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BLACK PEPPER

SPOT MARKETS

Black pepper markets remained on an average stable during Wednesday's trade. It was offered in an unchanged price range in Kochi amidst arrivals as well as offtake of 7.5 MT. Traders reported lacklustre demand in the market behind the recent decline in pepper prices. Spices Board has already notified that no more applications for availing freight subsidy from the exporters will be accepted as the upper limit has been reached. International buying was also not visible in the market as most of the importers are eyeing the Vietnam crop that would hit the market most likely during late March. Black pepper prices are likely to consolidate in short-term in domestic front.

FUTURES MARKETS:

Black pepper futures at the NCDEX opened higher as compared to previous settlement and the most active March contract tested an intraday high of Rs. 12814 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 12516 during late hours of trading. The futures finished near day's low in final action. Most active March contract traded in the range of Rs. 12516-12814 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Global supplies are expected to remain tight during 2007
2. Most of the competitor countries are believed to have sold out major chunk of their stock in the recent bull-run
3. IPC estimates Vietnamese crop lower and expects only by March

Bearish:

1. Reduced buying support at the physical markets
2. No further freight subsidy for pepper export

Weather:

Mainly dry weather over the pepper-growing regions. Present weather conditions are favourable for the pepper crop at this time.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Stochastic is moving downwards in the normal region, hinting further downtrend. MACD is also moving downwards in the positive territory, supporting the weakness. Prices closed below the 9-day as well as 18-day EMA, hinting weak prices in short-term. Volume as well as open interest has increased as compared to previous settlement. Black pepper futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	12005	12266	12550	12968	13213

TRADE RECOMMENDATION:

Sell NCDEX March Pepper near Rs. 12550-12600 with a target at Rs. 12475 and then Rs. 12450 with a strict stop loss at Rs.12675. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Tonnes)
Kochi	Garbled 12300	7.5
	Ungarbled 11700	

RED CHILLIES

SPOT MARKETS

Red chillies market in Guntur continues to witness a bearish trend during Wednesday's trade. Chilli prices have declined considerably in recent time as fresh crop arrivals in the market are gaining momentum. Fresh crop arrivals are expected to gain further pace during coming couple of weeks and consequently adding to the bearishness. Traders reported dull demand at present in the market. Chilli export from the country has increased by 44 percent to Rs. 440 crore during April-Dec 2006 owing to higher prices prevailing at that time. However, in quantity terms it has declined by 3 percent. With a bumper harvest outlook, prices are likely to remain bearish in near future.

FUTURES MARKETS:

Chilli futures at the NCDEX opened higher than previous settlement and most-active March contract tested an intraday high of Rs. 3948 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 3812 during late hours of trade. The futures settled with significant loss in final action. March contract traded in the range of Rs. 3812-3948 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Talks of prospective export demand
2. Chilli export has increased by 44 percent in value during Apr-Dec 2006

Bearish:

1. Forthcoming crop is expected good due to higher acreage
2. Crop arrivals in the market gaining momentum

Weather:

Mainly dry weather over the chilli growing regions. Weather conditions are favourable for the crop at present.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Volume has declined, while open interest has increased as compared to previous settlement. Prices closed below the 9-day as well as 18-day EMA, hinting short-term weakness in prices. Stochastic has made a bullish crossover and moving slightly upwards in the oversold region, hinting likely upward technical correction soon. MACD is moving downwards in the negative territory, supporting the weakness. Red chillies futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	3632	3731	3835	3912	4000

TRADE RECOMMENDATION:

Sell NCDEX March Chilli near Rs. 3850 with a target of Rs. 3775 and then Rs. 3750 with a strict stop loss of Rs. 3900. Trade cautiously with intra day outlook.

Centers	Prices/Qtl.	Arrivals (Bags) 1 bag = 40 to 45 Kgs.
Guntur	Loose (Good quality) 4000-4500	30000-35000

JEERA (Cumin)

SPOT MARKETS

Jeera markets remained on an average bearish during Wednesday's trade. It was offered in a lower price range amidst slightly higher arrivals and steady offtake. Crop arrivals from the fresh harvest are gaining momentum at present and expected to pick up further during early March. Present weather conditions are also favourable for the crop. Jeera exports have increased by 199 percent to 22000 tonnes and by 194 percent to Rs. 166 crore during Apr-December 2006. Domestic jeera prices are likely to remain firm in short-term.

FUTURES MARKETS:

Jeera futures at the NCDEX opened lower as compared to previous settlement and the most active March contract tested an intraday low of Rs. 9621.2 at the early hours of trade. The futures recovered back on moderate buying support and tested an intraday high of Rs. 9730 during late hours of trading. However, the futures finished in negative territory in late action. Most active March contract traded in the range of Rs. 9621.2-9730 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Estimations of lower acreage under jeera
2. New crop size expected to be lower than year ago
3. Export has increased by 199 percent in quantity terms during Apr-Dec 2006

Bearish:

1. Fresh arrivals started increasing in the market
2. Weak buying support at the physical markets

Weather:

Isolated rain/thundershower is likely over the jeera producing region. Climate is suitable for the crop at this stage.

TECHNICALS

Candlestick pattern is indicating steady to weak opening and initial downtrend. Stochastic is moving slightly downwards in the normal region, hinting further downtrend. MACD is moving indecisively in the positive territory. Prices closed above the 9-day as well as 18-day EMA, hinting firm prices in short-term. Volume as well as open interest has declined as compared to previous settlement. Jeera futures are likely to trade downwards following a steady to weak opening initially and upwards thereafter.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX March	9513	9595	9675	9817	9900

TRADE RECOMMENDATION:

Sell NCDEX March Jeera near Rs. 9700 with a target of Rs. 9625 and then Rs. 9600 with a strict stop loss of Rs. 9750. Trade cautiously with intra day outlook.

Centers	Prices/20 Kgs.	Arrivals (Bags) 1 bag = 55 to 60 Kgs.
Unjha	F.A.Q 1780-1830	4000
	Ganesh 1830-1880	
	Machine Cleaned 1930-1960	

CARDAMOM

SPOT MARKETS

Cardamom prices maintained its steady position at major spot markets. The total arrivals during Wednesday's auction at CPMC, Kumily stood at 59.6 tonnes. Farmers withdrew nearly 3-4 tonnes as prices were quoted below their expectation. With prices reaching its peak, farmers started offloading their stock at various auctions, which resulted into slight easing of prices due to selling pressure. The average price also witnessed decline from Rs 370 a kg level to Rs 350 a kg level. MCX grade hovered in the range of Rs 380-385 a kg. However, according to the auctioneers and market sources, slight fall witnessed in cardamom prices will remain short term as the near drought situation prevailing in Kerala, which accounts for 80% of cardamom production and reported fall in global production are likely to pressurize the prices in coming days.

FUTURES MARKETS

Cardamom futures witnessed weak sentiments at MCX. March contract opened firm at Rs 485.50 against its previous close of Rs 479.50. Increased selling pressure pulled the futures downwards throughout the session, testing the lows of Rs 471.30. Contract was traded in the range of Rs 486.80-471.30 and finally settled in the negative territory of Rs 475.10.

PRICE DRIVERS

Bearish: 1. Guatemala's optimum carryover stock
2. Increasing Guatemala exports

Bullish:

1. Near drought situation in Kerala
2. Declining stocks
3. Rising demand from North India
4. Increasing overseas demand

WEATHER

Dry and warm weather conditions prevail over Kerala and Tamil Nadu regions. Weather is not so favourable for cardamom crop at this stage.

TECHNICALS

Candlesticks chart pattern reflects bearish sentiments. MACD is in positive region and moving downwards. Prices closed below both 9 days and 18 days EMA, which indicate that the trend is likely to continue. Stochastic favour the bears. Market is expected to trade downwards following steady to weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
MCX March	464	458	489	492

TRADE RECOMMENDATION:

SELL MCX March cardamom below Rs 479 with a target of Rs 470 and then Rs. 468 with a strict stops loss near Rs 483. Trade cautiously with intra-day outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
CPMC, Kumily	380-385	59,600

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