

■ BLACK PEPPER

■ May 29, 2007

SPOT MARKETS

Domestic black pepper markets witnessed a weak trend. It was quoted lower by Rs. 200 per quintal in Kochi markets amid arrivals as well as offtake of 18 MT. Though there was no selling pressure in the physical markets, yet the downtrend in futures market owing to higher margins and reduced open position limit has dampened the physical market trend. IMD's declaration of onset of SW monsoon over Kerala has also weighed down on the pepper markets. According to International Pepper Community, pepper market was quiet during the past week with local prices at most markets registering a slump ranging from 1 to 2 per cent, while FOB prices registering almost flat levels. Long-term firm outlook for pepper remains intact, though developments in Vietnam would be the single most important driving factor in the near future.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher than previous settlement and the most active June contract tested an intraday high of Rs. 14108 at the opening session of trade. The futures traded sharply downwards thereafter and tested an intraday low of Rs. 13515. The futures finished with significant losses in final action. Most active June contract traded in the range of Rs. 13515-14108 during Monday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

1. Slowdown in global market activity
2. Higher stocks at exchange warehouses
3. Weak domestic and export demand

WEATHER

Rain/thundershowers are likely at most places over Kerala; at many places over Coastal & South Interior Karnataka and at a few places over North Interior Karnataka and Tamil Nadu. It would help the newly planted vines.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. 14-day RSI is heading towards oversold region, leaving scope for further downtrend. MACD is moving flat in negative territory. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend still 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 steady to weak opening with possibility of upward movements later in the session.

Pepper 0706(NCPEPM7)2007/05/28 - Daily B:13604.00 A:13619.00
O 13949.00 H 14108.00 L 13530.00 C 13619.00 V 14,120 I 12,003 -310
EMA(9) 14156 (18) 14631



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	12918	13226	13619	14117	14391

TRADE RECOMMENDATION

Sell NCDEX June Pepper at Rs. 13675-13700 with a target at Rs. 13575 and then Rs. 13550 with a strict stop loss at Rs.13775. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14200	18
	Ungarbled	13600	

SPOT MARKETS

Domestic jeera markets maintained earlier steadiness at the start of the week. It was offered in an unchanged price range owing to steady offtake amid higher arrivals. Lack of any significant developments in its demand front has kept the market mostly calm for the past few weeks. Quality issues with physical delivery in commodity exchanges are still weighing on the markets. 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.

FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and near-month June contract tested an intraday high of Rs. 12158.8 at the early hours of trade. Profit taking capped further advances and the futures traded downwards thereafter to test an intraday low of Rs. 11811. Near-month June contract traded in the range of Rs. 11811-12158.8 during Monday's trade.

PRICE DRIVERS

Bullish:

1. Estimations of lower production this season

Bearish:

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

WEATHER

Duststorm/thunderstorm is likely at a few places over Rajasthan. Weather is not crucial at present as the harvesting season is over.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend still remains bearish. MACD is moving upwards after a bullish crossover in the negative territory. 14-day RSI is neutral, leaving scope for both way movements. 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 with possibility of upward movements later in the session.

JEERA 0706(NCJEE07)2007/05/28 - Daily B:11851.00 A:11875.00
O 11981.00 H 12158.00 L 11815.00 C 11870.00 V 15,330 I 17,310 -120
EMA(9) 11974 (18) 12284



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11445	11622	11870	12134	12300

TRADE RECOMMENDATION

Sell NCDEX June Jeera near Rs. 11900 with a target of Rs. 11800 and then Rs. 11750 with a strict stop loss of Rs. 11975. Trade cautiously with intraday outlook.

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

CHILLI

May 29, 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 June futures contract on NCDEX settled on a bearish note after opening firm. We witnessed liquidation of long positions for the most active June futures. The volumes were very low as compared to previous trade. The contract opened high for the day at Rs.4825. However, the contract failed to sustain this level and made an intraday low at Rs.4700 because of selling pressure. The contract then closed at Rs.4739 down by 0.96% as compared to previous close price.

PRICE DRIVERS

Bullish:

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

Bearish:

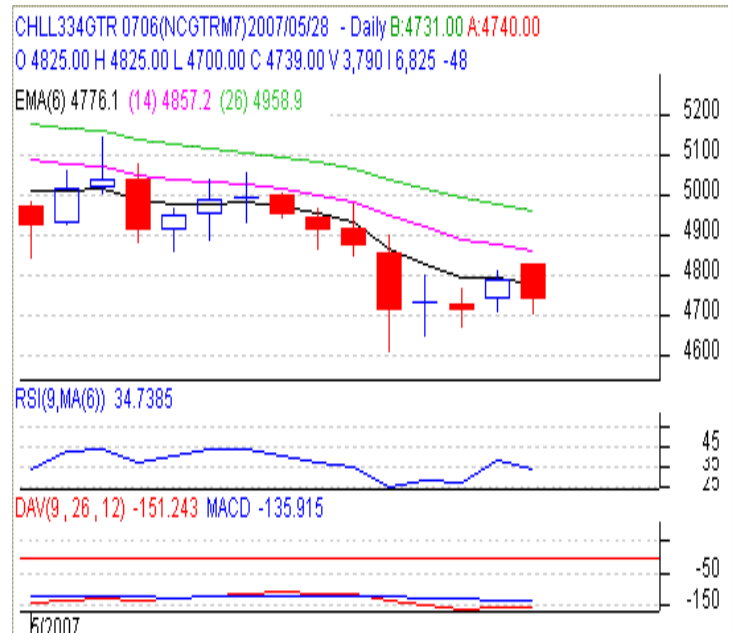
1. Domestic production is estimated higher by 20 percent

WEATHER

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

TECHNICALS

Medium sized dark candlestick is indicating selling pressure in the market. Volumes were very low as compared to previous trading session. 9-day RSI is moving downwards towards the oversold region. Prices closed below the 6-day as well as 26-day EMA, indicating that the trend still favours the bears. Stochastic oscillator is moving towards the over sold region. MACD is bearish. Red chillies futures are likely to trade weak in the next trading session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4559	4629	4739	4879	4934

TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4739-4750 with a target of Rs. 4695 and then Rs. 4650 with a strict stop loss of Rs. 4775. Trade cautiously with intra day outlook.

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

TURMERIC

May 29, 2007

SPOT MARKETS

The week opened with a bearish note, amidst low arrivals at the major spot market for turmeric. Around just 455 bags were sold at Sangli. Rajapuri best were sold for Rs.2350-2700 and Salem was sold for Rs.2700-3000 per quintal. At Sangli, a trader said that arrivals from other centres were around 8000 bags. Adding to this rainfall was witnessed at Turmeric growing areas at Maharashtra this is favourable for the crop during the growing stage.

FUTURES MARKETS

Turmeric June futures contract on NCDEX witnessed bear dominated trading session. The June contract closed on liquidation of long position amidst very good volumes and fall in open interest. The contract opened slightly week by Rs.2 at Rs.2188. During the initial trading session, the contract surged up to Rs.2202 however later on due to the selling pressure the contract made a steep fall to Rs.2158 and closed low at Rs.2163 down by 1.37% as compared to previous close price. Short accumulation was witnessed for the July contract amidst very good volumes and marginal gain in open interest as compared to previous trade.

PRICE DRIVERS

Bearish:

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

WEATHER

Rain and Thundershowers over Andhra Pradesh and 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 while rainfall at Karnataka and Maharashtra would benefit the crop at its initial growing stage.

TECHNICALS

A dark candlestick is indicating bear dominated market. Volumes gained and supported the price movements. Stochastic oscillator is oversold region and supporting the bearish trend in the market. MACD is in negative region indicating a bearish trend. The contract settled below the short term (6-day EMA). EMA's are indicating a bearish trend. 9-day RSI is oversold and bearish. We expect the contract to trade weak in next trading session.

Turmeric 0706(NCTMCM7)2007/05/28 - Daily B:2163.00 A:2165.00
O 2188.00 H 2202.00 L 2158.00 C 2163.00 V 14,610 I 18,660 -27



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2102	2130	2163	2218	2234

TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2163-2168 or at market open price with a target of Rs.2152 and then 2135 with a stop loss of Rs.2180.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	Market Closed	
	Gattah		
Erode	Finger	1950-2050	6500
	Gattah	1800-1850	



■ CARDAMOM

■ May 29, 2007

SPOT MARKETS

At Bodinayakanur around 15000 kg of cardamom arrived and most of them were sold. The arrivals were traded between Rs.410-420 per kg. The regular auction's for the season is likely to get over by the last week of May. Local demand was reported to be steady. Export demand was almost negligible in the auctions.

FUTURES MARKETS

The MCX cardamom June contract settled in a negative territory and tested fresh lows. The most active June futures opened weak and failed to breach the opening price of Rs.488. The contract made an intraday low at Rs.476.2 on selling pressure and closed at Rs.477.3 down by 2.49 %. We witnessed liquidation of long position amidst good volumes and fall in open interest.

PRICE DRIVERS

Bearish:

1. Rains in Kerala.

Bullish:

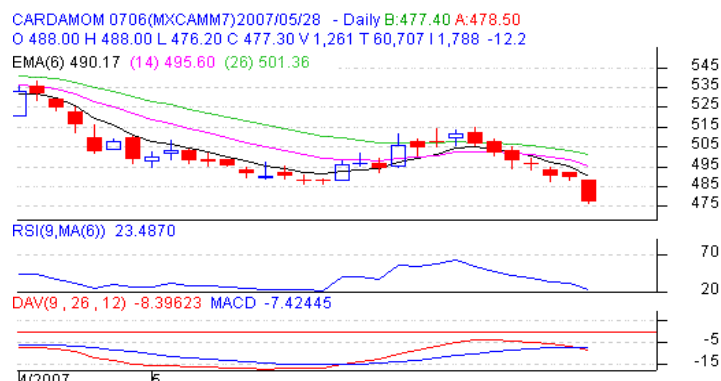
1. Low Production in India.
2. Nearly 30% of cardamom plants dried and dead.

WEATHER

Southwest monsoon has set over Kerala region of cardamom growing areas today on 28th May 07. Due to this, the crop at the growing areas and the yield of the crop would benefit largely.

TECHNICALS

Long dark Candlestick is indicating very strong bears in the market leaving scope for a bullish correction in the market very soon. Volumes gained significantly and supported the price movements. The contract closed below all the EMA's, indicating a short-term bear trend. MACD is in the negative zone and is currently bearish. 9 day RSI is at oversold region and bearish. Stochastic is in neutral region. We expect the contract to trade weak with slight firmness in the prices.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	458.2	462.7	477.3	492.3	496.6

TRADE RECOMMENDATION

We recommend intraday sell for the MCX cardamom June contract at Rs.477.3-478 or at market open price with a first target of Rs.472 then Rs.464 with a stop loss of Rs.483.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

410-420

15000

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