

SPICES DAILY

September 20, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices in Erode market declined today on slightly increased arrivals. The off take was of around 80% of arrivals. The domestic demand for turmeric is high however export demand is still low. Nizamabad market saw less demand due to rains in the region. Most of the turmeric markets have hefty stocks of turmeric. Recent rains are beneficial for the growth of turmeric crop. The market is expecting the domestic demand to increase on upcoming festivals. The prices might remain steady to range bound for few days.

FUTURES MARKETS:

Turmeric futures fell in conjunction with other spices. October contract of Turmeric at NCDEX opened firm at Rs 2716 and thereafter traded firm to see the highs of Rs 2729. However, the prices couldn't sustain those higher levels and slipped sharply to close the session losing almost entire gains of the previous session. Volumes traded were slightly lower at 8020 MTs.

PRICE DRIVERS:

Bearish:

1. Hefty stock
2. Increasing arrivals in Erode
3. Reduced demand due to rains
4. Rains in the region favorable for growth of crop.

Bullish:

1. Expectation of increase in domestic demand on upcoming festivals
2. Reduced arrivals due to rains in Nizamabad

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Telangana, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are reflecting bearish sentiments in the market. Stochastic is bullish in oversold region. MACD is bearish in positive zone. Prices closed below EMA's indicating bearishness in the market. The contract may see volatile price movements during the day with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2668	2647	2705	2721

TRADE RECOMMENDATION:

Sell below 2695 with a target of Rs. 2676 and then 2668 with a strict stop loss at Rs.2710. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2450	600
	Gattah 2225	
Erode	Finger 2420-2530	7000
	Gattah 2480	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market remained at their previous levels on unconfirmed news of Marketfeds pepper auction tomorrow and similar demand scenario. Then market saw increased arrival and offtake of 63 MT's of pepper. The market has expectation of increase in demand for pepper upcoming festivals in India and abroad. The demand is likely to pick up fast in the beginning of October on demand from UK and Europe. The prices are expected to remain firm for a few days.

FUTURES MARKETS:

Pepper futures at NCDEX slipped sharply today after firm opening. Pepper for October delivery started the session at Rs 14998 and then surged initially to see the highs of Rs 15038. The prices then dipped sharply to touch the lows of 14191. The contract washed away the entire gains of previous session and closed with some heavy losses at Rs 14351. The day's volumes were high at 38229 MTs

PRICE DRIVERS:

Bullish:

1. High demand
2. Reducing supplies
3. Favorable export scenario
4. IPC estimates reduced world pepper production for the year 2006-07.
5. India sole current supplier of Black Pepper on decreasing stocks with competitors

Bearish:

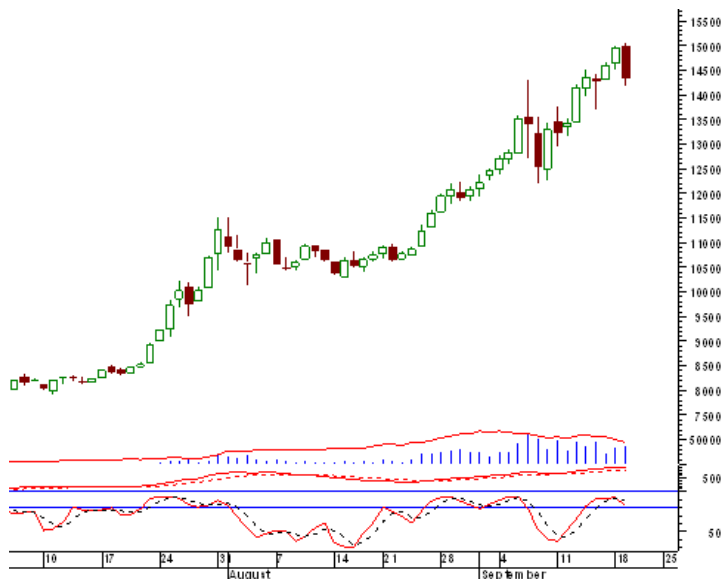
1. Brazil crop to arrive in October

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Telangana, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region.

TECHNICALS

Candlesticks are indicating bearish sentiments in the market. MACD is in positive territory; Stochastic has made a bearish crossover in overbought region. Prices closed above moving averages indicating bullishness in prices. The contract is most likely to witness volatile price movement with bearish inclination on technical correction.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	13988	13748	14639	14995

TRADE RECOMMENDATION:

Sell below Rs. 14425 with a target at Rs.14143 and then 14022 with a strict stop loss at Rs. 14640. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	13200	63
	Ungarbled	12900	

RED CHILLIES

SPOT MARKETS

Guntur market for red chillies witnessed increased arrivals and improved demand particularly from domestic markets. The arrivals increased to 30000 - 35000 MT's and the offtake was of 20000 MT's. The domestic demand is likely to pick up pace in coming days. According to market sources the stock of red chillies in the market is around 15 lakh bags. Recent rains have helped in better growth of crop. The prices are expected to remain range bound to slightly firm in coming days.

FUTURES MARKETS:

Chilli futures continued its recent down trend today. Chilli for October delivery opened gap down at Rs 6120 and then prices surged higher to the highs of Rs 6215. But, the contract couldn't sustain the higher prices and shed the entire earlier gains before closing the session. The contract finished the day with losses at Rs 6073. Volumes dipped to 22570 Mts.

PRICE DRIVERS:

Bullish:

1. Improving domestic demand
2. Reducing stock position

Bearish:

1. Sowing complete with increased acreage
2. Recent rains prove helpful in cultivation.

Weather:

Rain/thundershowers are likely at many places over Coastal Andhra Pradesh, Telangana, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region. Rains might prove beneficial for the crop at this stage.

TECHNICALS

Candlesticks are indicating bearish sentiments. Stochastic has made a bearish crossover in neutral region. MACD is bearish in positive zone. 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	5988	5916	6139	6210

TRADE RECOMMENDATION:

Sell below 6089 targeting 6015 and then 5992 with a strict stop loss at 6145. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	5900-6300
	LCA 334 (Bilty)	6100-6900

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market continued its recent firmness. The arrivals are decreasing as sellers are not bringing Jeera to the markets in anticipation of higher prices. Demand is still good to support the higher prices. Market is expecting to see some fresh buying from Europe shortly. Traders estimate stock of jeera to be of around 13-14 lakh bags out of which 8.5 lakh bags is in Unjha market. The sowing of Jeera might delay this year on account of higher moisture levels, which might also reduce the acreage this year. The domestic demand is high and might increase on upcoming festivals. The prices might remain firm for a few days.

FUTURES MARKETS:

Jeera futures at NCDEX started the day on a firm note, but finally shed all the initial gains to close the session with losses. The prices hovered around the higher levels, but couldn't sustain those levels. October Jeera opened firm at Rs 9020 and then surged to see the highs of Rs 9082. Prices finally retreated to close the day lower at Rs 8952. Volumes traded increased to 11271 MTs.

PRICE DRIVERS:

Bullish:

1. Absence of supply pressure
2. Competitors offer inferior quality jeera at higher prices
3. Domestic and export demand expected to improve on upcoming festivals
4. Expectation of delay in sowing with reduced acreage

Bearish:

1. Reasonable stock of jeera

Weather:

Rain/thundershowers are likely at many places over Konkan & Goa; at a few places over Marathwada, Madhya Maharashtra and south Gujarat and isolated over rest Gujarat and Rajasthan. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating bearish sentiments in the market. Stochastic is bullish in neutral region. However MACD is bearish in positive zone. Volumes and open interest both declined. Prices closed below EMA's. The contract might see volatile price movements due to expiry of September contract.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8822	8719	9049	9136

TRADE RECOMMENDATION:

Sell below 8965 with a target of 8868 with a strict stop loss at 9040. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1700- 1760
	Ganesh	1770
	Machine Cleaned	1820- 1880

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