

SPICES DAILY

September 16, 2006

TURMERIC

SPOT MARKETS

Turmeric prices in Nizamabad market continued to decline on slightly reduced demand for the commodity. The market saw similar arrivals and the demand reduced slightly. The overseas demand is from Dubai however turmeric exported is of inferior quality. Prices declined in Erode market due to higher arrivals in the market and low export demand. The traders in Erode market 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. Weather is suitable for growth of turmeric crop. The prices might remain range bound for few days.

FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract continued to decline today. The contract opened low at Rs. 2715 a quintal thereafter the prices dropped down lowest to Rs. 2670 a quintal during the day. The trading for the day ended in red at Rs. 2682 a quintal. The total volumes traded during the day increased to 14000 MT's as against previous days 8660 MT's.

PRICE DRIVERS:

Bearish:

1. Hefty stock
2. Increasing arrivals
3. Weather suitable for growth of crop

Bullish:

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

Weather:

Rain/thundershowers are likely at most places over Coastal Andhra Pradesh, Coastal Karnataka, Kerala 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 bearish sentiments in the market. Stochastic is in oversold region. MACD is bearish in positive zone. Prices closed below EMA's indicating bearishness in the market. The contract may continue to see bearish sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2658	2640	2706	2723

TRADE RECOMMENDATION:

Sell below 2688 with a target of Rs. 2665 and then 2656 with a strict stop loss at Rs.2706. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Bags) one bag = 90 Kgs.
Nizamabad	Finger 2420	1500
	Gattah 2225	
Erode	Finger 2475-2500	8000
	Gattah 2400-2500	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market are increasing these days on favorable export scenario for Indian pepper. The market is getting strength on IPC's announcement of reduced World pepper production this year. The chances for India's exports are bright as it is considered to be the sole supplier of good quality pepper. 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. According to trading sources Marketfed auction for 500 MT's of pepper might take place tomorrow bringing some indecision in the market. However they believe quality of pepper offered is inferior. The prices are expected to remain firm for a few days.

FUTURES MARKETS:

Pepper prices at the NCDEX traded firm initially and thereafter declined lowest to Rs.13703 a quintal. The contract opened slightly firm at Rs. 14350 and then the prices declined and remained bearish on profit taking however, heavy buying was seen in last hour of trade helping the prices to recover and end at Rs. 14300 a quintal. The total volumes traded were 46665 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:

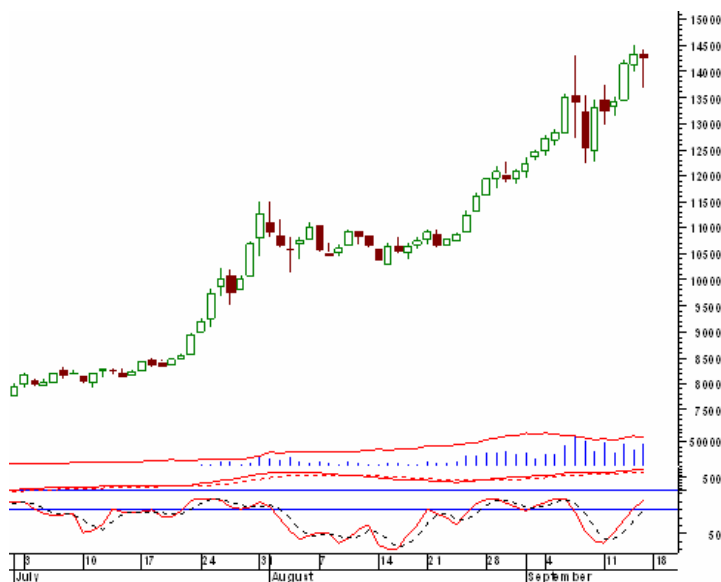
1. Brazil crop to arrive in October

Weather:

Rain/thundershowers are likely at most places over Coastal Andhra Pradesh, Coastal Karnataka, Kerala 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 reflecting indecision in the market. MACD is firm in positive territory; Stochastic is bullish 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	14139	13760	14721	14915

TRADE RECOMMENDATION:

Buy above Rs. 14205 with a target at Rs.14505 and then 14605 with a strict stop loss at Rs. 13976. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.		Arrivals (Tonnes)
Kochi	Garbled	12600	100
	Ungarbled	12200	

RED CHILLIES

SPOT MARKETS

Guntur market saw decrease in prices on reduced demand from export front. The market is catering to Malaysia and the domestic demand for the commodity particularly from south India is high. Karnataka crop harvesting might begin and fresh crop might start reaching the markets in November. 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. The prices are expected to remain range bound for few days.

FUTURES MARKETS:

Chilli prices on the NCDEX October futures contract traded bearish 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
3. Chilli crop might delay

Bearish:

1. Sowing complete with increased acreage
2. Reducing export demand

Weather:

Rain/thundershowers are likely at most places over Coastal Andhra Pradesh, Coastal Karnataka, Kerala 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 bearish sentiments 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 bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6141	6060	6329	6401

TRADE RECOMMENDATION:

Sell below 6264 targeting 6188 and then 6154 with a strict stop loss at 6322. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage 6000-6300	25000
	LCA 334 (Bilty) -	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market declined today on reduced export demand despite fall in daily arrivals. The traders are holding back with an intention to sell later at higher prices. The offtake was of about 8000-9000 bags of jeera inclusive of exports of 3000 bags of jeera. Buying from gulf countries is almost over however fresh buying from Europe might be seen shortly. Buyers are from china, Singapore and US. The domestic demand is most likely to be high on upcoming festival season. Syria decreased price of its jeera to \$2200 that is still higher than India thus keeping Indian jeera superior in terms of both quality and price. 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 prices might remain range bound for few days and thereafter recover.

FUTURES MARKETS:

Jeera prices at the NCDEX October futures contract continued to trade bearish today. The contract opened the day on a bearish note at Rs. 9021 a quintal and thereafter prices declined lowest to Rs. 8700 a quintal. The days trading settled in red at Rs. 8827 a quintal. The total volumes traded increased to 17685 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:

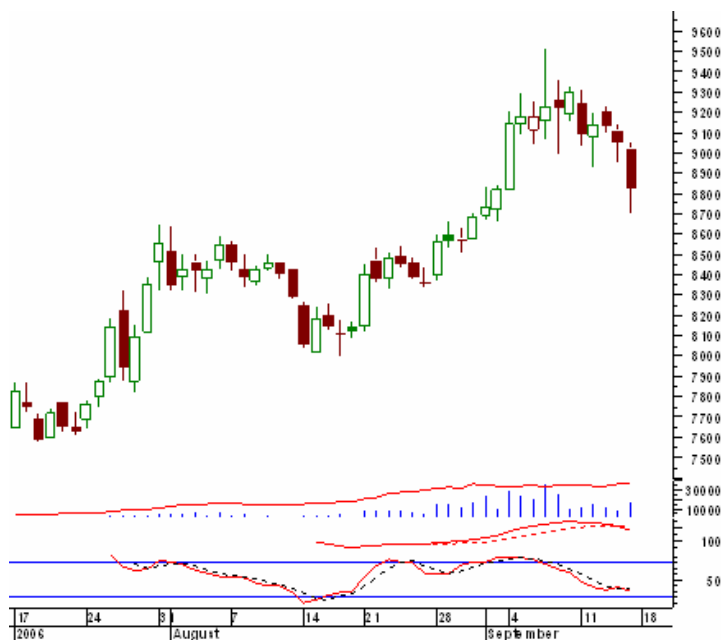
1. Moderate export demand from Gulf
2. Reasonable stock of jeera

Weather:

Rain/thundershowers are likely at many places over Konkan & Goa; at a few places over Madhya Maharashtra and Marathwada and isolated over south Gujarat Region. Mainly dry weather is likely 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 has made a bearish crossover in neutral region. However MACD has made a bearish crossover in positive zone. Prices closed below EMA's. Volumes and open interest both are increasing. The contract might continue to trade volatile with bearish inclination.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	8697	8580	8938	9024

TRADE RECOMMENDATION:

Sell below 8844 with a target of 8735 and then 8682 with a strict stop loss at 8920. Trade cautiously with intra day outlook.

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

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