

SPICES DAILY

September 07, 2006

TURMERIC

SPOT MARKETS

Turmeric in Erode market traded in the similar price range today on somewhat similar S&D conditions. The offtake was high of about 80 percent of the total inflow in the market. Turmeric prices are trading firm these days due to high demand for the commodity from domestic as well as export front. The domestic buyers are from West Bengal, Bihar, Delhi, Punjab Jammu Kerala and local markets of Tamil Nadu. Nizamabad market for turmeric remained closed today and will remain closed for next two days. The domestic demand is from Uttar Pradesh and Madhya Pradesh. Exports these days are being made to Gulf countries, Europe and Russia. The domestic demand is likely to continue to improve. The markets have good stock of turmeric and the prices might remain slightly firm for few days.

FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract increased today on bullish cues from spot along with large scale speculative buying. The contract opened firm at Rs. 2734 a quintal and thereafter surged to the high of Rs. 2849 a quintal. The days trading ended bullish at Rs. 2836 a quintal. The total volumes traded during the day increased amazingly high at 58490 MT's that was nearly five times the volumes traded previous day.

PRICE DRIVERS:

Bearish:

1. Hefty stock
2. Weather suitable for growth of crop

Bullish:

1. High domestic and export demand
2. Domestic demand likely to improve on upcoming festivals
3. Speculative buying

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands; at a few places over Tamil Nadu & Pondicherry and Lakshadweep and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are reflecting bullish sentiments in the market. Stochastic has made a bullish crossover in neutral region. MACD has also made a bullish crossover with its signal line. The contract is most likely to witness volatile price movement with firm bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2797	2758	2872	2930

TRADE RECOMMENDATION:

Buy above 2820 with a target of Rs. 2860 and then 2880 with a strict stop loss at Rs.2788. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	2400-2425	4000
	Gattah	2450-2475	

BLACK PEPPER

SPOT MARKETS

Kochi market for Black pepper witnessed high prices and the demand for pepper is also high. Indian pepper is enjoying favorable position in the world market. Vietnam business forum has said India is the sole current supplier of pepper in the world. The world pepper production is low and most of the nations are running short of their pepper thus helping the prices to climb up each day. Black pepper has high demand for conversion as market has report of high demand and less supply of white pepper that is mostly consumed by US and UK. The competitors are increasing the price of their pepper and do not have much to offer. Harvesting is complete in Indonesia and that of Brazil is expected to gain pace in October. The operators and traders are buying from spot as well as commodity exchanges to reap profits later. The demand for pepper will increase further in the months of October and November due to Christmas and New Year celebrations. The prices are expected to remain slightly firm for a few days.

FUTURES MARKETS:

Pepper prices made astronomical highs on bullish fundamentals coupled with speculative buying. Pepper prices at the October futures contract on NCDEX continued to surge following its previous bull rally. The contract opened slightly up at Rs. 12825 a quintal as against previous day's close of Rs.12812 a quintal thereafter the prices recovered to astronomical fresh high of Rs.13588 a quintal. The days trading settled in green at Rs. 13511 a quintal and the volumes traded during the day increased to 44187 MT's.

PRICE DRIVERS:

Bullish:

1. India sole current supplier of Black Pepper on decreasing stocks with competitors
2. Competitor increase price
3. Indonesia harvesting ends
4. High demand
5. Favorable export scenario

Bearish:

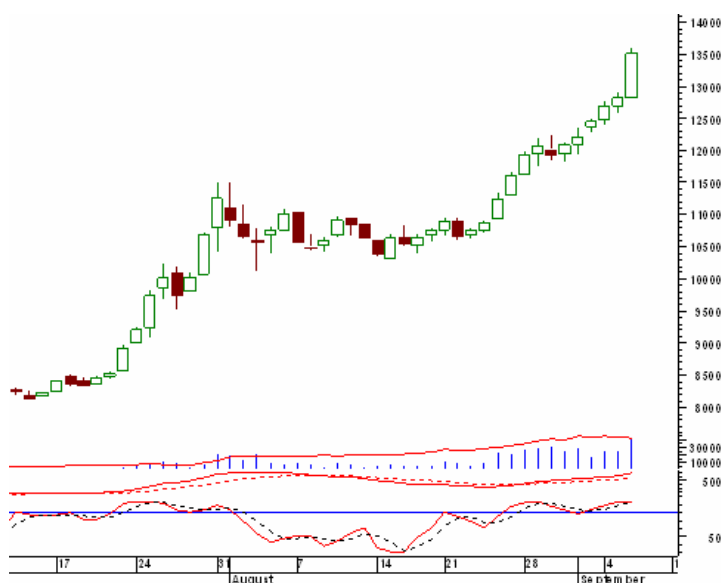
1. Brazil quotes lower than India

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands; at a few places over Tamil Nadu & Pondicherry and Lakshadweep and isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are reflecting strongly bullish sentiments in the market. MACD is bullish in positive territory; Stochastic is flat in overbought region. Prices closed above Moving averages indicating bullish market The contract is most likely to witness volatile price movement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13186	12832	14105	14406

TRADE RECOMMENDATION:

Buy above Rs. 13335 with a target at Rs. 13720 and then 13900 with a strict stop loss at Rs. 13042. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 11600	30
	Ungarbled 11200	

RED CHILLIES

SPOT MARKETS

Red chili prices in Guntur market remained mostly range bound despite high international and domestic demand for the commodity. The offatke was slightly less as the prices are on higher levels and the sellers of chilli were mostly traders. The export demand these days is from Bangladesh and Srilanka. Trading sources revealed chilli crop is expected to delay due to weather concerns and reseedling in some growing regions. However area covered increased in Karnataka as against last year. Guntur market will remain closed on Thursday. The domestic demand is likely to improve due to upcoming festivals and end of monsoon season. Sowing of chillies is in progress in Andhra Pradesh and the prices are expected to remain range bound to slightly firm for few days.

FUTURES MARKETS:

Chilli prices at the NCDEX October futures contract continued to surge following its bull run. The contract saw a fresh high of Rs. 6469 a quintal after opening bearish at Rs. 6275 a quintal. The prices remained firm after initial few hours of slight bearishness on profit covering. The day's trading settled in green at Rs. 6425 a quintal. The total volumes traded during the session almost doubled to 43920 MT's as against previous days 28230 MT's.

PRICE DRIVERS:

Bullish:

1. High Export demand
2. High domestic demand on upcoming festival season
3. Reducing stock position
4. Chilli crop might arrive late
5. Favourable export scenario

Bearish:

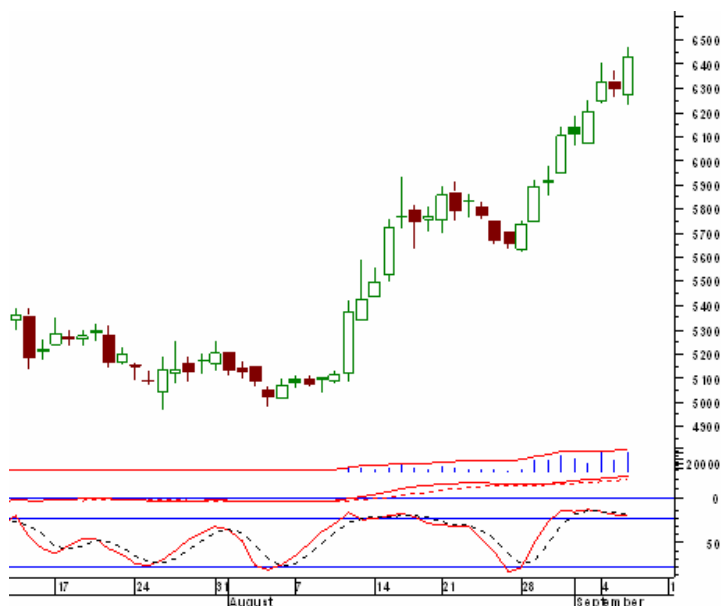
1. Sowing near completion with expectation of increased acreage
2. Karnataka acreage expanded

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands; at a few places over Tamil Nadu & Pondicherry and Lakshadweep and isolated over the rest region. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic is bearish in overbought region. MACD is bullish in positive zone. Prices closed above moving averages indicating bullishness in the market. The prices are most likely to remain volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6330	6249	6509	6592

TRADE RECOMMENDATION:

Buy above 6402 targeting 6488 and then 6534 with a strict stop loss at 6338. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 5800-6400	40000
	LCA 334 (Bilty) 6600-7000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market declined slightly on high arrivals and slightly reduced demand due to higher prices prevailing in the market. According to market sources buyers from overseas market are a bit hesitant in purchasing the commodity at the present prices. The off take was of 15000 - 16000 bags of jeera that was around two times the inflow. India is exporting its jeera to Europe, Gulf countries and Singapore. The domestic demand for jeera is high on upcoming festive demand and end of rainy season. The export scenario for Indian jeera is favourable as it is better in terms of quality and price when compared with competitors. The prices might continue to remain range bound to slightly firm for few days.

FUTURES MARKETS:

Jeera prices on the NCDEX October futures contract traded volatile. October futures contract opened low at Rs. 9040 a quintal and thereafter traded in the range of Rs. 9040 - 9246 per quintal. The days trading ended lower than previous days close at Rs. 9173.50. The total volumes figures for the day were of 20565 MT's.

PRICE DRIVERS:

Bullish:

1. Competitors offer inferior quality jeera at higher prices
2. Demand expected to improve on upcoming festivals
3. Demand higher than inflow

Bearish:

1. Buyers a bit reluctant to buy at higher levels

Weather:

Rain/thundershowers are likely at most places over Gujarat region and southeast Rajasthan; at many places over Konkan & Goa, north Madhya Maharashtra, Marathwada and northeast Rajasthan and at a few places over the rest region. Increase in rainfall activity over West Rajasthan and Saurashtra & Kutch from tomorrow onwards.. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic has made a bearish crossover in overbought region. MACD is bullish in positive zone indicating firm sentiments in the market. Prices closed below EMA's indicating prices might continue firm. The prices might continue to trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	9041	8909	9293	9372

TRADE RECOMMENDATION:

Buy above 9138 with a target of 9200 and then 9245 with a strict stop loss at 9092. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags)
Unjha	F.A.Q 1620- 1720	7000 - 8000
	Ganesh 1700- 1760	
	Machine Cleaned 1790- 1850	

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