

CHILLI

May 07, 2007

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed on Saturday. The prices witnessed marginal firmness on Friday due to slight decline in arrivals. The recent fall in prices proved attractive enough to rekindle some demand. Demand for good quality Chillies in the market was seen well. Though, estimates of 20% higher production during the year seem to have made the demand price sensitive as bargaining power of buyers is higher. Demand from cold storages however is providing some element of support to prices. With the price sensitive demand, any upside movement in the prices would be short lived.

FUTURES MARKETS

Chilli prices edged up during Saturday's trade. MCX most active June delivery futures contract followed Friday's recovery in prices. The contract opened firm by Rs 37 at Rs 5220 as against previous day's settlement of Rs 5183. The futures contract thereafter traded in the band of Rs 5179-5250 and finished in red at Rs 5210.

PRICE DRIVERS

Bullish:

1. Moderate buying support at lower price levels
2. Diversion of crop arrivals towards cold storage

Bearish:

1. Domestic production is estimated higher due to increased acreage
2. Supply continue to offset physical market demand

WEATHER

Weather is not a crucial factor at present.

TECHNICALS

Candlesticks pattern is indicating indecision prevailing at current price levels in the market. The prices closed above 9-day EMA hints for short-term firmness in the prices. Rising MACD in negative region suggests decrease in bearish momentum. Volume decreased whereas open interest increased during the session. Red chillies futures are most likely to trade downwards during the session.

CHLL334GTR 0706(NCGTRM7)2007/05/05 - Daily B:5208.00 A:5210.00 H 5250.00 L 5179.00 C 5210.00 V 7,800 I 10,03



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4960	5100	5210	5315	5500

TRADE RECOMMENDATION

Sell NCDEX June Chilli below Rs. 5250 with a target of Rs. 5140 and then Rs. 5110 with a strict stop loss of Rs. 5320. 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 07, 2007

SPOT MARKETS

Domestic pepper markets witnessed steady prices on Saturday in the absence of any fresh arrivals in the market. Despite global shortage of the commodity on account of poor production, the prices in the Indian market are holding the levels as strong rupee is making India's produce costlier for the overseas buyers. Higher price in conjunction with strong domestic currency is thus keeping the overseas demand for the commodity on the weaker side at the moment. Prices in Vietnam as well as other sources are also reported higher on account of poor stocks in most of the producing nations. The long-term fundamentals continue to remain supportive for the markets.

FUTURES MARKETS

Black pepper futures at the NCDEX turned weak after witnessing Friday's indecision in the market. The most active June contract of pepper opened up by Rs 48 at Rs 16299 as against previous session's settlement price of Rs 16251. The contract thereafter tried to recover as it reached day's highest at Rs 16370 but failed to sustain those levels and dropped down to close at Rs 16115.

PRICE DRIVERS

Bullish:

1. Global supplies remains tight
2. Vietnam crop size projected lower by 10-20 percent
3. Vietnam farmers holding back stocks

Bearish:

1. Profit taking likely at higher price levels
2. Moderate demand in physical markets
3. Strong rupee making Indian prices costlier for overseas buyers

WEATHER

Rain/thundershowers are likely at a few places over Rayalaseema, south Coastal Andhra Pradesh, Tamil Nadu and Kerala. It would help the young vines.

TECHNICALS

Candlesticks pattern are indicating bearish sentiments. The prices closed below 9-EMA indicating weakness in the short term. MACD is falling in positive zone indicating decreasing bullish momentum. Stochastic Oscillator and RSI has made a bearish crossover in the neutral region. Volume decreased though open interest has increased as compared to that of previous day. Black pepper futures are likely to trade slightly bearish during the session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	15500	15715	16115	16475	16710

TRADE RECOMMENDATION

Sell NCDEX June Pepper below Rs. 16200 with a target at Rs. 15960 and then Rs. 15775 with a strict stop loss at Rs.16370. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14900	NIL
	Ungarbled	14300	

SPOT MARKETS

Domestic jeera markets at Unjha witnessed steady prices on Saturday. Steady arrivals and demand kept the prices standstill. Farmers are holding their produce in anticipation of higher prices in the coming time. As the country consumes most of its produce domestically, it would be interesting to see the behavior of local demand in the scenario of rising prices. The prices would be capped only if the domestic demand turns price sensitive as production is expected to be short this year on account of lower acreage in Gujarat and adverse weather conditions in Rajasthan. Prices may witness some uptrend on declining arrivals, while the long-term fundamental continues to remain supportive.

FUTURES MARKETS

Jeera futures prices at the NCDEX continued to draw down during Saturday's short session. The most active June delivery futures contract opened the session on a weak note at Rs 13027. The prices ranged between Rs 12840.20 - 13102. The futures trading during the day finally culminated in red at Rs 12915.

PRICE DRIVERS

Bullish:

1. Estimations of lower acreage, lower production
2. Declining arrivals in the markets

Bearish:

1. Subdued export demand o strong rupee and higher prices
2. Lacklustre trading activities in market

WEATHER

Isolated duststorm/thunderstorm is likely over Rajasthan. Mainly dry weather is likely over the rest region. Dry weather is favourable at this stage of the crop.

TECHNICALS

Candlestick formations are indicating weakness in the market. The prices closed far below short term EMAs, which supports bears. MACD is falling in negative zone supporting weakness. Oscillators are indicating bearishness. Volume decreased, whereas open interest increased during the session. Jeera futures are likely to trade volatile with bearish inclination during the session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	12625	12750	12915	13080	13225

TRADE RECOMMENDATION

Sell NCDEX June Jeera below Rs. 12980 with a target of Rs. 12820 and then Rs. 12790 with a strict stop loss of Rs.13100. Trade cautiously with intra day outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2250-2350	3000
	Ganesh	2350-2450	
	Machine Cleaned	2550-2650	

TURMERIC

May 07, 2007

SPOT MARKETS

All the major spot markets remained closed on account of weekly off. At Sangli markets, around 3506 bags were sold. The prices were down by Rs.50/quintal, amidst low demand. Rajapuri variety traded at Rs.2400-2750/quintal and the Salem variety was quoted at Rs.2650-3100/quintal. Traders say that sowing for the next season has commenced at the Maharashtra state and Mysore region at Karnataka state. Weather was reported to be favourable during the sowing stage.

FUTURES MARKETS

All the NCDEX futures contracts for Turmeric closed in negative territory after initial surge in the prices. In most active June futures, we witnessed accumulation of short positions amidst thin gain in the volumes and open interest. However, the change in the close price is insignificant. The contract opened marginally low at Rs.2172/quintal, failed to sustain the initial higher levels at Rs.2198, and made a low at Rs.2164 on selling pressure. The contract however, closed at Rs.2172/quintal marginally down by Rs.2 against previous close price. May contract traded between Rs.2128 and Rs.2160 to close at Rs.2136 amidst low volumes as compared to Friday's trading session.

PRICE DRIVERS

Bearish:

1. Higher production estimates.
2. No fresh export orders
3. Low demand in the physical market.

WEATHER

Isolated rains and thunder showers is likely at the Tamil Nadu and Karnataka region, this will not affect the crop as most of the harvest and post harvest activity have already been carried out in these areas.

TECHNICALS

The candlesticks in the charts are indicating a bearish trend in the market. The volumes gained marginally to support the price movement. Stochastic oscillator is in oversold region. MACD is in negative territory indicating sell signal. The contract settled below the short term that is the 6-day EMA. EMA's are indicating a short-term bearish trend in the market. RSI is oversold region indicating sell signal. We expect the contract to trade weak at lower levels a small correction on a positive side is likely in next trading session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2144	2158	2172	2192	2212

TRADE RECOMMENDATION

Buy NCDEX June contract at 2170-2172 or at market open price with a target of Rs.2182 and Rs.2200 with a stop loss of Rs.2164 or below.

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



■ CARDAMOM

■ May 07, 2007

SPOT MARKETS

Arrivals at the Pulianmalai auctions today were at 13000 kg with an offtake of 9000 kg as compared to last weeks arrivals of 10000 kg. Prices were traded firm at Rs.410-430/kg amidst thin arrivals and thin demand. Local traders say that as the season is coming to end the arrivals will gradually decrease. The traders said that rainfall is expected however reported that at present the weather is clear with no rainfall.

FUTURES MARKETS

The MCX cardamom futures trade lacked luster. We witnessed liquidation of long position for the June contract, as the market closed down by 0.43% at Rs.495.2/kg as compared to previous settlement price along with the marginal fall in open interest however, the change in close and open interest was not significant to prove our assumptions right. The volumes made a steep fall against previous trade. In May contract, we witnessed liquidation of long positions amidst steep fall in the volumes.

PRICE DRIVERS

Bearish:

1. Expected rains in Kerala.
2. Low demand in the market.

Bullish:

1. Low Production in India

WEATHER

Rains and thundershower is likely over Kerala region. This will benefit the crop at the growing areas.

TECHNICALS

The Candlesticks indicate a short-term bearish trend in the market. The fall in volumes did not support the price movements. The contract closed below short term EMAs, indicating a short-term bearish trend. MACD is in trading in the negative zone, which is suggesting bearish trend and indicates a sell signal. RSI is oversold. Stochastic is oversold. We can expect a correction is next trading session and the contract to trade firm.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	489.3	493.7	495.2	499.8	506.3

TRADE RECOMMENDATION

We recommend intraday buy for the MCX cardamom June contract at Rs.494.6-495.2 or market open price with a first target of Rs497.5 Then Rs.501.1 with a stop loss of Rs.495.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Pulianmalai

410-430

13000

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