

## ■ BLACK PEPPER

■ May 22, 2007

### SPOT MARKETS

Domestic black pepper markets witnessed a weak trend at the start of the week. It was quoted lower by Rs. 200 per quintal in Kochi markets amid no arrivals as well as offtake. Slowdown in international market activity and consequently some weakness in global pepper prices is attributed to the weakness in domestic markets. Overseas buyers preferred to be on the sideline eyeing further decline in prices. Meanwhile, pepper export was up by 66 per cent at 28,750 tonnes valued at Rs 306.20 crore during the fiscal year 2006-07 over export of 17,363 tonnes valued at Rs 150.95 crore in 2005-06. Pepper markets are likely to remain volatile in the coming few days.

### FUTURES MARKETS

Black pepper futures at NCDEX opened lower than previous settlement and most active June contract tested an intraday high of Rs. 15249 at the opening session of trade. The futures traded sharply downwards thereafter and breached the 4 per cent lower circuit level to test an intraday low of Rs. 14425, its lowest level since end March. Most active June contract traded in the range of Rs. 14425-15249 on Monday.

### PRICE DRIVERS

#### Bullish:

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

#### Bearish:

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

### WEATHER

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

### TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. 14-day RSI is heading towards oversold 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 that the trend remains weak. Volume has increased, while open interest has declined considerably. Black pepper futures are likely to trade downwards following a weak opening. However, some late recovery can not be overruled.

Pepper 0706(NCPEPM7)2007/05/21 - Daily B:14436.00 A:14452.00  
O 15180.00 H 15249.00 L 14428.00 C 14449.00 V 20,635 I 15,879 -763  
EMA(9) 15157 (18) 15408



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13887	14189	14449	14917	15201

### TRADE RECOMMENDATION

Sell NCDEX June Pepper near Rs. 14450-14500 with a target at Rs. 14375 and then Rs. 14350 with a strict stop loss at Rs.14575. Trade cautiously with intra day outlook.

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

## CUMIN

May 22, 2007

### SPOT MARKETS

Domestic jeera markets at Unjha remain weak during Monday's trade. It was offered in a lower price range owing to higher arrivals amid steady offtake. Spillover weakness from jeera futures markets has also dampened the market sentiments. 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 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 this year. However, some short-term consolidation is likely on lacklustre trading activity.

### FUTURES MARKETS

Jeera futures at NCDEX opened lower than previous settlement and most active June contract tested an intraday high of Rs. 12645 at the opening session of trade. The futures traded sharply downwards thereafter and breached 4 per cent lower circuit level to test an intraday low of Rs. 11972. The futures finished at day's low in final action. Most active June contract traded in the range of Rs. 11972-12645 on Monday.

### 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 the harvesting season is over.

### TECHNICALS

Candlesticks pattern indicates 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 moving towards oversold region, leaving scope for further downtrend. Volume has increased, while open interest has declined as compared to previous settlement. Jeera futures are likely to trade downwards following a weak opening with possibility of some late recovery.

JEERA 0706(NCJEE7)2007/05/21 - Daily B:11983.00 A:11990.00  
O 12580.00 H 12645.00 L 11972.00 C 11972.00 V 25,245 I 18,567 -625  
EMA(9) 12544 (18) 12798



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11523	11748	11972	12388	12613

### TRADE RECOMMENDATION

Sell NCDEX June Jeera above Rs. 12000 with a target of Rs. 11900 and then Rs. 11850 with a strict stop loss of Rs.12075. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2280-2360	5000
	Ganesh	2380-2460	
	Machine Cleaned	2580-2660	

## CHILLI

May 22, 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 at dull at Rs.4941 as compared to previous settlement and most active June contract tested an intraday high of Rs. 4963 at the opening session of trade. The futures traded downwards thereafter to test an intraday low of Rs. 4860. The contract finally closed in a negative territory. We witnessed creation of fresh short position amidst gain in volumes.

### 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 indicate bear dominated market amidst marginal gain in the volumes. 6-day RSI is bearish, leaving scope for further fall in the prices. MACD remains in the negative territory. Prices closed below the 14-day as well as 26-day EMA, indicating that the trend remains bearish in the market. RSI is neutral and moving downwards. Red chillies futures are likely to trade downwards with slight increase in the price towards later trading session.

CHLL334GTR 0706(NCGTRM7)2007/05/21 - Daily B:4900.00 A:4908.00  
O 4941.00 H 4963.00 L 4860.00 C 4908.00 V 6,825 18,190 -40



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4754	4807	4908	5013	5063

### TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4910-4930 with a target of Rs. 4835 and then Rs. 4809 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	-



## TURMERIC

May 22, 2007

### SPOT MARKETS

The week started with mixed sentiments for prices at all the spot markets. At Sangli 1160, bags were sold and the prices were steady. Around 8000 and 3000, bags were sold at Warangal and Duggirala for Rs.1650-1850 down by Rs.25-30 and Rs.1700-1900 up by Rs.20-25 per quintal respectively. Turmeric arrivals at the daily auction have started fading as the marketing season is ending. NMCE is planning to launch turmeric futures on Erode variety very soon.

### FUTURES MARKETS

All the NCDEX futures contracts for Turmeric settled in positive territory. For the most active June contract, we witnessed long accumulation amidst both gain in volumes and open interest. The contract-opened firm at Rs.2228/quintal however failed to sustain the initial lows at Rs.2205 and due to buying support, the prices surged up to Rs.2260 level. The contract finally closed at Rs.2232 up by Rs.11 as compared to Saturday's close price. We witnessed long accumulation for the July contract amidst very good volumes and open interest. The contract traded between Rs.2294-2240 range.

### 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 pattern indicates mixed sentiments in the market and an indecisive trend. Volumes gained significantly as compared to previous trading session. Stochastic oscillator is below the signal line and is likely to witness bullish crossover. MACD is in negative region indicating a bearish trend. The contract settled below the short term (6-day EMA). EMA's are indicating a short-term bearish trend in the market. RSI is 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	2149	2177	2232	2287	2314

### TRADE RECOMMENDATION

We recommend intraday buy for NCDEX June contract at 2232-2230 or at market open price with a target of Rs.2245 and then 2259 with a stop loss of Rs.2215.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1900-1950	2000
	Gattah	1800-1850	
Erode	Finger	1975-2075	10000
	Gattah	1900-2000	



## ■ CARDAMOM

■ May 22, 2007

### SPOT MARKETS

Daily auctions at Bodinayakanur auction got postponed to next week on account of poor arrivals. 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 weak after initial highs underpinned by selling pressure. Liquidation of long position was observed for the benchmark June contract along with fall in the open interest and low volumes. The contract opened steady at Rs.512 and failed to resist the intraday high at 514.8 levels and fell down to make a low of Rs.505.2. The July contract traded between Rs.531.5 and Rs.520.2 amidst marginal gain in open interest and volumes.

### 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 selling pressure in the market. Volumes were marginally down could not reach previous level and did not support the price movement. The contract closed above short term EMAs, indicating a short-term bull trend. MACD is in the negative zone and heading towards the positive region. RSI is neutral and moving downwards. Stochastic is in neutral region and moving upwards. We expect the contract to trade firm with slight dip in the prices.

CARDAMOM 0706(MXCAMM7)2007/05/21 - Daily B:506.30 A:507.90  
O 512.00 H 514.80 L 505.20 C 507.00 V 1,216 T 61,949 I 2,449 -4.9  
EMA(6) 505.20 (14) 502.86 (26) 507.37



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	493.6	499.4	507	518.6	522.4

### TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.507-506.4 or at market open price with a first target of Rs.51134 then Rs.517 with a stop loss of Rs.502.1.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Bodinayakanur

Market Closed

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