

■ BLACK PEPPER

■ June 01, 2007

SPOT MARKETS

Domestic black pepper markets remain firm during Thursday's trade. It was quoted higher by Rs. 200 per quintal in Kochi markets amid no arrivals as well as offtake. Improved buying interest at the lower price levels has supported the firm trend. Moreover, there was no selling pressure in the markets. Spillover strength from its futures prices has also added to the firmness. NCDEX has changed the margin distribution of pepper futures from immediate effect. Long-term outlook for pepper remains firm, though developments in Vietnam would be the single most important driving factor in the near future.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher than previous settlement and the near month June contract tested an intraday low of Rs. 13690 at the opening session of trade. Increased buying interest has supported the futures thereafter and the futures traded sharply upwards to test an intraday high of Rs. 14098 during late hours of trading. The futures finished with over 3 per cent gain in final action. Near month June contract traded in the range of Rs. 13690-14098 during Thursday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

1. Slowdown in global market activity
2. Higher stocks at exchange warehouses
3. Weak domestic and export demand

WEATHER

Fairly wide spread rainfall with isolated heavy to very heavy falls are likely over Kerala, Coastal Karnataka and Lakshadweep during next 2-3 days. 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 moving upwards in negative territory, supporting the firmness. Prices closed above the 9-day EMA, indicating that the short-term trend has turned firm. However, the close below the 18-day EMA is somewhat bearish. Volume as well as open interest has declined 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)2007/05/31 - Daily B:14082.00 A:14095.00
O 13710.00 H 14095.00 L 13710.00 C 14081.00 V 8,661 I 10,591 +391
EMA(9) 13996 (18) 14394



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13565	13807	14081	14436	14702

TRADE RECOMMENDATION

Buy NCDEX June Pepper at Rs. 14050-14075 with a target at Rs. 14175 and then Rs. 14250 with a strict stop loss at Rs.13950. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14300	-
	Ungarbled	13700	

SPOT MARKETS

Domestic jeera markets witnessed some firmness during Thursday's trade. It was offered in a higher price range in Unjha markets owing to improved offtake amid mostly steady arrivals. Traders reported some improvement in demand as buyers are becoming active ahead of the rainy season in the major producing/trading areas. Quality issues with physical delivery in commodity exchanges are still weighing on the markets. Unconfirmed reports of rains in Syria have added to the firmness in the markets. Long-term fundamentals continue to remain supportive with the estimated fall in domestic production.

FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and near-month June contract tested an intraday low of Rs. 12090 at the opening session of trade. The futures traded sharply upwards thereafter on increased buying support and tested an intraday high of Rs. 12470 at close. July contract hit 4 per cent upper circuit level at close. Near-month June contract traded in the range of Rs. 12090-12470 during Thursday's trade.

PRICE DRIVERS

Bullish:

1. Estimations of lower production this season
2. Improved demand amid lower arrivals in the markets

Bearish:

1. Thin trading activities in physical markets

WEATHER

Duststorm/thunderstorm is likely at a few places over Rajasthan. Weather is not crucial at present as the harvesting season is over.

TECHNICALS

Candlesticks pattern indicates firm opening and initial uptrend. Prices closed above the 9-day as well as 18-day EMA, indicating that the trend has turned firm. MACD is moving upwards in the negative territory, supporting the firmness in the market. 14-day RSI is moving upwards in neutral region, hinting further uptrend. Volume has increased, while open interest has declined as compared to previous settlement. Jeera futures are likely to trade upwards following a firm opening with possibility of some downward movements later in the session.

JEERA 0706(NCJEE07)2007/05/31 - Daily B:12470.00 A:12487.00
O 12100.00 H 12470.00 L 12090.00 C 12470.00 V 13,212 I 16,650 +402
EMA(9) 12089 (18) 12258



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11976	12173	12470	12784	13000

TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 12450-12475 with a target of Rs. 12550 and then Rs. 12600 with a strict stop loss of Rs. 12375. Trade cautiously with intraday outlook.

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

CHILLI

June 1, 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 June futures contract on NCDEX closed firm after opening steady. We witnessed liquidation of short positions for the benchmark June futures. The volumes were marginally low as compared to previous trade. The contract opened at Rs.4600 and surged up to Rs.4650. However, the contract failed to sustain this level and made an intraday low at Rs.4561 because of selling pressure. The contract then closed at Rs.4640 up by 1.04% as compared to previous close price.

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 South Interior Karnataka, Tamil Nadu, Kerala, and Andhra Pradesh. Weather is not a crucial factor at present.

TECHNICALS

Small white candlestick is indicating profit booking in the market. Volumes as against previous trade and did not support the price movement. 9-day RSI is in the neutral region and moving upwards. Prices closed below the 6-day as well as 26-day EMA, indicating that the trend still favours the bear's. Stochastic oscillator is bearish. MACD is bearish. Red chillies futures are likely to trade weak in the next trading session. However, a positive correction is expected.

CHLL334GTR 0706(NCGTRM7)2007/05/31 - Daily B:4640.00 A:4650.00
O 4600.00 H 4650.00 L 4561.00 C 4640.00 V 5,060 17,530 +50

EMA(6) 4687.3 (14) 4781.1 (26) 4893.3



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4495	4528	4640	4725	4762

TRADE RECOMMENDATION

Buy NCDEX June Chilli at Rs. 4640-4600 or market open price with a target of Rs. 4675 and then Rs. 4720 with a strict stop loss of Rs. 4600.

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

TURMERIC

June 1, 2007

SPOT MARKETS

Turmeric spot prices were almost steady to weak at most of the spot markets amidst steady to low arrivals as against previous trade. At Sangli around 800-900 bags were sold and the prices were steady. Around 3000 and 5500, bags were sold at Duggirala and Warangal for Rs.1600-1775 and 1550-1750 per quintal down by Rs.25-50 per quintal. Local traders say that the demand lacked lustre. At Erode, around 12 lakh bags are sold as per a local trader.

FUTURES MARKETS

Turmeric June futures contract on NCDEX closed on a positive note on profit booking, after opening marginally weak. The June contract closed on Accumulation of long position amidst very low volumes and marginal gain in open interest. The contract opened slightly week at Rs.2134. During the trading session, the contract made a high at Rs.2152 underpinned by fresh buying support. The contract closed at Rs.2151 up by 0.60% as compared to previous close price. Long accumulation was witnessed for the July contract amidst very low volumes and marginal gain in open interest as compared to previous trade.

PRICE DRIVERS

Bearish:

1. Higher production estimates.
2. Fresh export orders expected.

WEATHER

Isolated Thundershowers over Andhra Pradesh and 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 while rainfall at Karnataka and Maharashtra would benefit the crop at its initial growing stage.

TECHNICALS

Small white candlestick is indicating a technical correction and fresh buying in the market. Volumes were low and did not support the price movement. Stochastic oscillator is oversold region and supporting the bearish trend in the market. MACD is in negative region indicating a bearish trend. The contract settled below the short term (6-day EMA). EMA's are indicating a bearish trend. 9-day RSI is neutral. We expect the contract to trade slightly steady to firm however, the over all trend still favours the bears.

Turmeric 0706(NCTMCM7)2007/05/31 - Daily B:2147.00 A:2151.00
O 2134.00 H 2152.00 L 2134.00 C 2151.00 V 5,960 I 17,700 +14
EMA(6) 2163.2 (14) 2184.9 (26) 2202.2



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2121	2127	2151	2164	2185

TRADE RECOMMENDATION

We recommend intraday Buy for NCDEX June contract at 2148-2151 or at market open price with a target of Rs.2160 and then 2172 with a stop loss of Rs.2138.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1875-1900	1000
	Gattah	1755-1800	
Erode	Finger	1950-2050	6500
	Gattah	1700-1850	



■ CARDAMOM

■ June 1, 2007

SPOT MARKETS

The weekly auctions at Bodinayakanur were called off amidst low arrivals. During the off-season auctions will be carried twice a week mainly on Thursday and Friday the markets were closed as the season has ended. Regular trade will resume from the last week on July or first week of August.

FUTURES MARKETS

The MCX cardamom June contract closed weak. The benchmark June futures opened steady at Rs.482 and during the initial trading session made an intraday high at Rs.483.5. However, later the contract made a low for the day at Rs.476.2. The contract then closed at Rs.477.40 down by 1%. We witnessed liquidation of Long position amidst very low volumes and slight fall in open interest. However, the change in open interest is not significant to support our analysis.

PRICE DRIVERS

Bearish:

1. Rains in Kerala.

Bullish:

1. Low Production in India.
2. Nearly 30% of cardamom plants dried and dead.

WEATHER

Wide spread rainfall has occurred over Kerala region of cardamom growing areas during past 24 hours. Due to this, the crop at the growing areas and the yield of the crop would benefit largely.

TECHNICALS

Medium dark candlestick is indicating active bears in the market. The volumes were marginally low as compared to previous trading session. The contract closed below all the EMA's, indicating a short-term bear trend. MACD is in the negative zone and is currently bearish. 9 day RSI is at oversold region and moving upwards leaving scope for a positive move in the prices. Stochastic is in neutral region. We expect the contract to trade slightly firm and fresh buying is expected.

CARDAMOM 0706(MXCAMM7)2007/05/31 - Daily B:477.40 A:478.00
O 482.00 H 483.50 L 476.20 C 477.40 V 507 T 21,443 I 1,674 -4.8
EMA(6) 483.43 (14) 490.09 (26) 496.93



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	467.2	471.3	477.4	486.3	495.1

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.477.4-477 or at market open price with a first target of Rs.483 then Rs.492.1 with a stop loss of Rs.468.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

Market Closed

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