

CHILLI

May 09, 2007

SPOT MARKETS

Domestic red chillies markets in Guntur maintained previous steadiness during Tuesday's trade. It was quoted unchanged amidst mostly steady arrivals as well as offtake. Traders report some demand for the good quality chillies, though the availability of the same was not enough. Demand from cold storages remains the only supportive feature for the markets at present. However, most of the cold storages are reportedly out of storage capacity. With 20 percent higher production estimates for the season, chilli prices are likely to remain weak in the days ahead.

FUTURES MARKETS

Chilli futures at NCDEX opened higher than previous settlement and most active June contract tested an intraday low of Rs. 4959 at the early hours of trade. The futures traded upwards thereafter on some buying support and tested an intraday high of Rs. 5080. The futures finished with some gains in late action. Most active June contract traded in the range of Rs. 4959-5080 during Tuesday's trade.

PRICE DRIVERS

Bullish:

1. Diversion of crop arrivals towards cold storage
2. Moderate demand for good quality chillies

Bearish:

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

WEATHER

Rain/thundershowers are likely at a few places over Kerala. Isolated rain/thundershowers are likely over rest region. Weather is not a crucial factor at present.

TECHNICALS

Candlesticks pattern indicates steady opening and indecision in the market. 14-day RSI is moving flat in neutral region region, leaving scope for both way movements. MACD has made a bearish cross-over and supporting the weakness in the markets. Prices closed below 9-day as well as 18-day EMA, indicating short-term as well as intermediate-term trend remains bearish. Volume as well as open interest has declined as compared to previous settlement. Red chillies futures are likely to trade downwards following a steady opening with possibility of some upward movements early in the session.

CHLL334GTR 0706(NCGTRM7)2007/05/08 - Daily B:4997.00 A:5008.00
O 4985.00 H 5080.00 L 4959.00 C 5000.00 V 12,890 I 9,985 +39
EMA(9) 5093.1 (18) 5186.3



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|------|------|------|------|------|
| NCDEX June | 4664 | 4812 | 5000 | 5097 | 5218 |

TRADE RECOMMENDATION

Sell NCDEX June Chilli near Rs. 5025-5050 with a target of Rs. 4950 and then Rs. 4900 with a strict stop loss of Rs. 5125. Trade cautiously with intra day outlook.

| Centers | Variety | Price/Qtl | Arrival (Bags) 1 bag = 40 to 45 Kgs |
|---------|---------|-----------|--|
| Guntur | LCA 334 | 3600-4300 | 45000 |

■ BLACK PEPPER

■ May 09, 2007

SPOT MARKETS

Domestic black pepper markets continue to remain volatile. It was quoted in a lower price range in Kochi markets amid no arrivals as well as offtake. Traders attributed speculative activities at the futures market as the major reason behind the decline in prices. Even the International Pepper Community cited "unknown reason" behind the fall in prices in the recent time. International prices continue to remain firm and on a continuous uptrend owing to global supply shortage. Vietnam farmers are still holding their produce on anticipation of further rise in prices. Long-term fundamentals continue to remain supportive for the markets.

FUTURES MARKETS

Black pepper futures at NCDEX opened lower than previous settlement and most active June contract tested an intraday high of Rs. 16039 at the early hours of trade. The futures slide on increased selling interest and tested an intraday low of Rs. 15410 during late hours of trade. The futures finished with significant losses in final action. Most active June contract traded in the range of Rs. 15410-16039 during Tuesday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

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

WEATHER

Rain/thundershowers are likely at a few places over Kerala. Isolated rain/thundershowers are likely over rest region. It would help the young vines.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. 14-day RSI is neither oversold nor overbought and trending downwards, leaving scope for further downtrend. MACD remains indecisive. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend still remains bearish. Volume has declined, while open interest has increased as compared to previous settlement. Black pepper futures are likely to trade downwards following a steady to weak opening with possibility of upward movements later in the session.

Pepper 0706(NCPEPM7)2007/05/08 - Daily B:15527.00 A:15540.00
O:15910.00 H:16018.00 L:15431.00 C:15527.00 V:33,759 I:18,483 -445
EMA(9) 15983 (18) 15995



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|-------|-------|-------|-------|-------|
| NCDEX June | 14870 | 15213 | 15527 | 15932 | 16207 |

TRADE RECOMMENDATION

Sell NCDEX June Pepper near Rs. 15550-15600 with a target at Rs. 15475 and then Rs. 15450 with a strict stop loss at Rs. 15675. Trade cautiously with intra day outlook.

| Centers | Variety | Price/Qtl | Arrival (Tonnes) |
|---------|-----------|-----------|------------------|
| Kochi | Garbled | 14700 | |
| | Ungarbled | 14100 | - |

SPOT MARKETS

Domestic jeera markets at Unjha witnessed a stable trend during Tuesday's trade. It was quoted unchanged amidst steady arrivals as well as offtake. Trading volume remains thin as compared to the levels seen a year ago. Traders attributed lacklustre trading activities as the major reason behind the recent fall in jeera prices. However, they anticipate the prices to move higher in the near future as production is expected to be short this year on account of lower acreage in Gujarat and adverse weather conditions in Rajasthan.

FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and most active June contract tested an intraday high of Rs. 12825 at the early hours of trade. The futures traded downwards thereafter to test an intraday low of Rs. 12482 during late hours of trading. The futures settled with losses in final action. Most active June contract traded in the range of Rs. 12482-12825 during Tuesday's trade.

PRICE DRIVERS

Bullish:

1. Estimations of lower production this season
2. Declining arrivals in the physical markets

Bearish:

1. Subdued export demand on strong rupee and higher prices
2. Lacklustre trading activities in physical markets

WEATHER

Isolated duststorm/thunderstorm accompanied with squall is likely over Rajasthan. Weather is not crucial at present as most of the harvesting is over.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Prices closed well below 9-day as well as 18-day EMA, indicating that the trend remains bearish. MACD is supporting the weakness in the markets. 14-day RSI is trending towards oversold region, hinting 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 recovery later in the session.

JEERA 0706(NCJEM7)2007/05/08 - Daily B:12549.00 A:12553.00
O 12745.00 H 12825.00 L 12485.00 C 12541.00 V 28,683 I 18,162 -179
EMA(9) 13086 (18) 13391



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|-------|-------|-------|-------|-------|
| NCDEX June | 12103 | 12275 | 12541 | 12707 | 12864 |

TRADE RECOMMENDATION

Sell NCDEX June Jeera near Rs. 12600 with a target of Rs. 12500 and then Rs. 12450 with a strict stop loss of Rs.12675. Trade cautiously with intraday outlook.

| Centers | Variety | Prices/20 Kg | Arrival (Bags) 1 bag = 55 to 60 Kgs |
|---------|-----------------|--------------|--|
| Unjha | F.A.Q | 2210-2310 | 3000 |
| | Ganesh | 2310-2410 | |
| | Machine Cleaned | 2510-2610 | |

TURMERIC

May 09, 2007

SPOT MARKETS

At the spot markets, we witnessed mixed market sentiments for Tuesday's trading session. Prices at Sangli market were up by Rs.40/quintal amidst good demand by stockists, and around 3982 bags were sold. Prices at Duggirala markets were down by Rs.20-25/quintal amidst low demand. As per local newspaper 'EENADU', farmers at Warangal are doing andolan as very low prices are offered to them as well as the assurance for the procurement is also withdrawn.

FUTURES MARKETS

All the NCDEX futures contracts for Turmeric closed firm on a positive zone underpinned by fresh buying support in the market. In most active June futures, we witnessed accumulation of long position amidst very good volumes and open interest. The contract opened marginally low at Rs.2162/quintal and the buying support during the trading session helped the prices to surge, made an intraday high at Rs.2204/quintal, and closed at Rs.2188 up by 1.06 against Monday's close price. We witnessed liquidation of short position for May futures contract amidst significant gain in the volumes and open interest.

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, 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 chart are indicating a much-awaited positive correction in the market. The volumes gained significantly. Stochastic oscillator is in oversold region. MACD is in negative territory indicating sell signal. The contract settled slightly above the short term that is the 6-day EMA. EMA's are indicating a short-term bearish trend in the market. RSI is in neutral zone n moving upwards. We expect the contract to trade firm on a positive side in next trading session.



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|------|------|------|------|------|
| NCDEX June | 2140 | 2164 | 2188 | 2208 | 2228 |

TRADE RECOMMENDATION

Buy NCDEX June contract at 2186-2189 or at market open price with a target of Rs.2198 and Rs.2215 and then 2225 with a stop loss of Rs.2160 or below.

| Centers | Variety | Price/Qtl | Arrival (Bags) 1 bag = 90 Kgs |
|-----------|---------|-----------|----------------------------------|
| Nizamabad | Finger | 1850-1950 | 4000 |
| | Gattah | 1800-1850 | |
| Erode | Finger | 1975-2075 | 10000 |
| | Gattah | 1975-2025 | |



■ CARDAMOM

■ May 09, 2007

SPOT MARKETS

Arrivals at Needukandam auction were around 27000kg and offtake of 22000kg prices were traded between Rs.440-445/kg. Present demand local demand is anticipated to be weak adding to it export demand is also reported to be weak. The 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 settled weak on selling pressure. We witnessed creation of short position for the June contract, the market closed down by 0.32% at Rs.490.1/kg as compared to Monday's settlement price along with the marginal gain in open interest however, and the change in close and open interest was not significant to prove our assumptions right. The volumes gained significantly and supported the price movement. In May contract, we witnessed liquidation of short position amidst very good 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

Candlesticks indicate a indecisive trend in the market. Volumes gained significantly and supported 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. A correction is likely very soon. However, the trend still favours the bears.



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------|-------|-------|-------|-------|-------|
| MCX June | 482.6 | 486.3 | 490.1 | 495.4 | 500.8 |

TRADE RECOMMENDATION

We recommend intraday buy for the MCX cardamom June contract at Rs490-489.5 or market open price with a first target Rs.496.6 of Then Rs.500.6 with a stop loss of Rs.484 or below

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Needukandam

440-445

27000

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