

■ BLACK PEPPER

■ May 23, 2007

SPOT MARKETS

Domestic black pepper markets extended previous weakness further. It was quoted lower by Rs. 300 per quintal in Kochi markets amid no arrivals as well as offtake. Slowdown in international market activity and consequently some weakness in global pepper prices in general and Vietnam pepper prices in particular are attributed to the weakness in domestic markets. Overseas buyers preferred to be on the sideline eyeing further decline in prices. Spillover weakness from futures market has also dampened the prices to a greater extent. Stronger Rupee that hits 9-year high on Monday is also making export tag higher for Indian pepper.

FUTURES MARKETS

Black pepper futures at NCDEX opened lower than previous settlement and most active June contract tested an intraday high of Rs. 14680 during mid-session. Increased selling interest has pressurised the futures thereafter and the futures breached 4 per cent lower circuit level to test an intraday low Rs. 13685, nearing a 2-month low. Most active June contract traded in the range of Rs. 13685-14680 on Tuesday.

PRICE DRIVERS

Bullish:

1. Global supplies remain tight
2. Vietnam crop size projected lower by 10-20 percent

Bearish:

1. Global prices ease on slowdown in activity
2. Increasing stocks at exchange accredited warehouses
3. Weak domestic and export demand

WEATHER

Isolated rain/thundershowers are likely over Kerala, Lakshadweep, Tamil Nadu, Coastal Andhra Pradesh and Coastal Karnataka. It would help the newly planted vines.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. 14-day RSI is moving downwards in oversold region, leaving scope for further downtrend. MACD moving southwards in the negative territory, supporting the weakness in the market. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains weak. Volume has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade downwards following a weak opening with possibility of some late recovery.

Pepper 0706(NCPEPM7)2007/05/22 - Daily B:13700.00 A:13713.00
O 14475.00 H 14680.00 L 13690.00 C 13713.00 V 28,836 I 14,604 -736
EMA(9) 14068 (18) 15229



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13037	13375	13713	14254	14562

TRADE RECOMMENDATION

Sell NCDEX June Pepper near Rs. 13775-13800 with a target at Rs. 13675 and then Rs. 13600 with a strict stop loss at Rs.13900. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14300	-
	Ungarbled	13700	

CUMIN

May 23, 2007

SPOT MARKETS

Domestic jeera markets at Unjha remain bearish during Tuesday's trade. It was quoted in a lower price range amid lower arrivals as well as offtake. Sharp decline in jeera futures prices has weakened the physical market sentiments as well. Lack of any significant developments in its demand front has kept the market mostly quiet for the past few days. Stronger Rupee (at 9-year high) is making Indian export dearer. Notably, exports during last fiscal year 2006-07 has more than double to 26,000 tonnes valued at Rs 201.50 crore over 12,879 tonnes valued at Rs 98.19 crore exported in 2005-06. Long-term fundamentals continue to remain supportive with the estimated fall in production. However, some short-term weakness is likely on weak demand for the commodity.

FUTURES MARKETS

Jeera futures at NCDEX opened lower than previous settlement and most active June contract tested an intraday high of Rs. 12034 during mid-session. The futures slide on increased selling pressure and breached the 4 per cent lower circuit to test an intraday low of Rs. 11337 at close. Most active June contract traded in the range of Rs. 11337-12034 during Tuesday's trade.

PRICE DRIVERS

Bullish:

1. Estimations of lower production this season

Bearish:

1. Weak domestic and overseas demand
2. Lacklustre trading activities in physical markets

WEATHER

Isolated duststorm/thunderstorm is likely over Rajasthan. Weather is not crucial at present as the harvesting season is over.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains bearish. MACD is moving downwards in the negative territory, supporting the weakness in the market. 14-day RSI is moving downwards in oversold region, leaving scope for further downtrend. Volume has increased, while open interest has declined as compared to previous settlement. Jeera futures are likely to trade downwards following a weak opening with possibility of some late recovery.

JEERA 0706(NCJEE7)2007/05/22 - Daily B:11337.00 A:11337.00
O 11960.00 H 12030.00 L 11337.00 C 11337.00 V 28,608 I 17,793 -635
EMA(9) 12303 (18) 12644



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	10875	11106	11337	11799	12030

TRADE RECOMMENDATION

Sell NCDEX June Jeera above Rs. 11350-11400 with a target of Rs. 11275 and then Rs. 11250 with a strict stop loss of Rs.11475. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2240-2320	
	Ganesh	2340-2420	3500-4000
	Machine Cleaned	2540-2620	

CHILLI

May 23, 2007

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed for summer holidays. Chilli export from the country in fiscal year 2006-07 was 1, 48,500 tonnes valued at Rs 807.75 crore against 1, 13,174 tonnes worth Rs 403.01 crore in 2005-06. Despite increase in prices, the exports increased by 31 per cent in volume. According to Spices Board Chairman, production in China was less than the previous year, resulting in short supply in the International market. During the last fiscal, China imported around 900 tonnes of chilli from India. Malaysia, Bangladesh and Indonesia have imported more quantity of chillies from India during the last fiscal year.

FUTURES MARKETS

Chilli futures at NCDEX opened marginally up by Rs.7 at Rs.4915 as compared to previous settlement and most active June contract tested an intraday high of Rs. 4978 at the opening session of trade. The futures traded downwards thereafter to test an intraday low of Rs. 4841. The contract finally closed in a negative territory. We witnessed liquidation of long position amidst gain in volumes.

PRICE DRIVERS

Bullish:

1. Market closed due to summer holidays
2. Export up 31 percent in last fiscal year

Bearish:

1. Domestic production is estimated higher by 20 percent

WEATHER

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands and isolated over South Interior Karnataka, Tamil Nadu, Kerala, Lakshadweep and Andhra Pradesh. Weather is not a crucial factor at present.

TECHNICALS

Candlesticks indicate bear dominated market amidst significant jump in the volumes. 6-day RSI is bearish, leaving scope for further fall in the prices. MACD remains in the negative territory. Prices closed below the 14-day as well as 26-day EMA, indicating that the trend remains bearish in the market. RSI is neutral and moving downwards. Red chillies futures are likely to trade downwards with slight increase in the price towards later trading session.

CHILL334GTR 0706(NCGTRM7)2007/05/22 - Daily B:4841.00 A:4850.00
O 4915.00 H 4978.00 L 4841.00 C 4850.00 V 9,780 I 7,900 -58



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4664	4801	4850	5026	5075

TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4850-4875 with a target of Rs. 4825 and then Rs. 4800 with a strict stop loss of Rs. 4994. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334	Closed	-

TURMERIC

May 23, 2007

SPOT MARKETS

Turmeric prices at most of the auctions were trading steady as that of previous trading session. At Sangli 2788, bags were sold and the prices were steady. Around 6000 and 2500, bags were sold at Warangal and Duggirala and prices were steady. The demand was reported to be normal in the spot market. Turmeric arrivals at the daily auction have started fading as the marketing season is ending. NMCE is planning to launch turmeric futures on Erode variety very soon.

FUTURES MARKETS

All the NCDEX futures contracts for Turmeric settled weak. For the most active June contract, we witnessed long liquidation amidst both fall in volumes and open interest. The contract-opened slightly up at Rs.2235/quintal however failed to sustain the initial lows at Rs.2223 and due to buying support, the prices surged up to Rs.2254 level. The contract finally closed at Rs.2227 down by Rs.5 as compared to Monday's close price. We witnessed short accumulation for the July contract amidst good volumes and gain in open interest. The contract traded between Rs.2289-2260 ranges.

PRICE DRIVERS

Bearish:

1. Higher production estimates.
2. Fresh export orders expected.

WEATHER

Isolated rain over Tamil Nadu is expected. This kind of weather will not have a major effect as harvest and post harvest activities have already been carried out in these areas.

TECHNICALS

Candlesticks pattern indicates active bears in the market and an indecisive trend. Volumes could not test previous levels. Stochastic oscillator has witnessed a bullish crossover. MACD is in negative region indicating a bearish trend. The contract settled below the short term (6-day EMA). EMA's are indicating a short-term bearish trend in the market. RSI is neutral zone and moving downwards. We expect the contract to trade weak in next trading session.

Turmeric 0706(NCTMCM7)2007/05/22 - Daily B:2226.00 A:2234.00
O 2235.00 H 2254.00 L 2223.00 C 2227.00 V 18,620 I 20,030 -5
EMA(6) 2223.8 (14) 2223.8 (26) 2229.4



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2184	2203	2227	2265	2277

TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2227-2230 or at market open price with a target of Rs.2215 and then 2201 with a stop loss of Rs.2250.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1900-1950	1500
	Gattah	1775-1825	
Erode	Finger	1975-2075	10000
	Gattah	1900-2000	



■ CARDAMOM

■ May 23, 2007

SPOT MARKETS

Daily auctions at Ndukandam were not carried out because of poor arrivals. Cost of production has gone high as a result of investment and recurring expenses for irrigation. The cardamom growers association is demanding the Govt. (1) to extend financial assistance on a larger scale for installing irrigation facilities and, (2) to arrange massive community irrigation systems in the cardamom belt to cut down the cost of irrigation.

FUTURES MARKETS

The MCX cardamom June contract settled weak after initial highs underpinned by selling pressure. Liquidation of long position was observed for the benchmark June contract along with fall in the open interest and good volumes. The contract-opened up at Rs.508 and failed to resist the intraday high at 509 levels and fell down to make a low of Rs.500.2. The July contract traded between Rs.524 and Rs.516.5 amidst marginal fall in open interest and almost steady volumes.

PRICE DRIVERS

Bearish:

1. Expected rains in Kerala.

Bullish:

1. Low Production in India.
2. Nearly 30% of cardamom plants dried and dead.

WEATHER

Isolated shower is likely over the Kerala state. This will benefit the crop at the growing areas and the yield of the crop is anticipated to improve.

TECHNICALS

Candlestick is indicating active selling pressure in the market. Volumes were marginally up against previous level and supported the price movement. The contract closed below short term EMAs, indicating a short-term bear trend. MACD is in the negative zone and heading towards the positive region. RSI is neutral and moving downwards. Stochastic is in neutral region and moving upwards. We expect the contract to trade firm with slight dip in the prices.

CARDAMOM 0706(MXCAMM7)2007/05/22 - Daily B:503.00 A:504.00
O 508.00 H 509.00 L 500.20 C 503.10 V 1,432 T 63,698 I 2,339 -3.4

EMA(8) 504.50 (14) 502.84 (26) 507.02



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	490.4	495.3	503.1	512.9	516.8

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.503.1-504 or at market open price with a first target of Rs.507.1 then Rs.512 with a stop loss of Rs.498.6.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Nedukandam

Closed

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