

CHILLI

May 16, 2007

SPOT MARKETS

Domestic red chillies markets in Guntur remained closed for summer holidays. Market will resume normal trading activities from June 4, 2007 again.

Traders are anticipating trading volume to increase once the holidays are over.

Chilli fundamentals continue to remain bearish with 20 percent higher production estimates for the season.

FUTURES MARKETS

Chilli futures at NCDEX opened lower than previous settlement and most active June contract tested an intraday high of Rs. 5074 at the early hours of trade. The futures traded sharply downwards thereafter to test an intraday low of Rs. 4876. The futures finished with significant losses in final action. Most active June contract traded in the range of Rs. 4876-5074 during Tuesday's trade.

PRICE DRIVERS

Bullish:

1. Market closed for next 3 weeks due to summer holidays

Bearish:

1. Domestic production is estimated higher by 20 percent due to increased acreage

WEATHER

Isolated rain/thundershowers are likely over Kerala, Lakshadweep and Tamil Nadu. Weather is not a crucial factor at present.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. 14-day RSI is moving downwards in neutral region, leaving scope for further downtrend. MACD remains in the negative territory. Prices closed below the 9-day as well as 18-day EMA, indicating a bearish trend in the market. Volume as well as open interest has increased as compared to previous settlement. Red chillies futures are likely to trade downwards following a weak opening initially with possibility of some upward movements later.

CHLL334GTR 0706(NCGTRM7)2007/05/15 - Daily B:4906.00 A:4918.00
O 5038.00 H 5074.00 L 4876.00 C 4910.00 V 11,180 I 9,035 -125
EMA(9) 5007.3 (18) 5086.2



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4648	4768	4910	5091	5210

TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4950 with a target of Rs. 4880 and then Rs. 4850 with a strict stop loss of Rs. 5000. 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 16, 2007

SPOT MARKETS

Domestic black pepper markets remained bearish during Tuesday's trade. It was quoted lower by Rs. 300 per quintal in Kochi markets amid no arrivals as well as offtake. Contradictory reports of Vietnam slashing its pepper prices have dampened the domestic market sentiments. Domestic demand remains weak as buyers are eyeing prices to fall further. However, the longer-term fundamentals remain strong with estimated global supply shortage. Domestically, pepper prices are likely to remain firm on its strong fundamentals with possibility of some short-term consolidation.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher than previous settlement and most active June contract tested an intraday high of Rs. 15750 at the early hours of trade. The futures traded sharply downwards thereafter to test an intraday low of Rs. 15087 during late hours of trading. The futures closed sharply lower near day's low in final action. Most active June contract traded in the range of Rs. 15087-15750 during Tuesday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

1. Profit taking at higher price levels
2. Weak 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 weak opening and initial downtrend. 14-day RSI is moving downwards in neutral region, leaving scope for further downtrend. MACD is moving downwards in the negative territory, supporting the weakness. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend still remains bearish. Volume as well as open interest has increased as compared to previous settlement. Black pepper futures are likely to trade downwards following a weak opening with possibility of some upward movements later in the session.

Pepper 0706(NCPEPM7)2007/05/15 - Daily B:15085.00 A:15091.00
O 15720.00 H 15750.00 L 15087.00 C 15095.00 V 23,546 I 18,587 -575
EMA(9) 15575 (18) 15730



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	14357	14733	15095	15600	15967

TRADE RECOMMENDATION

Sell NCDEX June Pepper near Rs. 15100-15125 with a target at Rs. 14950 and then Rs. 14925 with a strict stop loss at Rs.15225. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14600	-
	Ungarbled	14000	

SPOT MARKETS

Domestic jeera markets at Unjha witnessed a stable trend during Tuesday's trade. It was offered in an unchanged price range amid almost steady arrivals as well as offtake. Thin trading volume has resulted in a rangebound trade at the physical markets. Increase in trading volume can lead to some short-term spike in prices in the coming few days. 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 high of Rs. 13069.9 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures slide to breach the 4 percent lower circuit level. The futures settled sharply lower near day's low of Rs. 12441 in final action. Most active June contract traded in the range of Rs. 12441-13069.9 during Tuesday's trade.

PRICE DRIVERS

Bullish:

1. Estimations of lower production this season
2. Improved offtake in the physical markets

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 weak opening and initial downtrend. Prices closed below 9-day as well as 18-day EMA, indicating a bearish trend in the market. MACD remains in the negative territory, supporting the weakness. 14-day RSI is moving downwards in neutral region, leaving scope for further downtrend. Volume has declined, while open interest has increased as compared to previous settlement. Jeera futures are likely to trade downwards following a weak opening with possibility of some upward movements later in the session.

JEERA 0706(NCJEE07)2007/05/15 - Daily B:12455.00 A:12467.00
O 13039.00 H 13069.90 L 12441.00 C 12462.00 V 26,547 I 19,440 -552
EMA(9) 12828 (18) 13070



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11988	12200	12462	12759	13011

TRADE RECOMMENDATION

Sell NCDEX June Jeera near Rs. 12475-12500 with a target of Rs. 12375 and then Rs. 12300 with a strict stop loss of Rs.12600. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2280-2360	
	Ganesh	2380-2460	2500-3000
	Machine Cleaned	2580-2660	

TURMERIC

May 16, 2007

SPOT MARKETS

All spot prices were steady to weak at all the major spot markets. At Sangli market, around 2499 bags were sold and prices were steady as that of previous trading session. At Warangal and Duggirala around 4500 and 3200, bags were sold and prices were weak by Rs.258/quintal at Rs.1700-1825 and 1650-1900 respectively. Local demand was reported to be steady. Local traders say that NCDEX warehouse at Erode as well as Warangal has opened and the stock deposits have been started.

FUTURES MARKETS

All the NCDEX futures contracts for Turmeric closed marginally down by Rs.9 after initial gains. For the most active June contract, we witnessed accumulation of short positions amidst gain in the volumes and gain in open interest. The contract opened slightly down at Rs.2227/quintal, due to initial selling pressure prices fell and made an intraday low at Rs.2203/quintal, and later the prices the bulls pulled the prices up to Rs.2232 level, finally closed at Rs.2220 down by 0.40% against Monday's close price. We witnessed liquidation of long positions for May futures contract amidst low volumes and fall in open interest.

PRICE DRIVERS

Bearish:

1. Higher production estimates.
2. No fresh export orders
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 bears in the market. Volumes gained as compared to previous settlement. Stochastic oscillator has currently witnessed a bearish cross over. MACD is in negative territory indicating bearish trend. The contract settled slightly below the long term that is the 26-day EMA. EMA's are indicating a short-term bearish trend in the market. RSI is in neutral zone and moving downwards. We expect the contract to trade weak in next trading session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2175	2189	2220	2247	2262

TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2225-2220 or at market open price with a target of Rs.2213 and Rs.2198 and then 2192 with a stop loss of Rs.2238

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1800-1900	2000
	Gattah	1750-1800	
Erode	Finger	2050-2100	9500
	Gattah	2000-2050	

SPOT MARKETS

Cardamom arrivals at Nudukandam auctions were around 36000kg. The demand and arrivals was reported to be good as this week is likely to be the last week for the season. Arrivals were traded between Rs.460-470/kg. The traders said that currently rainfall is not witnessed however, is anticipated in coming days at the growing areas.

FUTURES MARKETS

The MCX cardamom futures closed marginally up by Re.0.4 at Rs.497/kg against Monday's close at Rs.496.6/kg after initial surge in prices at Rs.499/kg. We witnessed accumulation of short position for June contract; along with gain in open interest, however the change in the close price and open interest as compared to Monday's settlement is very minute to support our analysis. The volumes failed to breach the previous highs. In May contract, we witnessed liquidation of short position amidst gain in volumes and fall in the open interest.

PRICE DRIVERS

Bearish:

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

Bullish:

1. Low Production in India

WEATHER

Isolated rains and thundershowers are expected over Kerala region in coming days. This will benefit the crop at the growing areas and the yield of the crop is anticipated to improve.

TECHNICALS

Candlesticks indicates indecisive trend in the market. Volumes failed to sustain the previous high and did not support the price movements. The contract closed above short term EMAs, indicating a short-term bull trend. MACD is in the negative zone, which is about to make a bullish cross over. RSI is neutral and moving upwards. Stochastic is in neutral region. We expect the contract to trade weak.

CARDAMOM 0706(MXCAMM7)2007/05/15 - Daily B:496.70 A:497.50
O 496.80 H 499.00 L 491.50 C 497.00 V 918 T 45,438 I 1,826 +0.4

EMA(6) 494.62 (14) 498.38 (26) 507.57



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	485.1	488.3	497	503.3	507.6

TRADE RECOMMENDATION

We recommend intraday Sell for the MCX cardamom June contract at Rs.497-497.8 or market open price with a first target of Rs493.4 then Rs.489.6 with a stop loss of Rs.499.9.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Nudukandam	460-470	36000

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