

SPICES DAILY

September 18, 2006

TURMERIC

SPOT MARKETS

Most of the major turmeric markets remained closed today. The overseas demand these days is from Dubai however turmeric exported is of inferior quality. The arrivals in Erode market are increasing and the traders are expecting arrivals to increase in coming days and the demand might also recover. The buyers are from local markets of south India as well as from markets of North India. Most of the turmeric markets have hefty stocks. The market is expecting the domestic demand to increase on upcoming festivals. The prices might remain range bound for few days.

FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract traded mostly firm. The contract opened low at Rs. 2668 a quintal thereafter the prices increased to Rs. 2710 a quintal during the day. The trading for the day finally culminated higher than Fridays close at Rs. 2686 a quintal. The total volumes traded during the day were 4980 MT's.

PRICE DRIVERS:

Bearish:

1. Hefty stock
2. Increasing arrivals

Bullish:

1. Moderate export demand
2. Expectation of increase in domestic demand on upcoming festivals

Weather:

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

TECHNICALS

Candlesticks are reflecting indecision in the market. Stochastic is flat in oversold region. MACD is bearish in positive zone. Prices closed below EMA's indicating bearishness in the market. The contract may see bullish sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2664	2640	2705	2722

TRADE RECOMMENDATION:

Buy above 2680 with a target of Rs. 2702 and then 2714 with a strict stop loss at Rs.2664. Trade cautiously with intra day outlook.

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

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market increased today on buying support. Then market saw arrival and offtake of 30 MT's of pepper. The Kerala Marketfed in its auction sold 700 MT's of pepper. The market is getting strength on IPC's announcement of reduced World pepper production this year. The demand is likely to pick up fast in the beginning of October on demand from UK and Europe. The domestic demand and international demand is expected to improve on upcoming festival season. The prices are expected to remain firm for a few days.

FUTURES MARKETS:

NCDEX October futures contract continued to trade volatile today on bullish cues from domestic and international markets. The contract opened firm at Rs. 14300 and thereafter did not look back and recovered to the high of Rs. 14650 a quintal. The trading for the day settled at Rs. 14590 a quintal and the total number of volumes traded during the day were 23623 MT's.

PRICE DRIVERS:

Bullish:

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

Bearish:

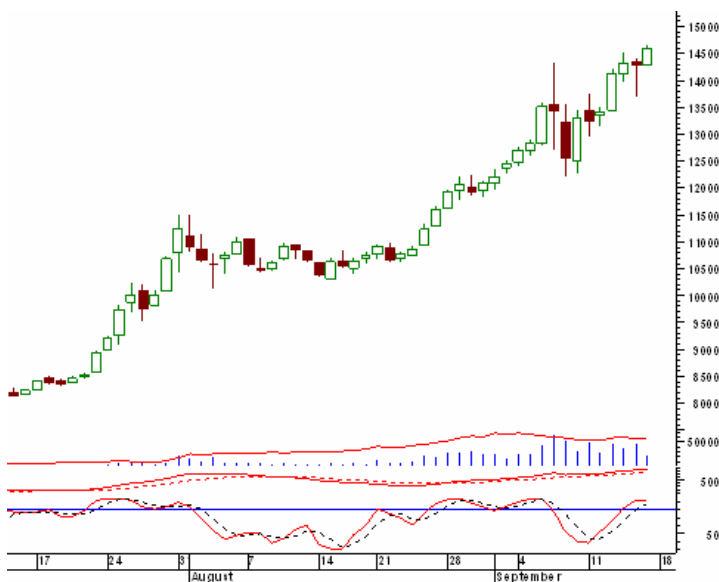
1. Brazil crop to arrive in October

Weather:

Rain/thundershowers are likely at most places over Coastal Andhra Pradesh, Telangana, Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands and at many places over the rest region outside Tamil Nadu where it may be at a few places.

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. MACD is firm in positive territory; Stochastic is flat in overbought region. Prices closed above moving averages indicating bullishness in prices. The contract is most likely to witness volatile price movement with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	14333	14141	14816	15084

TRADE RECOMMENDATION:

Buy above Rs. 14555 with a target at Rs.14780 and then 14905 with a strict stop loss at Rs. 14475. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	12900	30
	Ungarbled	12500	

RED CHILLIES

SPOT MARKETS

Guntur market remained closed today. The demand from export front has cooled slightly. However the market these days has some demand from Bangladesh and Malaysia and the domestic demand for the commodity particularly from south India is high. According to market sources the stock of red chillies in the market is around 15 lakh bags. Trading sources believe the export demand as well as domestic demand might improve in coming days. Recent rains have helped in better growth of crop. The prices are expected to remain range bound for few days.

FUTURES MARKETS:

Chilli prices on the NCDEX October futures contract traded volatile today. The contract opened slightly low at Rs 6325 a quintal and thereafter the prices dropped lowest to Rs 6126 a quintal. The days trading culminated in red at Rs. 6233 a quintal. The total volumes numbers increased to 25520 MT's as against 10565 MT's last day.

PRICE DRIVERS:

Bullish:

1. High domestic demand
2. Reducing stock position

Bearish:

1. Sowing complete with increased acreage
2. Low export demand
3. Recent rains prove helpful in cultivation.

Weather:

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

TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is bearish 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 with bearish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6141	6070	6249	6321

TRADE RECOMMENDATION:

Sell below 6223 targeting 6165 and then 6130 with a strict stop loss at 6267. Trade cautiously with intra day outlook.

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

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market remained at their earlier levels. The traders are holding back with an intention to sell later at higher prices. The offtake was similar of about 8000-9000 bags. Buying from gulf countries is almost over however fresh buying from Europe might be seen 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. Trading sources informed the sowing might delay this year and the acreage might reduce due to presence of high moisture in soil from recent heavy rains. The domestic demand might increase on upcoming festivals. The prices might remain range bound to slightly firm for few days and thereafter recover.

FUTURES MARKETS:

Jeera prices bounced back at the NCDEX October futures contract. The contract opened the day on a bearish note at Rs. 8751 a quintal and thereafter prices recovered highest up to Rs. 8906 a quintal. The days trading settled in green at Rs. 8855.10 a quintal. The total volumes traded were 7713 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. Expectation of delay in sowing with reduced acreage

Bearish:

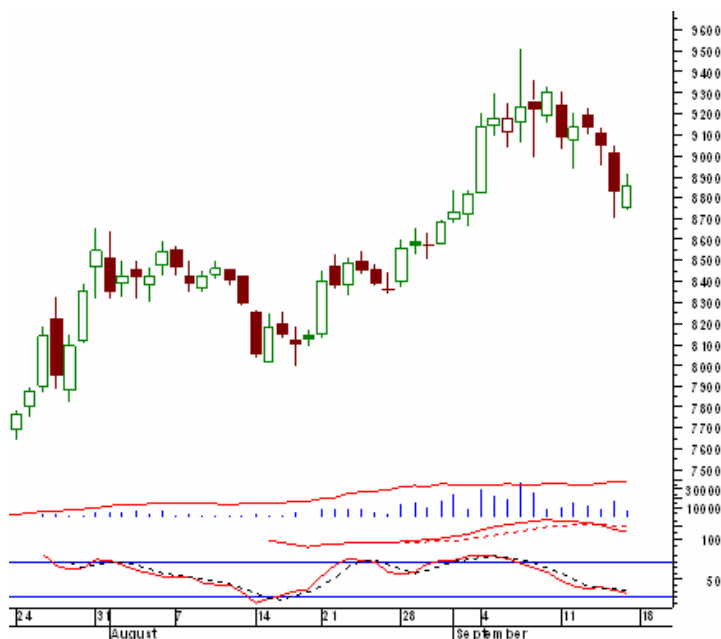
1. Reasonable stock of jeera

Weather:

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

TECHNICALS

Candlesticks are indicating bullish sentiments in the market. Stochastic has made a bearish crossover in neutral region. However MACD is bearish in positive zone. Prices closed below EMA's. The contract might see further recovery in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8700	8600	8938	9024

TRADE RECOMMENDATION:

Buy above 8840 with a target of 8938 and then 8968 with a strict stop loss at 8766. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1660- 1720	4000
	Ganesh 1720	
	Machine Cleaned 1780- 1860	

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