

SPICES DAILY

September 08, 2006

TURMERIC

SPOT MARKETS

Turmeric in Erode market traded firm today on high demand for the commodity. The offtake was high of about 80 - 90 percent of the total inflow in the market. Nizamabad market remained closed today and both Erode and Nizamabad market will remain closed on Friday. Turmeric prices are trading firm these days due to high demand for the commodity from domestic as well as export front. The domestic buyers are from West Bengal, Bihar, Delhi, Punjab Jammu Kerala and local markets of Tamil Nadu. The domestic demand is from Uttar Pradesh and Madhya Pradesh. Exports these days are being made to Gulf countries, Europe and Russia. The domestic demand is likely to continue to improve. The markets have good stock of turmeric and the prices might remain range bound to slightly firm for few days.

FUTURES MARKETS:

Turmeric prices at the NCDEX October futures contract traded volatile today on speculative activities. The contract opened low at Rs. 2823 a quintal and thereafter surged to make the contracts high of Rs. 2889 a quintal. The days trading ended in red on profit taking in the later trading hours of the day and the prices declined to Rs. 2775 a quintal. The total volumes traded during the day increased to 66690 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 is likely to make a bearish crossover in neutral region. MACD is bullish in positive zone. 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	2774	2758	2850	2890

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	2500-2550	4000
	Gattah	2450-2500	

BLACK PEPPER

SPOT MARKETS

Black pepper prices in Kochi market increased slightly on improved demand for the commodity as the market saw trading of around 52 MT's of pepper as against yesterdays 30 MT's. Position of India is favourable in international markets as it is being considered as the sole supplier of pepper in the world market at present. Markets across the world are facing supply crunch and are expecting high demand in near future ahead of upcoming festival season. Harvesting in Brazil is expected to gain pace in October. Sri Lankan government has put a cap on export of pepper made to India to 2500 MT's. The prices are expected to remain slightly firm for a few days.

FUTURES MARKETS:

NCDEX October futures contract remained highly volatile as the prices climbed to make a fresh high of Rs. 14310 a quintal. The contract opened firm at Rs. 13549 a quintal as against previous day's close of Rs. 13511 a quintal thereafter the prices increased to the days high on speculative buying and declined sharply in the later trading hours of the session on profit booking. The total volumes traded during the session increased to 66437 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. Favorable export scenario

Bearish:

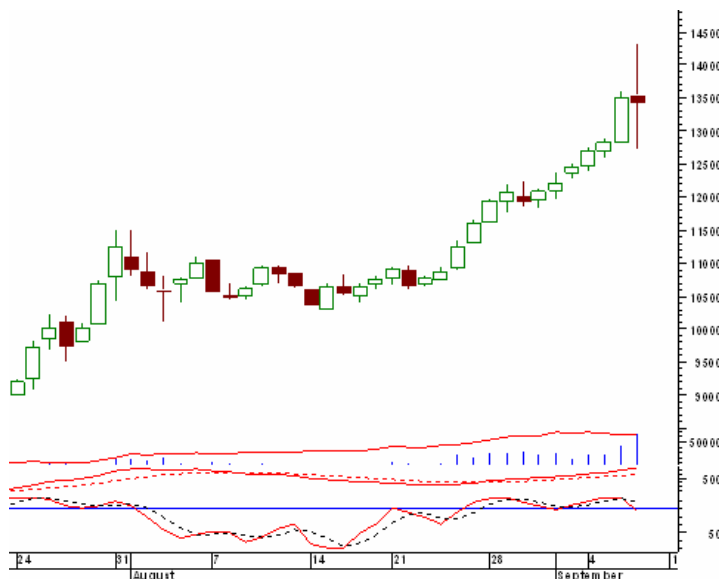
1. Brazil quotes lower than India

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 indecision in the market. MACD is bullish in positive territory; Stochastic has made a bearish crossover in overbought region. Prices closed above Moving averages indicating bullish market. 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	12820	12475	13766	14327

TRADE RECOMMENDATION:

Sell below Rs. 13550 with a target at Rs. 13120 and then 12895 with a strict stop loss at Rs. 13875. Trade cautiously with intra day outlook.

Centers	Prices/Qtls.	Arrivals (Tonnes)
Kochi	Garbled 11700	52
	Ungarbled 11300	

RED CHILLIES

SPOT MARKETS

Guntur market of red chillies remained closed today. The scenario for red chillies is favourable on high international and domestic demand for the commodity. The commodity these days are being exported to Bangladesh and Sri Lanka. Trading sources revealed chilli crop is expected to delay due to weather concerns and reseeded 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 still in progress in Andhra Pradesh and the standing plants require water at current stage. The domestic demand is likely to improve due to upcoming festivals and end of monsoon season. The prices are expected to remain range bound to slightly firm for few days.

FUTURES MARKETS:

Chilli prices on the NCDEX October futures dipped sharply towards the end of the day in conjunction with the other spices. The contract opened the day on a firmer note at Rs 6440 and then prices surged to the highs of Rs 6589. However, heavy selling towards the end of the session took the prices to the day's low of Rs 6300. The contract closed with losses at Rs 6405. The total volumes figures for the day bounced up to 53505 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 bullish in positive zone. Prices closed above moving averages indicating bullishness in the market. The prices are most likely to remain volatile with fall in prices due to technical correction.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX October	6301	6205	6513	6590

TRADE RECOMMENDATION:

Sell below 6470 targeting 6375 and then 6324 with a strict stop loss at 6542. 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 increased today on reduced arrivals and high demand. The off take was of 15000 bags of jeera that was around three times the inflow. The demand for jeera from domestic as well as international markets is high. The export scenario for Indian jeera is favourable as it is better in terms of quality and price when compared with competitors Indian jeera these days is being exported to Europe, Gulf countries Singapore and China. The prices might continue to remain firm for few days.

FUTURES MARKETS:

Jeera prices at the NCDEX October futures shed most of the earlier gains towards the end of the session on heavy profit booking at higher levels. Sharp downward correction in the other spices spilled over the Jeera. The contract started the day slightly weak at Rs 9160 and then prices surged to see the high of Rs 9507. However, some heavy profit booking towards the end pressured the prices to culminate the day with marginal gains at Rs 9230. The total volumes traded during the session were high at 37077 MT's.

PRICE DRIVERS:

Bullish:

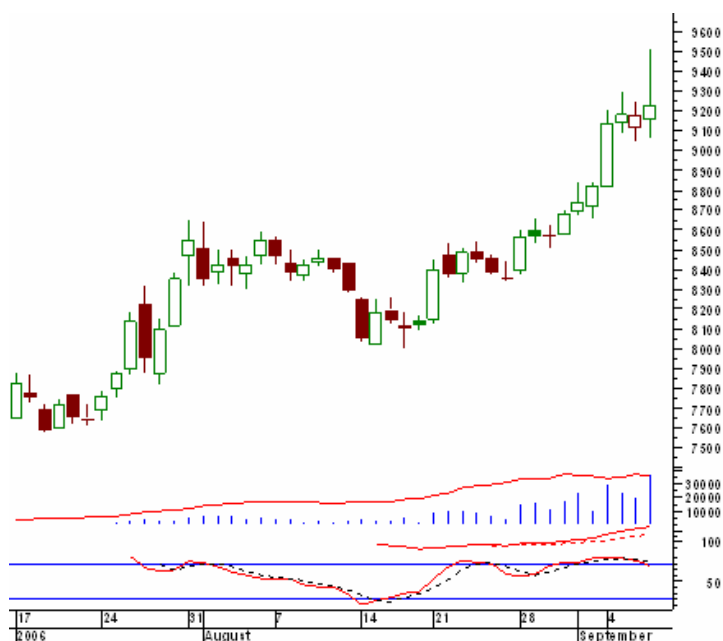
1. Competitors offer inferior quality jeera at higher prices
2. Demand expected to improve on upcoming festivals
3. Demand higher than inflow

Weather:

Rain/thundershowers are likely at many places over north Gujarat region, Saurashtra & Kutch and south Rajasthan; at a few places over south Gujarat region, northeast Rajasthan, north Konkan 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 below 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	9040	8845	9293	9509

TRADE RECOMMENDATION:

Buy above 9060 with a target of 9250 and then 9345 with a strict stop loss at 8915. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.		Arrivals (Bags)
Unjha	F.A.Q	1740- 1800	4000-5000
	Ganesh	1780 - 1830	
	Machine Cleaned	1860- 1900	

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