

CHILLI

May 19, 2007

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed for summer holidays. Meanwhile, chilli exports 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 at unchanged level as compared to previous settlement and most active June contract tested an intraday high of Rs. 5055 at the early hours of trade. The futures traded downwards thereafter to test an intraday low of Rs. 4927 only to recover back again. The futures finished near unchanged levels in final action. Most active June contract traded in the range of Rs. 4927-5055 on Friday.

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

Isolated rain/thundershowers are likely over Kerala, Lakshadweep and north Coastal 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 has declined, while open interest has increased. Red chillies futures are likely to trade upwards following a steady opening with possibility of downward movements later in the session.

CHLL334GTR 0706(NCGTRM7)2007/05/18 - Daily B:4980.00 A:4985.00
O 4990.00 H 5054.00 L 4927.00 C 4991.00 V 7,745 18,360 +4
EMA(9) 4993.2 (18) 5055.3



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4768	4842	4991	5129	5222

TRADE RECOMMENDATION

Buy NCDEX June Chilli at Rs. 4925-4950 with a target of Rs. 5000 and then Rs. 5025 with a strict stop loss of Rs. 4875. 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 19, 2007

SPOT MARKETS

Domestic black pepper markets extended previous advances further. It was quoted higher by Rs. 200 per quintal in Kochi markets amid no arrivals as well as offtake. While contradictory reports of Vietnam pepper prices have pressurised the market sentiments, news of higher export from India has supported the prices. 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 and most active June contract tested an intraday low of Rs. 15035 at the early hours of trade. The futures traded upwards thereafter and tested an intraday high of Rs. 15455 during late hours of trading. The futures finished higher near day's high in final action. Most active June contract traded in the range of Rs. 15035-15455 during Friday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

1. Increasing stocks at exchange accredited warehouses
2. Moderate domestic as well as export demand

WEATHER

Isolated rain/thundershowers are likely over Kerala. It would help the newly planted vines.

TECHNICALS

Candlesticks pattern indicates 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 the negative territory. Prices closed below the 9-day EMA, indicating that the short-term trend is turning firm. Volume has declined, while open interest has increased as compared to previous settlement. Black pepper futures are likely to trade upwards following a firm opening with possibility of some downward movements later in the session.

Pepper 0706(NCPEPM7)2007/05/18 - Daily B:15420.00 A:15425.00
O 15130.00 H 15455.00 L 15040.00 C 15425.00 V 21,481 I 17,882 +364
EMA(9) 15364 (18) 15557



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	14615	14911	15425	15792	16100

TRADE RECOMMENDATION

Buy NCDEX June Pepper near Rs. 15350-15375 with a target at Rs. 15500 and then Rs. 15550 with a strict stop loss at Rs.15250. Trade cautiously with intra day outlook.

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

CUMIN

May 19, 2007

SPOT MARKETS

Domestic jeera markets at Unjha witnessed a firm trend during Friday's trade. It was offered in a higher price range amid steady arrivals as well as offtake. No significant development at the demand front has kept the prices in a narrow range over the past couple of days. However, recent sharp decline in futures prices has to some extent dampen the market sentiments. Meanwhile, cumin exports during last fiscal year 2006-07 totalled 26,000 tonnes valued at Rs 201.50 crore. Long-term fundamentals continue to remain supportive with the estimated fall in production this year.

FUTURES MARKETS

Jeera futures at NCDEX opened lower than previous settlement and most active June contract tested an intraday low of Rs. 12535 at the early hours of trade. Increased buying interest has supported the futures and the futures traded upwards thereafter to test an intraday high of Rs. 12810. The futures finished slightly higher after paring some gains in final action. Most active June contract traded in the range of Rs. 12535-12810 during Friday'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. Mainly dry weather is likely over the rest region. Weather is not crucial at present as most of the harvesting operation is over.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. 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 moving upwards in neutral region, leaving scope for further uptrend. Volume has declined, while open interest has increased as compared to previous settlement. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements later in the session.

JEERA 0706(NCJEEM7)2007/05/18 - Daily B:12680.00 A:12695.00
O 12631.00 H 12809.00 L 12535.00 C 12675.00 V 26,547 I 19,209 +35
EMA(9) 12710 (18) 12930



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	12200	12426	12675	12933	13186

TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 12575-12600 with a target of Rs. 12700 and then Rs. 12775 with a strict stop loss of Rs.12475. 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 19, 2007

SPOT MARKETS

Spot prices for Turmeric at all the markets were traded steady whereas at Nizamabad the prices were marginally firm by Rs.50/quintal amidst low arrivals as the marketing season is coming to an end. Around 2501 bags were sold at Sangli and the prices were steady. At Warangal and Duggirala, around 6000 and 2500 bags were sold respectively with steady prices. As per traders, almost 50-60% of total sowing is completed at the Mysore region in Karnataka State.

FUTURES MARKETS

All the NCDEX futures contracts for Turmeric settled in a positive territory on fresh buying support coming in. For the most active June contract, we witnessed accumulation of long positions marginally low volumes and gain in open interest. The contract opened weak at Rs.2195/quintal however failed to sustain the initial lows at Rs.2194 and due to buying support, the prices surged up to Rs.2220 level. The contract finally closed at Rs.2219 up by Rs.18 as compared to Thursday's close price. We witnessed liquidation of short positions for July futures contract amidst low volumes and gain in open interest.

PRICE DRIVERS

Bearish:

1. Higher production estimates.
2. Fresh export orders expected.
3. Stockists demand in the physical market.

WEATHER

Dry weather is likely over Tamil Nadu and Andhra Pradesh region. 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 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 firm in next trading session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2176	2185	2219	2237	2254

TRADE RECOMMENDATION

We recommend intraday buy for NCDEX June contract at 2219-2215 or at market open price with a target of Rs.2234 and then 2242 with a stop loss of Rs.2209.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1850-1900	1500
	Gattah	1750-1800	
Erode	Finger	1975-2075	11000
	Gattah	1900-2000	



■ CARDAMOM

■ May 19, 2007

SPOT MARKETS

Cardamom arrivals and offtake at Vandanmedu auctions was reported to be around 7000 kg. Arrivals were traded between Rs.410-420 amidst normal local demand. The traders said that due to lack of summer showers the picking to the crop for the coming season is likely to be delayed by a month to mid or last week of July from where as normally it is during mid June.

FUTURES MARKETS

The MCX cardamom futures closed marginally up at Rs2.4 at .507/kg as compared to previous close price. Accumulation of long position was observed for the benchmark June contract along with slight increase in open interest. The contract opened firm at Rs.506.6, made an intraday high up to 514 levels after initial low of Rs.504.6. The volumes were marginally up as compared to previous close. The July contract traded between Rs.529.9 and Rs.522.3 amidst low volumes and low open interest.

PRICE DRIVERS

Bearish:

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

Bullish:

1. Low Production in India

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 indecisive trend 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.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	493.6	499.1	507	519.9	524.8

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.507-507.7 or at market open price with a first target of Rs.513.5 then Rs.519 with a stop loss of Rs.499.9.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Vandanmedu	410-420	7000

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