

## ■ BLACK PEPPER

■ May 28, 2007

### SPOT MARKETS

Domestic black pepper markets remain quiet at the weekend. It was offered in an unchanged price range in Kochi markets amid no arrivals as well as offtake. Though there was no selling pressure in the physical markets at present, yet the downtrend in futures market owing to higher margins and reduced open position limit has dampened the physical market trend. Global market activity continues to remain lacklustre with overseas buyers preferring to adopt a wait and watch policy that has forced the producing countries particularly Vietnam to ease its tag. Long-term firm outlook for pepper remains intact as of now, though developments in Vietnam would be the single most important driving factor for global pepper trade in the near future.

### FUTURES MARKETS

Black pepper futures at NCDEX opened lower than previous settlement and the most active June contract tested an intraday low of Rs. 13680 at the opening session of trade. The futures traded upwards thereafter to test an intraday high of Rs. 13960. Most active June contract finished near day's high after trading in the range of Rs. 13680-13960 on Saturday.

### 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 accredited warehouses
3. Weak domestic and export demand

### WEATHER

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

### TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. 14-day RSI is moving upwards in neutral region, leaving scope for further uptrend. MACD is about to make a bullish crossover in negative territory. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend still remains weak. Volume as well as open interest has declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady to firm opening.

Pepper 0706(NCPEPM7)2007/05/26 - Daily B:13915.00 A:13916.00  
O 13711.00 H 13960.00 L 13680.00 C 13929.00 V 8,892 I 12,062 +189  
EMA(9) 14290 (18) 14750



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13274	13613	13929	14364	14678

### TRADE RECOMMENDATION

Buy NCDEX June Pepper at Rs. 13875-13900 with a target at Rs. 14000 and then Rs. 14075 with a strict stop loss at Rs.13775. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14400	-
	Ungarbled	13800	

### SPOT MARKETS

Domestic jeera markets remained stable at weekend. It was quoted unchanged in Unjha markets amid steady arrivals as well as offtake. Lack of any significant developments in its demand front has kept the market mostly calm for the past few weeks. 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. Domestic jeera prices are likely to witness some firmness in the coming days.

### FUTURES MARKETS

Jeera futures at NCDEX opened lower than previous settlement and most active June contract tested an intraday low of Rs. 11560 at the opening session of trade. The futures surged up on increased buying support and tested an intraday high of Rs. 12035. The futures finished with significant gains in final action. Most active June contract traded in the range of Rs. 11560-12035 during Saturday'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 north Rajasthan and isolated over south Rajasthan. Weather is not crucial at present as the harvesting season is over.

### TECHNICALS

Candlesticks pattern indicates firm opening and initial uptrend. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend still remains bearish. MACD has made a bullish crossover in the negative territory. 14-day RSI is moving upwards in neutral region, leaving scope for further uptrend. Volume has increased, while open interest has declined as compared to previous settlement. Jeera futures are likely to trade upwards following a firm opening with possibility of some downward movement later in the session.

JEERA 0706(NCJEEM7)2007/05/26 - Daily B:11989.00 A:12005.00  
O 11642.00 H 12030.00 L 11599.00 C 11990.00 V 21,408 I 17,553 +310.9  
EMA(9) 11999 (18) 12333



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11346	11602	11990	12370	12626

### TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 11900 with a target of Rs. 12050 and then Rs. 12100 with a strict stop loss of Rs. 11800. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2240-2320	3000
	Ganesh	2340-2420	
	Machine Cleaned	2540-2620	

### 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 trade at NCDEX for June contract witnessed liquidation of short position. The volumes gained and supported the price movement. The open interest fell and the gain in prices has supported our analysis. June contract opened at Rs. 4736, surged upto Rs.4810, and made a low at Rs.4705. The contract closed firm at Rs.4787 as compared to previous close price of Rs.4706.

### 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

Small white candlestick is indicating a technical correction and fresh buying in the market. 9-day RSI is moving upwards towards the neutral 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.

CHLL334GTR 0706(NCGTRM7)2007/05/26 - Daily B:4785.00 A:4794.00

O 4706.00 H 4810.00 L 4705.00 C 4787.00 V 4,525 17,055 +76

EMA(6) 4790.9 (14) 4874.5 (26) 4975.1



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4619	4662	4787	4872	4934

### TRADE RECOMMENDATION

Buy NCDEX June Chilli at Rs. 4787-4800 with a target of Rs. 4860 and then Rs. 4925 with a strict stop loss of Rs. 4745. Trade cautiously with intra day outlook.

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



## TURMERIC

May 28, 2007

### SPOT MARKETS

Turmeric prices at Sangli market were weak by Rs.50/quintal and around 945 bags were sold. Local trader at Sangli says that around 3 lakh bags are sold out till date of total production of 3.25 lakh around Sangli area. Adding to this he also said that after 1 June auctions would be carried out thrice a week because of low arrivals. The production at Nanded region in Maharashtra is likely to be around 4-4.25 lakh bags for the season and around 1.25 lakh bags are sold till date.

### FUTURES MARKETS

Turmeric June futures contract on NCDEX closed on a positive note on fresh buying coming in. We witnessed creation of long positions for the most active June futures. The volumes were very low as compared to previous trade. The contract opened a Re. up at Rs.2184, the contract surged up to Rs.2198 level on buying support. The contract made an intraday low at Rs.2180 and closed up by Rs.7 at Rs.2190 as compared to previous price. Short Liquidation was witnessed for the July contract amidst low in volumes as compared to previous trade.

### PRICE DRIVERS

#### Bearish:

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

### WEATHER

Isolated rain over Andhra Pradesh, Tamil Nadu and Karnataka 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

Small white candlesticks indicate a technical correction in the market. Volumes failed to breach the previous level and did not support the price movement. Stochastic oscillator is moving towards the 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 neutral zone and steady. We expect the contract to trade weak in next trading session.

Turmeric 0706(NCTMCM7)2007/05/26 - Daily B:2189.00 A:2190.00

O 2183.00 H 2198.00 L 2180.00 C 2190.00 V 7,360 119,120 +8

EMA(6) 2200.9 (14) 2210.8 (26) 2220.0



DAV(9, 26, 12) -14.3772 MACD -11.0733



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2148	2155	2190	2207	2216

### TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2190-2195 or at market open price with a target of Rs.2182 and then 2160 with a stop loss of Rs.2205.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	Market Closed	
	Gattah		
Erode	Finger	Market Closed	
	Gattah		



## ■ C A R D A M O M

■ May 28, 2007

### SPOT MARKETS

Weekly auctions at Pulianmalai were called off due to very low arrivals. The prices of cardamom during the week almost steady as that of week ago. 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. Due to the delayed monsoon reports, the picking activity is likely to be delayed further.

### FUTURES MARKETS

The MCX cardamom June contract closed on bearish sentiments. The most active June futures contract failed to resist initial high at the opening price of Rs.491.9/kg. The contract then hen made a steep fall up to Rs.487.5. We witnessed creation of fresh short position amidst very low volumes and marginal gain in open interest. The contract then closed at Rs.489.5 down by Re.0.9 as against previous close price.

### PRICE DRIVERS

#### Bearish:

1. Expected rains in Kerala.

#### Bullish:

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

### WEATHER

Numerical weather prediction suggests that rainfall is gradually likely to increase at Coastal Karnataka and Kerala region of cardamom growing areas in next 3-4 days. Due to this, the crop at the growing areas and the yield of the crop is likely to be benefit.

### TECHNICALS

Candlesticks are indicating very strong bears in the market leaving scope for a bullish correction in the market very soon. Volumes were very low as against previous trade and did not support the price movement. 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 neutral and moving downwards towards the oversold region. Stochastic is in neutral region. We expect the contract to trade steady to firm with slight dip in the prices.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	480.9	482.2	489.5	494	496.1

### TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.489.5-487 or at market open price with a first target of Rs.495.4 then Rs.500 with a stop loss of Rs.483.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Pulianmalai

Market Closed

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