

## CHILLI

May 21, 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 higher as compared to previous settlement and most active June contract tested an intraday high of Rs. 5005 at the opening session of trade. The futures traded downwards thereafter to test an intraday low of Rs. 4935. The futures finished in negative territory in final action. Most active June contract traded in the range of Rs. 4935-5005 during Saturday's trade.

### 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 pattern indicates steady opening and indecision in the market. 14-day RSI is neutral, leaving scope for both way movements. MACD remains in the negative territory. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains bearish in the market. Volume as well as open interest has declined as compared to previous settlement. Red chillies futures are likely to trade downwards following a steady opening with possibility of upward movements later in the session.

CHLL334GTR 0706(NCGTRM7)2007/05/19 - Daily B:4950.00 A:4957.00  
O 4986.00 H 5005.00 L 4935.00 C 4950.00 V 2,455 I 8,150 -41  
EMA(9) 4984.3 (18) 5043.6



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4768	4852	4950	5079	5174

### TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4975-5000 with a target of Rs. 4925 and then Rs. 4900 with a strict stop loss of Rs. 5050. Trade cautiously with intra day outlook.

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

## ■ BLACK PEPPER

■ May 21, 2007

### SPOT MARKETS

Domestic black pepper markets remain quiet at the weekend. It was quoted unchanged in Kochi markets amid no arrivals as well as offtake. Slow down in international market activity and some weakness in prices has dampened the domestic market sentiments. During the fiscal year 2006-07, pepper export was up by 66 per cent at 28,750 tonnes valued at Rs 306.20 crore over export of 17,363 tonnes valued at Rs 150.95 crore in 2005-06. The FOB value has also increased from Rs 86.94 to Rs 106.50 per kg during the same period. US imported about 13,886 tonnes of pepper from India in 2006-07 against 659 tonnes the previous fiscal.

### FUTURES MARKETS

Black pepper futures at NCDEX opened higher than previous settlement and most active June contract tested an intraday high of Rs. 15458 at the early hours of trade. The futures traded downwards thereafter and tested an intraday low of Rs. 15187. The futures finished near day's low in final action. Most active June contract traded in the range of Rs. 15187-15458 during Saturday's trade.

### PRICE DRIVERS

#### Bullish:

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

#### Bearish:

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

### WEATHER

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

### TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. 14-day RSI is neutral, leaving scope for both way movements. MACD remains in the negative territory. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains weak. Volume as well as open interest has declined as compared to previous settlement. Black pepper futures are likely to trade downwards following a steady to weak opening initially and upwards thereafter.

Pepper 0706(NCPEPM7)2007/05/19 - Daily B:15201.00 A:15207.00  
O 15411.00 H 15454.00 L 15189.00 C 15200.00 V 13,756 I 17,454 -225  
EMA(9) 15331 (18) 15519



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	14670	14911	15200	15595	15775

### TRADE RECOMMENDATION

Buy NCDEX June Pepper near Rs. 15050-15100 with a target at Rs. 15300 and then Rs. 15350 with a strict stop loss at Rs.14925. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14800	-
	Ungarbled	14200	

## ■ CUMIN

■ May 21, 2007

### SPOT MARKETS

Domestic jeera markets at Unjha remained stable at the weekend. It was quoted unchanged in Unjha markets amid steady arrivals and reduced offtake. No significant development at the demand front has kept the prices in a narrow range over the past few days. Cumin exports during last fiscal year 2006-07 totalled 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 this year. However, some short-term consolidation is likely on lacklustre trading activity.

### FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and most active June contract tested an intraday high of Rs. 12730 at the opening session of trade. The futures traded downwards thereafter to test an intraday low of Rs. 12521. The futures finished lower after paring some losses in final action. Most active June contract traded in the range of Rs. 12521-12730 during Saturday's trade.

### PRICE DRIVERS

#### Bullish:

1. Estimations of lower production this season

#### Bearish:

1. Subdued export demand at higher price levels
2. Lacklustre trading activities in physical markets

### WEATHER

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

### TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Prices closed below 9-day as well as 18-day EMA, indicating that the trend remains bearish. MACD remains in the negative territory. 14-day RSI is neutral, leaving scope for both way movements. Volume has declined, while open interest has increased as compared to previous settlement. Jeera futures are likely to trade downwards following a steady to weak opening initially and upwards thereafter.

JEERA 0706(NCJEEM7)2007/05/19 - Daily B:12611.30 A:12619.90  
O 12719.50 H 12730.00 L 12522.00 C 12618.60 V 12,426 I 19,284 -56.4  
EMA(9) 12692 (18) 12896



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	12258	12426	12618.6	12905	13073

### TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 12500-12525 with a target of Rs. 12650 and then Rs. 12700 with a strict stop loss of Rs.12425. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2300-2380	3500
	Ganesh	2400-2480	
	Machine Cleaned	2600-2680	



## TURMERIC

May 21, 2007

### SPOT MARKETS

On Saturday, all the major spot mandi's remained closed because of weekly off. At Sangli 2,288, bags were sold and the prices were steady. Turmeric arrivals at the daily auction have started fading as the marketing season is ending. Good export demand for Nizamabad turmeric was observed from the Gulf countries mainly from Iran and Jeddah this week and around 450-500 tonnes costing 2300/quintal were exported. Traders say that at Maharashtra the production for next season is likely to be up by 1-1.5 lakh bags if rainfall is good as well as enough water is available for irrigation.

### FUTURES MARKETS

All the NCDEX futures contracts for Turmeric closed firm. For the most active June contract, we witnessed short covering amidst marginally low volumes and fall in open interest. The contract opened weak at Rs.2214/quintal however failed to sustain the initial lows and due to buying support, the prices surged up to Rs.2237 level. The contract finally closed at Rs.2223 up by Rs.4 as compared to Friday's close price. However, the change in the close price was minute to support our analysis. We witnessed long accumulation for July futures contract amidst low volumes and gain in open interest.

### 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 indicate active bulls at lower levels in the market due to technical correction. Volumes were low compared to previous trading session. Stochastic oscillator is below the signal line and suggesting a bearish trend. MACD is in negative region indicating a bearish trend. The contract settled below the long term (26-day EMA). EMA's are indicating a short-term bearish trend in the market. RSI is in neutral zone and moving upwards. We expect the contract to trade weak in next trading session.

Turmeric 0706(NCTMCM7)2007/05/19 - Daily B:2224.00 A:2225.00  
O 2214.00 H 2237.00 L 2214.00 C 2223.00 V 12,520 I 21,110 +4  
EMA(6) 2219.3 (14) 2222.3 (26) 2229.7



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2189	2201	2223	2247	2258

### TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2223-2225 or at market open price with a target of Rs.2210 and then 2200 with a stop loss of Rs.2240.

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



## ■ CARDAMOM

■ May 21, 2007

### SPOT MARKETS

Around 14000 kg of cardamom were arrived at the auction and 12000 kg was sold for Rs.450-460/kg. Traders say that the demand was better as compared to yesterday. 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 firm underpinned by fresh buying support. Accumulation of long position was observed for the benchmark June contract along with gain in open interest and volumes. The contract opened firm at Rs.508.1 up by Re.1, made an intraday high up to 513.4 levels after initial low of Rs.505. The July contract traded between Rs.531.9 and Rs.523.2 amidst low volumes and marginal gain in open interest.

### 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 bulls in the market. Volumes were marginally up as compared to previous trading session and supported the price movements. The contract closed above short term EMAs, indicating a short-term bull trend. MACD is in the negative zone, indicating a bearish trend. RSI is neutral and moving upwards. Stochastic is in neutral region and moving upwards. We expect the contract to trade firm.

CARDAMOM 0706(MXCAMM7)2007/05/19 - Daily B:511.80 A:512.00  
O 508.10 H 513.40 L 505.00 C 511.90 V 1,249 T 780 12,579 +4.8



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	498.4	501.7	511.9	518.5	525.6

### TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.511.9-511 or at market open price with a first target of Rs.516.4 then Rs.520 with a stop loss of Rs.504.1.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Pulianmalai

450-460

14000

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