

SPICES DAILY

September 13, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in Erode market remained in their previous price range. Erode market has high domestic demand and whole of the inflow was got sold today. Traders believe the arrivals might increase in coming day's couple with festive buying. The prices might remain range bound for another few days. Nizamabad market saw similar S&D position therefore prices remained range bound. The markets have hefty stocks, the arrivals might increase followed by increasing festive demand. This might keep the prices steady to range bound for few days. Weather is suitable for growth of turmeric crop. The prices might remain steady to range bound.

FUTURES MARKETS:

Turmeric NCDEX October futures contract traded mostly bearish today. The session started with firm sentiments as the contract opened Rs. 3 up at Rs. 2770 a quintal thereafter the prices tried to recover and reached upto Rs. 2783 a quintal and then dropped to the low of Rs. 2745 during the day. The trading ended with complete indecision at Rs. 2768 a quintal. The total volumes traded during the day were 8710 MT's.

PRICE DRIVERS:

Bearish:

1. Hefty stock
2. Possibility of increase in arrivals
3. Weather suitable for growth of crop

Bullish:

1. Moderate export demand
2. Improving domestic demand on upcoming festivals

Weather:

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

TECHNICALS

Candlesticks are reflecting indecision in the market. Stochastic is bearish in neutral region. MACD is declining in positive zone. Prices closed below EMA's. Open interest and Volume numbers both declined therefore the contract may see bearish sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2758	2732	2795	2819

TRADE RECOMMENDATION:

Sell below 2766 with a target of Rs. 2745 and then 2736 with a strict stop loss at Rs.2783. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2550	2000
	Gattah 2350	
Erode	Finger 2500-2550	4000
	Gattah 2450	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market increased today on high demand for the commodity. The market saw arrivals of about 75 MT's and the off take was of similar quantity. IPC's estimation of 4% reduced world pepper production for the year 2006-07 helped the prices to increase further. Vietnam might also see reduced crop this year. This year black pepper is already under supply crunch and the chances for India is bright as its is considered to be the sole supplier of good quality of pepper as most of its competitors are offering at higher prices and are running short of their stocks that might be used for self consumption only. The domestic demand and international demand is expected to improve on upcoming festival season. The prices are expected to remain range bound to slightly firm for a few days.

FUTURES MARKETS:

NCDEX October futures contract is traded side ways with volatile price movement. The contract opened firm at Rs. 13340 as against previous day's close of Rs. 13247 a quintal. The prices after declining to Rs. 13150 a quintal recovered to the high of Rs. 13509. The trading for the day culminated Rs. 223 up at Rs. 13470 a quintal and the volumes traded during the day were 28507 MT's.

PRICE DRIVERS:

Bullish:

1. IPC estimates around 4% less pepper production in the world
2. India sole current supplier of Black Pepper on decreasing stocks with competitors
3. Brazil sells its pepper forward

Bearish:

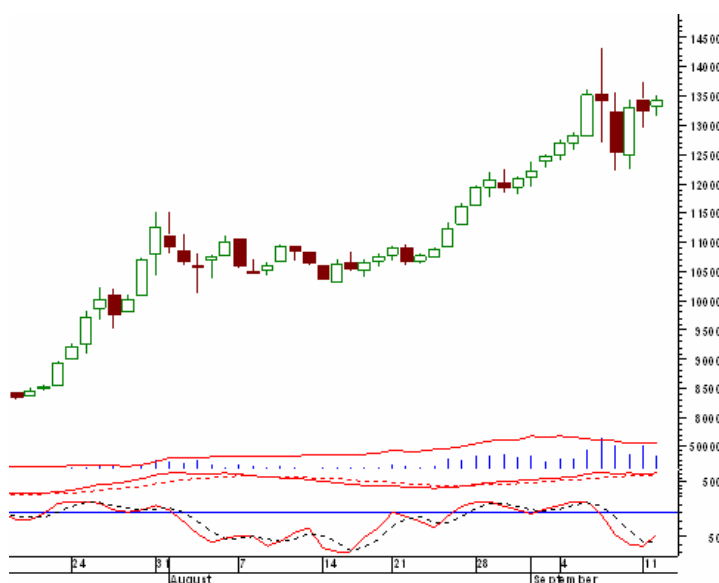
1. Marketfed Auction fails to find buyers

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region. Increase in rainfall activity over Andhra Pradesh from tomorrow. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are reflecting bullish sentiments in the market. MACD is rising in positive territory; Stochastic has made a bullish crossover in neutral region. Prices closed above moving averages and Open interest along with Volumes both declined. The contract is most likely to witness volatile price movement with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	12968	12702	13753	14016

TRADE RECOMMENDATION:

Buy above Rs. 13342 with a target at Rs. 13590 and then 13755 with a strict stop loss at Rs. 13156 Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 12100	75
	Ungarbled 11700	

RED CHILLIES

SPOT MARKETS

Guntur market for red chillies saw slightly reduced inflow as against yesterday's hefty arrivals. The offtake was near around 80 percent of the total inflow. The export demand for red chillies is moderate however domestic demand improved. The demand for chillies might continue to remain high from Indian domestic markets. However export demand might recover a bit slowly. The market has a stock of around 24 - 25 lakh bags of chillies. The prices are expected to remain slightly firm for few days.

FUTURES MARKETS:

Chilli prices on the NCDEX October futures contract traded mixed today. The contract opened on a bearish note at Rs 6355 a quintal and thereafter prices dropped to Rs 6315 a quintal and surged highest up to Rs. 6440. The days trading culminated firm at Rs. 6407 a quintal. The total volumes numbers declined to 21790 MT's as against previous 25745 MT's.

PRICE DRIVERS:

Bullish:

1. High domestic demand
2. Moderate exports
3. Reducing stock position
4. Chilli crop might delay

Bearish:

1. Sowing complete with increased acreage

Weather:

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region. Increase in rainfall activity over Andhra Pradesh from tomorrow. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic has made a bullish crossover in neutral region. MACD is falling in positive zone. Prices closed above moving averages indicating bullishness in the market. Open interest and volumes are decreasing. The prices are most likely to remain firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6321	6249	6491	6550

TRADE RECOMMENDATION:

Buy above 6395 targeting 6480 and then 6535 with a strict stop loss at 6330. 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	25000-30000
	LCA 334 (Bilty) 6400-7000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market continued to decline today on reduced arrivals and sales in the market. The demand reduced particularly from the export front, the export demand for jeera is expected to increase gradually and domestic demand might continue to be high on upcoming festival season. However Indian jeera is better in terms of quality and price when compared with competitors who do not have much quantity to offer. The prices might remain range bound for few days.

FUTURES MARKETS:

Jeera prices at the NCDEX October futures contract declined initially and thereafter recovered sharply in the later trading hours of the day. The contract opened the day on a bearish note at Rs. 9081 a quintal and then the prices dropped to the low of Rs. 8935 a quintal. Thereafter the prices recovered to the high of Rs. 9199 a quintal and trading for the day settled at Rs. 9136 a quintal. The total volumes traded increased to 15540 MT's as against Mondays 11751 MT's of jeera.

PRICE DRIVERS:

Bullish:

1. Competitors offer inferior quality jeera at higher prices
2. Domestic demand expected to improve on upcoming festivals
3. Low stocks with Competitors

Bearish:

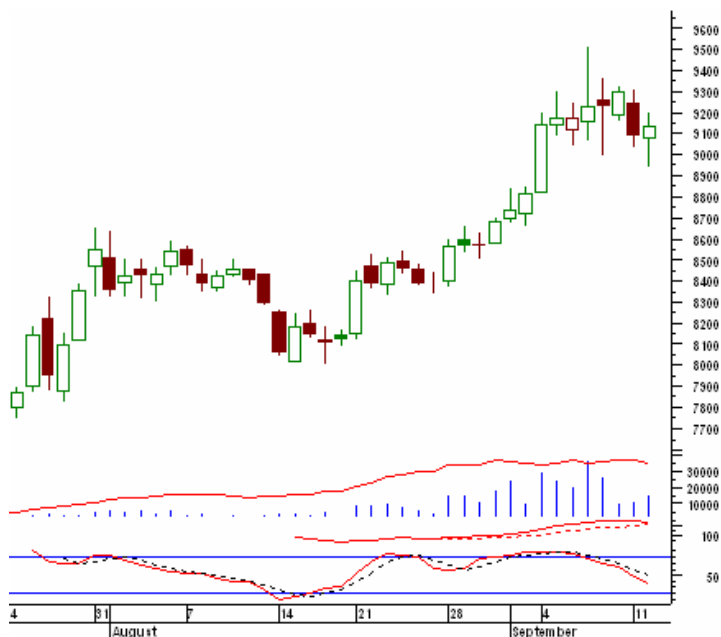
1. Reduced demand from export Front

Weather:

Rain/thundershowers are likely at a few places over Konkan & Goa and isolated over south Gujarat region, Madhya Maharashtra and Marathawada. Mainly dry weather is likely over the rest region. Rains might affect arrivals of the commodity in the market.

TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is bearish in neutral region. MACD is bearish in positive zone. Prices closed below EMA's. The prices might continue to trade volatile.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8994	8825	9245	9366

TRADE RECOMMENDATION:

Buy above 9115 with a target of 9220 and then 9295 with a strict stop loss at 9030. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1680- 1740	1200-1300
	Ganesh	1740	
	Machine Cleaned	1800- 1900	

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