

SPICES DAILY

September 22, 2006

TURMERIC

SPOT MARKETS:

Turmeric prices in most of the major market declined today. Turmeric in Erode market traded at slightly reduced prices in the absence of any increase in demand. The arrivals are increasing and demand is low. The off take was of around 60% of 7000 bags arrivals. The domestic demand for turmeric is moderate and the buyers are from Kerala, Tamil Nadu, Jammu, Punjab, Delhi, West Bengal markets. The market has a stock of around 6-7 lakh bags of turmeric. However export demand is subdued at the stage. The arrivals in Nizamabad market also increased. The market is expecting the domestic demand to increase on upcoming festivals. The prices might remain steady to range bound for a few days.

FUTURES MARKETS:

Turmeric futures saw volatile movements today. October contract of Turmeric at NCDEX opened the session weak today at Rs 2684 a quintal and thereafter recovered to Rs. 2700 and then dropped to Rs. 2675, the contract finally closed the day with indecision near its opening. The days trading culminated at Rs. 2685 a quintal. The Volumes traded were 8800 MTs.

PRICE DRIVERS:

Bearish:

1. Comfortable stock position
2. Increasing arrivals in Erode
3. Low Export demand
4. Crop is healthy

Bullish:

1. Expectation of increase in domestic demand on upcoming festivals
2. Off season premiums

Weather:

Rain/thundershowers are likely at many places over north Coastal Andhra Pradesh, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu where it may be isolated. Weather is suitable for the vegetative growth of the turmeric crop in major growing belts of Andhra Pradesh and Maharashtra.

TECHNICALS

Turmeric chart portrays weakness in the market. Long upper shadow of candlestick shows higher levels are not sustainable. Stochastic is likely to make a bearish crossover in neutral region. MACD is bearish in negative zone. Prices closed below EMAs 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	2664	2647	2715	2729

TRADE RECOMMENDATION:

Sell below 2690 with a target of Rs. 2672 and then 2665 with a strict stop loss at Rs.2704. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2450-2500	2000
	Gattah 2400	
Erode	Finger 2400-2450	7000
	Gattah 2400-2450	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market are continuing firm these days on strong fundamentals. The global supply crunch of the commodity is supporting the higher prices of the commodity. The market lack sellers of the commodity. Fresh enquiries are flowing from Europe and US markets. The domestic market has expectation of increased demand on upcoming festivals in India. Vietnam is reported to be selling its pepper at a lower rate however the quality differs and its stocks have nearly ended. The export demand is also likely to pick up fast in the beginning of October, particularly from UK and Europe. The prices are expected to remain firm for a few days.

FUTURES MARKETS:

NCDEX October futures contract witnessed bearish sentiments due to intra day profit taking. The contract opened firm at Rs. 14899 a quintal and thereafter recovered to the high of Rs. 14950 a quintal and then declined lowest to Rs. 14541. The prices moved range bound throughout the day and the days trading culminated at Rs. 14658 a quintal. The total volumes traded were 26304 MT's.

PRICE DRIVERS:

Bullish:

1. Favourable domestic S&D
2. Positive export scenario
3. Buyers from Europe and US making fresh enquiries
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:

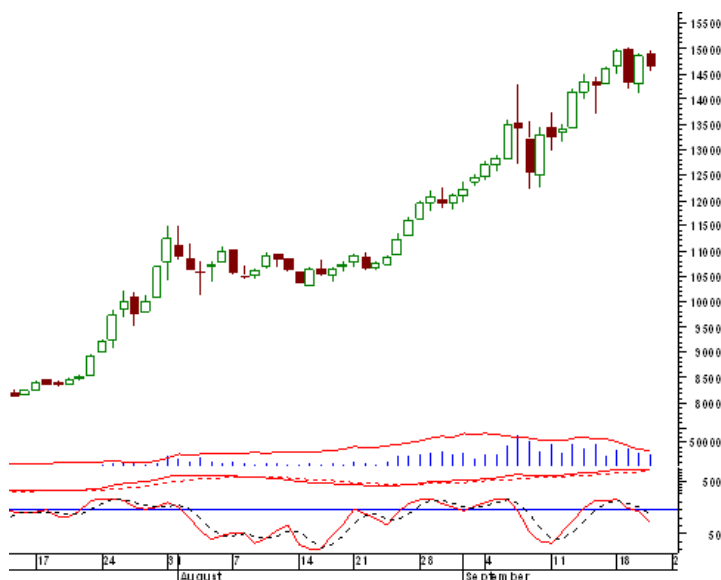
1. Vietnam quotes lower than India
2. Brazil crop to arrive in October

Weather:

Rain/thundershowers are likely at many places over north Coastal Andhra Pradesh, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu where it may be isolated. 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 bearish in neutral region. Prices closed above moving averages indicating bullishness in prices. The contract is most likely to witness volatile price movements with slight bearishness on profit taking.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	14510	14281	14957	15323

TRADE RECOMMENDATION:

Sell below Rs. 14750 with a target at Rs.14545 and then 14440 with a strict stop loss at Rs. 14905. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	Closed	-
	Ungarbled	Closed	

RED CHILLIES

SPOT MARKETS

Guntur market for red chillies continued to witness reduced arrivals due to rains. The arrivals reduced to 10000 bags of chillies as against Wednesdays 20000 bags of chillies. The prices remained range bound in the lacklustre rain affected market today. The demand reduced on uncertainty in the market due to rains. 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 at NCDEX continued to recover today. Chilli for October delivery opened slightly low at Rs 6150 and then increased to see the highs of Rs 6257. The prices however could not sustained higher levels of the day. Trading for the day culminated at Rs 6206 per qtl. Volumes numbers increased slightly to 22590 MTs.

PRICE DRIVERS:

Bullish:

1. Improving domestic demand
2. Reducing arrivals due to rains
3. Depleting stocks

Bearish:

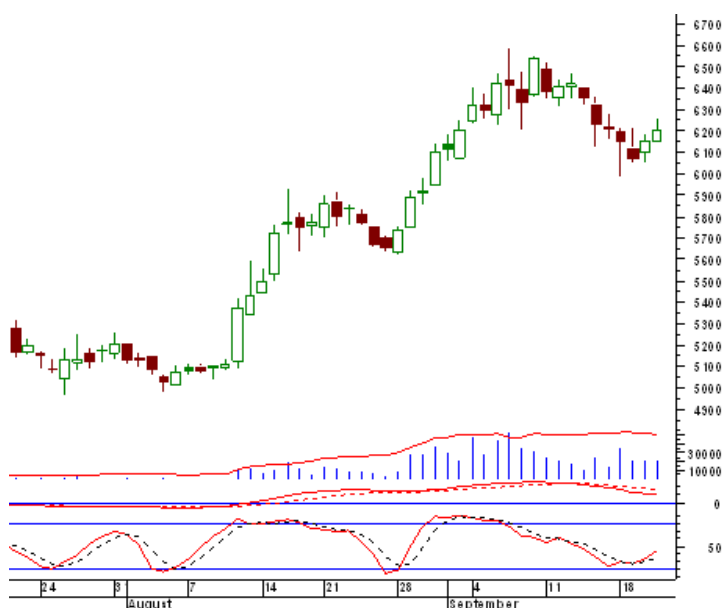
1. Reducing demand due to rains
2. Forthcoming crop is expected good due to higher acreage

Weather:

Rain/thundershowers are likely at many places over north Coastal Andhra Pradesh, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu where it may be isolated. Rains might prove beneficial for the crop at this stage.

TECHNICALS

Candlesticks are indicating recovery in the prices. Stochastic has made a bullish crossover in neutral region. MACD is showing decreasing bullish momentum. Volumes and open interest both declined. Prices closed below moving averages indicating bearishness in the market. The prices are most likely to remain volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6153	6074	6275	6352

TRADE RECOMMENDATION:

Buy above 6198 targeting 6248 and then 6278 with a strict stop loss at 6162. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 5800-6300	10000
	LCA 334 (Bilty) 6300-6900	

JEERA (Cumin)

SPOT MARKETS

Jeera in Unjha market continued to trade firm on bullish fundamentals. Sellers are dominant players in the Jeera market at the stage and are holding the stocks in anticipation of more lucrative prices. The arrivals were of just 3000 bags and offtake was nearly twice the inflow reflecting high demand for the commodity. Exports to the European countries are expected shortly and around 500-700 bags daily are being exported to Singapore and China. Jeera crop is feared to be late this year on account of higher ground moisture levels. The domestic demand is high on upcoming festivals and is likely to improve. The prices might continue to increase for a few days.

FUTURES MARKETS:

NCDEX Jeera futures continued with earlier gains as the trading for the day started slightly low at Rs 9050. The contract then recovered on increased buying interest and the prices touched the levels of Rs. 9146.50. Trading for the day finally ended with slightly bearish sentiments at Rs 9084.50. Volumes traded dipped to 9186 MTs.

PRICE DRIVERS:

Bullish:

1. Bargaining power of sellers is higher.
2. Export demand expected to improve
3. High domestic demand
4. Expectation of delay in sowing with reduced acreage

Bearish:

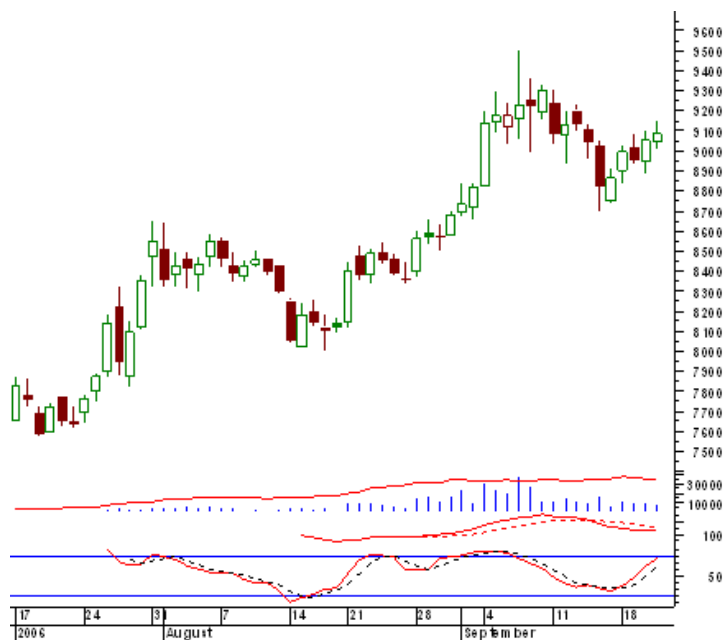
1. Reasonable stock of jeera

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 north Gujarat. Mainly dry weather is likely over Rajasthan. Rains might increase the soil moisture only to delay sowing of the forth coming crop.

TECHNICALS

Candlesticks are showing indecision in the market sentiments. Stochastic is bullish in neutral region. However MACD is showing bullish momentum. Volumes and open interest both declined. Prices closed above EMA's, shows trend has turned bullish in medium term. The contract might see volatile price movements with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8995	8938	9174	9263

TRADE RECOMMENDATION:

Buy above 9065 with a target of 9155 and then 9200 with a strict stop loss at 8998. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q	1820- 1870
	Ganesh	1770
	Machine Cleaned	1845- 1925

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