

SPICES DAILY

September 09, 2006

TURMERIC

SPOT MARKETS

Nizamabad and Erode markets remained closed today. Turmeric prices are trading firm these days due to high demand from domestic as well as export front. In Erode market the domestic buyers are from West Bengal, Bihar, Delhi, Punjab Jammu Kerala and local markets of Tamil Nadu. Uttar Pradesh and Madhya Pradesh are buying from Nizamabad market. Exports these days are being made to Gulf countries, Europe and Russia. The domestic demand is likely to improve. Physical markets have good stock of turmeric and around 2602 MT's and 90 MT's of turmeric are present in NCDEX accredited warehouse in Nizamabad and Duggirala respectively. Weather is conducive for the growth of crop. The prices might remain range bound to slightly firm for few days.

FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract traded volatile with bearish inclination. The contract opened low at Rs. 2801 a quintal and thereafter prices increased to Rs. 2840 and then declined and traded bearish for most of the time and were lowest at Rs. 2740 a quintal. The days trading ended in red at Rs. 2770 a quintal. The total volumes traded during the day declined to 25800 MT's.

PRICE DRIVERS:

Bearish:

1. Hefty stock
2. Weather suitable for growth of crop

Bullish:

1. High domestic and export demand
2. Domestic demand likely to improve on upcoming festivals

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry, Kerala and Lakshadweep; at a few places over South Interior Karnataka and isolated over the rest region. Rains in turmeric growing regions might prove beneficial for cultivation of crop.

TECHNICALS

Candlesticks are reflecting indecision in the market. Stochastic has made a bearish crossover in neutral region. MACD is flat in positive zone. Volumes traded and open interest both declined. The contract is most likely to witness volatile price movement with bearish inclination on profit booking.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	2738	2706	2801	2823

TRADE RECOMMENDATION:

Sell below 2820 with a target of Rs. 2796 and then 2782 with a strict stop loss at Rs.2838. 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 declined unjustifiably and the market saw trading of around 42 MT's of pepper as against yesterday's 52 MT's. However fundamental still remains firm on favorable position of Indian pepper in international markets as India is being considered as the sole supplier of pepper in the world market at present. Vietnam stock is low and is not offering ASTA grade for international buyers. Brazil crop harvesting will gain momentum sometime in October month. NCDEX warehouse at Kochi has a stock of around 5235 MT's of pepper. Markets across the world are facing supply crunch and are expecting high demand in near future ahead of upcoming festival season. The prices are expected to remain slightly firm for a few days.

FUTURES MARKETS:

NCDEX October futures contract remained highly volatile as the prices tumbled on technical correction following previous days hefty buying. The contract opened Rs. 199 low at Rs. 13229 a quintal as against previous day's close of Rs. 13428 a quintal thereafter the prices dropped on profit taking to Rs. 12220. The day's trading ended in red at Rs. 12544 a quintal. The total volumes traded during the session increased to 51639 MT's.

PRICE DRIVERS:

Bullish:

1. Sri Lanka restricts export of pepper in India to 2500 MT's.
2. India sole current supplier of Black Pepper on decreasing stocks with competitors
3. Vietnam not offering ASTA
4. Favorable export scenario

Bearish:

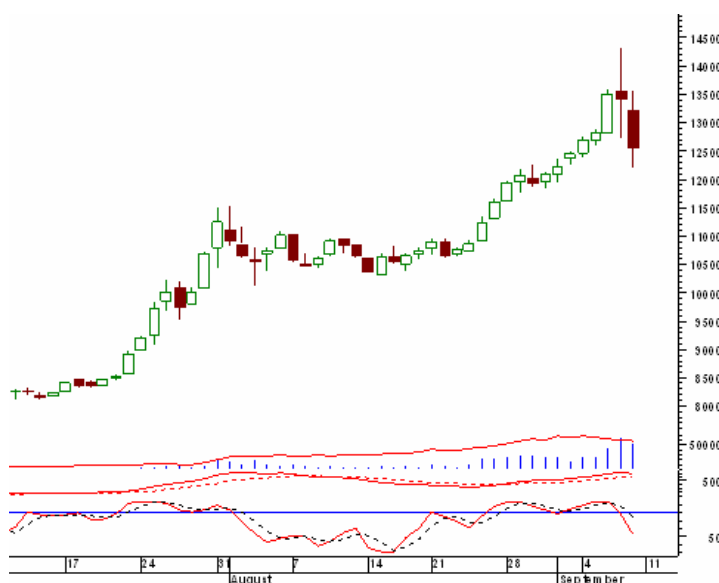
1. Brazil quotes lower than India

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry, Kerala and Lakshadweep; at a few places over South Interior Karnataka and isolated over the rest region. Rains at this stage will prove beneficial for pepper crop.

TECHNICALS

Candlesticks are reflecting bearish sentiments in the market. MACD is bearish in positive territory; Stochastic is bearish in neutral region. Open interest and Volume numbers both declined. The contract is most likely to witness volatile price movement with bearish inclination on technical correction in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	11945	11631	12823	13559

TRADE RECOMMENDATION:

Sell below Rs. 12700 with a target at Rs. 12240 and then 12105 with a strict stop loss at Rs. 13060. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 11600	42
	Ungarbled 11200	

RED CHILLIES

SPOT MARKETS

Chilli prices at Guntur market continued to trade at similar price levels. The trading of red chillies was thin as sellers are not selling at current prices perhaps in anticipation of rise in prices in near future. The scenario for red chillies is favourable on high international and domestic demand for the commodity. Bangladesh and Srilanka are buying red chillies from the market. Trading sources revealed chilli crop is expected to delay due to weather concerns and reseeding in some growing regions. The area covered has increased in Karnataka as against last year however shortage of rains in some areas is a matter of concern. The sowing of chillies is about to end in Andhra Pradesh and the standing plants require water at current stage. The market has a stock of around 24 - 25 lakh bags of chilli. The domestic demand is likely to improve due to upcoming festivals and end of monsoon season. The prices are expected to remain firm for few days.

FUTURES MARKETS:

Chilli prices on the NCDEX October futures continued to decline and traded volatile during the day on some profit taking by investors. The contract opened the day on a bearish note at Rs 6399 a quintal and then prices dropped to the low of Rs 6205. However bullish sentiments helped the prices to recover and the day trading settled at Rs. 6337 a quintal. The total volumes figures for the day declined to 36670 MT's.

PRICE DRIVERS:

Bullish:

1. High demand
2. Reducing stock position
3. Chilli crop might arrive late
4. Favourable export scenario

Bearish:

1. Prices on high levels
2. Sowing near completion with expectation of increased acreage
3. Karnataka acreage expanded

Weather:

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry, Kerala and Lakshadweep; at a few places over South Interior Karnataka and isolated over the rest region. Rains will be beneficial for rain fed chilli crop.

TECHNICALS

Candlesticks are indicating indecision in the market. Stochastic is bearish in neutral region. MACD is bearish in positive zone. Prices closed above moving averages indicating bullishness in the market. The prices are most likely to remain volatile with possibility of recovery in prices.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6250	6139	6409	6478

TRADE RECOMMENDATION:

Buy near 6275 - 6280 targeting 6350 and then 6400 with a strict stop loss at 6230. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	LCA 334 (loose) Cold Storage	40000
	LCA 334 (Bilty)	
	5800-6000	
	6600-7000	

JEERA (Cumin)

SPOT MARKETS

Jeera prices in Unjha market declined today despite high demand for the commodity. The arrivals and off take reduced slightly however sales continued to be around 2.5 - 3 times the inflow. The demand for jeera from domestic as well as international markets is high and buyers are from Europe, Gulf countries Singapore and China. The export scenario for Indian jeera is favourable as it is better in terms of quality and price when compared with competitors. The domestic demand for jeera might rise in coming days helping the prices to climb further. The prices might remain firm in coming days.

FUTURES MARKETS:

Jeera prices at the NCDEX October futures continued to drop on profit booking. However prices could not sustain lower levels during the session and the trading ended with indecision in the market. The contract opened at Rs. 9260 a quintal and decline sharply to Rs. 8990 however prices recovered in the later trading hours indicating possibility of recovery. The trading for the day settled at Rs. 9225 a quintal. The total volumes traded during the session declined to 27093 MT's.

PRICE DRIVERS:

Bullish:

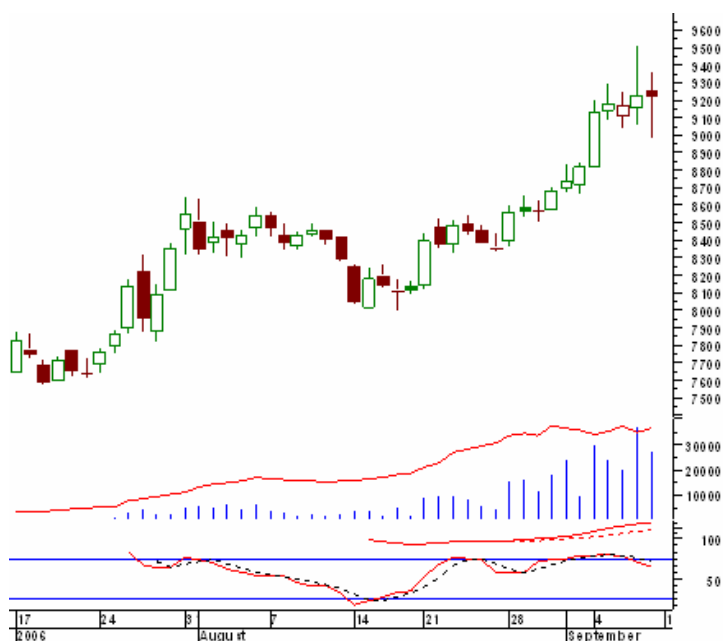
1. Competitors offer inferior quality jeera at higher prices
2. Demand expected to improve on upcoming festivals
3. Demand higher than inflow

Weather:

Rain/thundershowers are likely at a few places over north Gujarat region, Kutch and southwest Rajasthan and isolated 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 bullish in positive zone indicating firm sentiments in the market. Prices closed above EMA's indicating prices might continue firm. The prices might continue to trade volatile with bullish bias.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	9142	8994	9360	9506

TRADE RECOMMENDATION:

Buy above 9170 with a target of 9285 and then 9360 with a strict stop loss at 9088. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1720- 1780	4500
	Ganesh	1760 - 1810	
	Machine Cleaned	1840- 1880	

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