhi market are supplying to traders in Bengal and Bihar. The prices are expected to increase for few days.

FUTURES MARKETS:

Black pepper prices at NCDEX August futures traded low on speculative selling after the contract-opened firm at Rs. 10600 a quintal and increased by Rs. 8 a quintal to decline thereafter to a low of Rs. 10085. The trading for the day settled in red at Rs 10128 a quintal. The total volumes traded during the day increased to 10442 MT's.

PRICE DRIVERS:

Bullish:

1. Indian pepper prices competitive in global market
2. Brazil, Indonesia, Srilanka low crop estimates
3. World Supply Crunch
4. Reports of cap on imports from Srilanka
5. High demand from markets of North and East India

Bearish:

1. Brazil, Indonesia and Sri Lanka harvesting continues

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka and at a few places over the rest of the southern region. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are indicating bearish sentiments. MACD is in positive territory, Stochastic has made bullish crossover in neutral region. The prices might remain volatile during the day.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | R1 | R2 |
|--------------|------|------|-------|-------|
| NCDEX August | 9910 | 9721 | 10360 | 10652 |

TRADE RECOMMENDATION:

Buy above Rs. 9980 with a target at Rs. 10290 and then 10360 with a strict stop loss at Rs. 9745. Trade cautiously with intra day outlook.

| Centers | Prices/Qtls. | Arrivals (Tonnes) |
|---------|----------------|-------------------|
| Kochi | Garbled 10200 | 20 |
| | Ungarbled 9800 | |

RED CHILLIES

SPOT MARKETS

Red chilli prices at Guntur market remained closed today. Guntur market saw increased arrivals however demand also increased to about 60 - 65 percent as against previous 50 - 55 percent of the total inflow. According to trading sources the market has a hefty stock of around 35 lakh bags of red chillies. Slight export demand is present and domestic demand is expected to improve. Seeding and sowing is in progress with an expectation of increased acreage this year. The prices are expected to remain steady to range bound for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX August futures contract mostly traded firm today. The contract opened firm at Rs. 4765 a quintal and the prices increased to a high of Rs. 4778 a quintal. The prices hovered between 4740 - 4778 a quintal and settled in green at Rs 4760. The total number of volumes traded declined to 1580 MT's.

PRICE DRIVERS:

Bullish:

1. Low Production
2. Export of commodity
3. 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 and at a few places over the rest region. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are showing indecision. Stochastic has made bullish crossover in neutral region. MACD is bullish in negative zone. The prices are most likely to remain volatile with firm bias.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | R1 | R2 |
|--------------|------|------|------|------|
| NCDEX August | 4710 | 4654 | 4810 | 4864 |

TRADE RECOMMENDATION:

Buy above 4745 targeting 4790 and then 4808 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 4450 - 4950 | 25000 - 30000 |
| | LCA 334 (loose) Non Cold Storage NA | |

JEERA (Cumin)

SPOT MARKETS

Jeera prices at Unjha market declined today on reduced demand and supply situation. The market continued to see reduced arrivals and the off take was similar to the day's arrivals. The buyers were from international and domestic markets. According to trading sources, Unjha market has a stock of around 6 - 7 lakh bags of jeera. The demand is expected to be firm in the near future. The traders from North Indian markets are expecting consumption demand to increase due to festival season. The prices might remain range bound to slightly firm for few days.

FUTURES MARKETS:

Jeera prices at NCDEX August futures contract traded slightly bearish today. The contract opened firm at Rs 8185 a quintal and thereafter remained bearish for most of the day with a lowest level of Rs. 8040. The trading ended in red at Rs. 8093.90 a quintal and the volumes numbers came out as 3411 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 most places over Konkan & Goa, Madhya Maharashtra, Marathwada and Gujarat Region; at many places over the rest region except west Rajasthan where it may occur at a few places. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is in neutral region. MACD is in positive zone. The prices might most likely remain firm.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | R1 | R2 |
|--------------|------|------|------|------|
| NCDEX August | 8049 | 7920 | 8213 | 8256 |

TRADE RECOMMENDATION:

Buy above 8065 with a target of 8150 and then 8170 with a strict stop loss at 8004. Trade cautiously with intra day outlook.

| Centers | Prices/20 Kgs. | | Arrivals (Bags) |
|---------|-----------------|-------------|-----------------|
| Unjha | F.A.Q | 1490- 1590 | 3000 - 3500 |
| | Ganesh | 1590 | |
| | Machine Cleaned | 1640 - 1800 | |

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