

SPICES DAILY

September 29, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices in Erode market remained on their previous levels on some what similar demand supply scenario. The arrivals reduced by around 500 bags due to fall in prices. The demand for turmeric is low from eastern India due to Navratri festival. The market has a stock of around 5-6 lakh bags of turmeric that is supposed to be sufficient to meet consumption demand of the market. According to trading sources demand for turmeric might improve after Dusshera. The prices for turmeric in Nizamabad market declined today on reduced demand. The off take was of just 600-700 bags of turmeric. The market has no export demand at present. The prices might remain range bound for a few days.

FUTURES MARKETS:

Turmeric October contract on NCDEX continued on its southward journey to make a new low of the contract. The contract opened bearish at Rs. 2630 a quintal as against previous days close. The prices thereafter continued to decline and dropped down to make the contracts low of Rs. 2550. The days trading ended in Red at Rs. 2567 a quintal. Volume numbers increased to 11810 MT as against previous 5830 MT.

PRICE DRIVERS:

Bearish:

1. Comfortable stock position
2. Lack luster demand

Bullish:

1. Sellers hesitating to sell at present levels
2. Off season premiums

Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at a few places over north coastal Andhra Pradesh and isolated over the rest region. Increase in rainfall activity over Andhra Pradesh from tomorrow evening. Weather is suitable for the vegetative growth of the turmeric crop in major growing belts of Andhra Pradesh and Maharashtra.

TECHNICALS

A long dark candle stick in a downtrend is reflecting bearish sentiments in the market. Stochastic flat in oversold region indicating possibility of bounce back in prices. MACD is bearish in negative zone. Prices closed below EMAs indicating weakness in the market. The contract might see volatile movement of prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2525	2501	2601	2626

TRADE RECOMMENDATION:

Sell below 2568 with a target of Rs. 2548 with a strict stop loss at Rs. 2584. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2450-2475	1500-1600
	Gattah 2300	
Erode	Finger 2350-2425	3000
	Gattah 2350-2400	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market continued to decline as Brazil reduced prices of its pepper on harvesting of its crop. The market saw similar arrivals of 30 tonnes of pepper and the off take was of same quantity. Brazil is offering its pepper at lower prices when compared to India. Vietnam and Indonesia have low stocks. However Brazil has already sold most of its produce forward at lower prices. Domestic demand is low at present. The prices are expected to remain steady to slightly bearish for a few days.

FUTURES MARKETS:

Pepper futures continued to trade in red today. NCDEX October futures contract traded bearish today as the contract opened at Rs. 13550 a quintal that is Rs. 92 less than Wednesdays close at Rs. 13642. The prices declined to the low of Rs. 13110 after witnessing high of 13590 in early trading hour of the day. The days trading settled in red at Rs. 13180 a quintal with volume numbers equal to 17242 MT.

PRICE DRIVERS:

Bullish:

1. IPC estimates reduced world pepper production for the year 2006-07.
2. Brazil sold most of its pepper forward
3. Low stocks with Vietnam and Indonesia

Bearish:

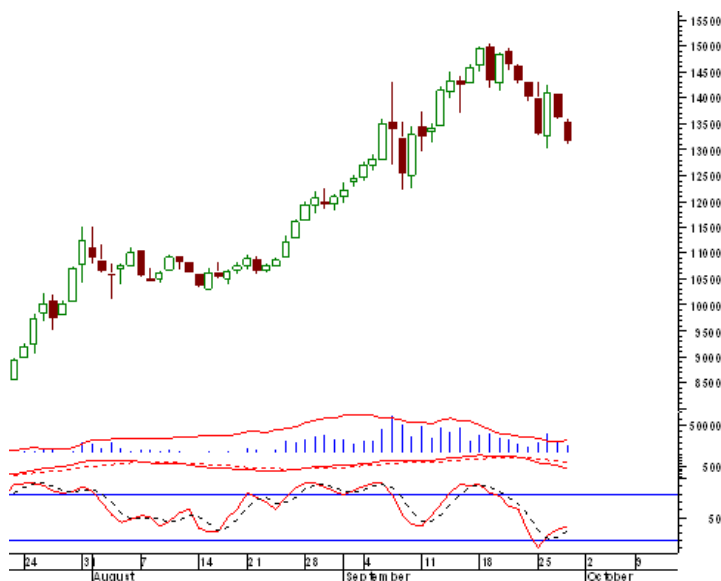
1. Brazil crop arrives
2. Brazil decreases price of it pepper
3. China selling white pepper at lower prices, declares possibility of increased production

Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at a few places over north coastal Andhra Pradesh and isolated over the rest region. Increase in rainfall activity over Andhra Pradesh from tomorrow evening. Pepper vines are bearing fruits and weather is conducive for the crop at the stage.

TECHNICALS

Candlesticks are indicating bearish sentiments. MACD is declining in the positive territory; stochastic is bullish in neutral region. Prices closed below moving averages indicating bearishness in prices. The contract is most likely to witness bearish sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	12828	12500	13554	13983

TRADE RECOMMENDATION:

Sell below Rs.13180 with a target at Rs.12960 and then 12890 with a strict stop loss at Rs. 13348. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 12600	30
	Ungarbled 12200	

RED CHILLIES

SPOT MARKETS

Red chillies prices in Guntur market traded mostly range bound with slight bearishness. The arrivals continued to increase and the off take was around 50 - 60 percent of inflow. Indian Chilli has demand from overseas particularly from the markets of Bangladesh and Malaysia. The crop has delayed and is expected to arrive in the markets by February month next year. Delayed crop along with depleting stocks are making chilli a premium commodity in the near future. According to market sources the stock of red chillies in the market is around 15 lakh bags. The demand for chilli is expected to improve in coming days. The prices are expected to remain range bound for a few days.

FUTURES MARKETS:

Chilli prices on the NCDEX slipped today following Wednesdays decline in prices. NCDEX Chilli October delivery opened slightly firm at Rs. 6000 a quintal and thereafter declined to the low of Rs. 5749 a quintal. The trading in the session culminated near days low at Rs. 5747 a quintal. The total volumes traded during the day augmented to 17465 MT as against previous days 10625 MT.

PRICE DRIVERS:

Bullish:

1. Depleting stocks
2. Moderate Exports
3. Delayed Crop

Bearish:

1. Rumour of Govts. to restrict chilli exports
2. Inferior Quality stock in exchange
3. Forthcoming crop is expected good due to higher acreage

Weather:

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands; at a few places over north coastal Andhra Pradesh and isolated over the rest region. Increase in rainfall activity over Andhra Pradesh from tomorrow evening. Rains might prove beneficial for the crop at this stage.

TECHNICALS

Long dark filled in candle is indicating bearish sentiments in the market. Stochastic is bearish in oversold region. MACD is declining and is far away from its signal line. Prices closed below moving averages indicating bearishness in the market. The prices are most likely to remain volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	5642	5561	5853	5950

TRADE RECOMMENDATION:

Sell below 5758 targeting 5706 and then 5678 with a strict stop loss at 5798. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 6200-6900	50000
	LCA 334 (Bilty) 7200-7800	

JEERA (Cumin)

SPOT MARKETS

Jeera in Unjha market continued to trade at slightly lower price on low arrivals and reduced demand particularly from export front. The arrivals were of 2500-3000 bags of jeera and off take were of around 5000 bags of jeera. The domestic demand might increase in the near term as markets of Eastern India are expected to purchase after Dusshera. Jeera crop might be late this year on account of higher ground moisture levels and any rains might further delay sowing. The prices might trade range to slightly firm in coming days.

FUTURES MARKETS:

Jeera prices following a fall in prices of other spices continued to trade bearish. October contract on the NCDEX opened low at Rs. 8555 and thereafter declined to the low of Rs. 8275 a quintal. The days trading ended in red at Rs 8336. The volumes numbers increased to 5754 MT as against previous trading days 3465 MT.

PRICE DRIVERS:

Bullish:

1. Bargaining power of sellers is higher.
2. Expectation of delay in sowing
3. Reducing stock of jeera

Bearish:

1. Sluggish domestic demand
2. Negligible exports
3. Turkey quotes lower than India for US markets.

Weather:

Isolated rain/thundershowers are likely over Konkan & Goa. Mainly dry weather over the rest region. Rains might increase the soil moisture only to delay sowing of the forth-coming crop.

TECHNICALS

Candlesticks are indicating bearish sentiments prevailing in the market. Stochastic is turning flat in oversold region. MACD is bearish in positive territory and far away from its signal line indicating possibility of recovery. Prices closed below EMA's, showing bearishness in prices. The contract might see volatile price movements.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8258	8184	8431	8518

TRADE RECOMMENDATION:

Sell below 8340 with a target of 8278 and then 8230 with a strict stop loss at 8386. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1790- 1840
	Ganesh	1740
	Machine Cleaned	1815- 1880

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