

■ BLACK PEPPER

■ May 25, 2007

SPOT MARKETS

Domestic black pepper markets firmed up once again on Thursday. It was quoted higher by Rs. 300 per quintal in Kochi markets amid arrivals as well as offtake of 10 MT. Moderate buying support at the recent lower price levels is attributed to the firmness in spot prices of pepper. Moreover, spillover strength from its futures market has also supported the spot market sentiments. However, global market activity continues to remain lacklustre with overseas buyers preferring to adopt a wait and watch policy. Pepper prices are likely to consolidate in the coming days.

FUTURES MARKETS

Black pepper futures at NCDEX opened lower than previous settlement and the most active June contract tested an intraday low of Rs. 13799 at the opening session of trade. The futures traded sharply upwards thereafter on increased buying interest and tested an intraday high of Rs. 14355. Most active June contract traded in the range of Rs. 13799-14355 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 accredited warehouses
3. Weak domestic and export demand

WEATHER

Rain/thundershowers are likely at a few places over Andhra Pradesh. Increase in rainfall activity likely over Kerala and Coastal Karnataka after 48 hours. It would help the newly planted vines.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. 14-day RSI is moving upwards near oversold region, leaving scope for further uptrend. MACD is moving southwards in the negative territory, supporting the weakness in the market. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains weak. Volume as well as open interest has declined. Black pepper futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements early in the session.

Pepper 0706(NCPEPM7)2007/05/24 - Daily B:14002.00 A:14040.00
O 13806.00 H 14352.00 L 13799.00 C 14002.00 V 25,488 I 12,835 +248
EMA(9) 14517 (18) 14961



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|-------|-------|-------|-------|-------|
| NCDEX June | 13226 | 13603 | 14002 | 14528 | 14893 |

TRADE RECOMMENDATION

Buy NCDEX June Pepper near Rs. 13900-13950 with a target at Rs. 14100 and then Rs. 14150 with a strict stop loss at Rs.13775. Trade cautiously with intra day outlook.

| Centers | Variety | Price/Qtl | Arrival (Tonnes) |
|---------|-----------|-----------|------------------|
| Kochi | Garbled | 14600 | 10 |
| | Ungarbled | 14000 | |

SPOT MARKETS

Domestic jeera markets at Unjha recovered back from earlier weakness during Thursday's trade. It was offered in a higher price range owing to higher offtake amid reduced arrivals. Some firmness in jeera futures prices has supported the spot market sentiments. Lack of any significant developments in its demand front has kept the market mostly quiet for the past few days. 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.

FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and most active June contract traded upwards thereafter to test an intraday high of Rs. 11944 during late hours of trading. However, the futures immediately ran into selling pressure and slide to test an intraday low of Rs. 11592 to finish in negative territory. Most active June contract traded in the range of Rs. 11592-11944 during Thursday's trade.

PRICE DRIVERS

Bullish:

1. Estimations of lower production this season

Bearish:

1. Weak domestic and overseas demand
2. Lacklustre trading activities in physical markets

WEATHER

Isolated duststorm is likely over Rajasthan. Weather is not crucial at present as the harvesting season is over.

TECHNICALS

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

JEERA 0706(NCJEE07)2007/05/24 - Daily B:11635.00 A:11636.00
O 11723.30 H 11944.00 L 11592.00 C 11635.00 V 23,370 I 17,418 -35
EMA(9) 12068 (18) 12446



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|-------|-------|-------|-------|-------|
| NCDEX June | 11169 | 11366 | 11635 | 12036 | 12272 |

TRADE RECOMMENDATION

Sell NCDEX June Jeera above Rs. 11675-11700 with a target of Rs. 11575 and then Rs. 11500 with a strict stop loss of Rs.11600. Trade cautiously with intraday outlook.

| Centers | Variety | Prices/20 Kg | Arrival (Bags) 1 bag = 55 to 60 Kgs |
|---------|-----------------|--------------|--|
| Unjha | F.A.Q | 2220-2300 | |
| | Ganesh | 2320-2400 | 3000-3500 |
| | Machine Cleaned | 2520-2600 | |

CHILLI

May 25, 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 at NCDEX lacked luster amidst low volumes. Most active June contract tested an intraday low of Rs. 4640 after initial high of Rs.4795 at the opening session of trade. The contract closed at Rs.4729 up by Rs.22 as against last close price. We witnessed long accumulation amidst low volumes and marginal gain in open interest.

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

Candlestick is indecisive as a doji is formed. Volumes failed to breach previous high and did not support the price movement. 9-day RSI is oversold, giving scope for a slight up move in prices. Prices closed below the 6-day as well as 26-day EMA, indicating that the trend remains bearish in the market. Stochastic oscillator is heading towards oversold region. MACD is bearish. Red chillies futures are likely to trade weak in the next trading session however; a correction is expected in coming days.

CHLL334GTR 0706(NCGTRM7)2007/05/24 - Daily B:4725.00 A:4730.00
O 4724.00 H 4795.00 L 4640.00 C 4729.00 V 7,425 17,615 +22
EMA(6) 4827.1 (14) 4917.3 (26) 5014.7



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|------|------|------|------|------|
| NCDEX June | 4492 | 4566 | 4729 | 4876 | 5173 |

TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4730-4750 with a target of Rs. 4635 and then Rs. 4575 with a strict stop loss of Rs. 4790. Trade cautiously with intra day outlook.

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

TURMERIC

May 25, 2007

SPOT MARKETS

At most, of the auctions Turmeric prices were trading steady as that of previous trading session. At Sangli 1588, bags were sold and the prices were steady. Around 7000 and 3000, bags were sold at Warangal and Duggirala and prices were steady. At Nizamabad, prices were marginally up where as at Erode the prices were weak. Stockists demand was reported to be normal in the spot market. Turmeric arrivals at the daily auction have started fading as the marketing season is ending.

FUTURES MARKETS

All the NCDEX futures contracts for Turmeric closed in negative territory. For the most active June contract, we witnessed long liquidation. The volumes and open interest were low as against previous trading session. The contract-opened Rs.3 down at Rs. 2204 however failed to sustain the initial high at Rs.2216. On selling pressure, the prices made a fall at Rs.2193 level. The contract finally closed at Rs.2204 down by Rs.3 as compared to Wednesday's close price. We witnessed short accumulation for the July contract amidst very low volumes and marginal gain in open interest. The contract traded between Rs.2244-2218 ranges.

PRICE DRIVERS

Bearish:

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

WEATHER

Isolated rain over Coastal Andhra Pradesh 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 is indecisive as a doji is formed. Volumes were low as compared to previous trading session and did not support the price movement. Stochastic oscillator has witnessed a bearish 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 bearish trend. 9-day RSI is neutral zone. We expect the contract to trade weak in next trading session.

Turmeric 0706(NCTMCM7)2007/05/24 - Daily B:2201.00 A:2204.00
O 2207.00 H 2218.00 L 2193.00 C 2204.00 V 10,560 I 18,860 -2
EMA(6) 2214.5 (14) 2218.9 (26) 2225.6



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|------|------|------|------|------|
| NCDEX June | 2169 | 2181 | 2204 | 2227 | 2238 |

TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2203-2210 or at market open price with a target of Rs.2190 and then 2178 with a stop loss of Rs.2225.

| Centers | Variety | Price/Qtl | Arrival (Bags) 1 bag = 90 Kgs |
|-----------|---------|-----------|----------------------------------|
| Nizamabad | Finger | 1875-1975 | 1500 |
| | Gattah | 1775-1825 | |
| Erode | Finger | 1950-2050 | 8000 |
| | Gattah | 1850-1950 | |



■ CARDAMOM

■ May 25, 2007

SPOT MARKETS

At Bodinayakanur the auctions around 30000 kg of cardamom were sold for Rs.415-420/kg. The local demand was reported to be weak as 27000 kg was sold out of total arrivals amidst negligible export orders. Traders say slight rain was witnessed at the hilly region of cardamom growing areas in Kerala. Due to the delayed monsoon reports, the picking activity is likely to be delayed further.

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 very low volumes. The contract opened weak at Rs.496.5 and failed to resist the intraday high at Rs.499 levels and fell down to make a low of Rs.493.1 to close at Rs.495.6 down by Rs.2.7 as against previous close price. In July contract, we witnessed creation of fresh short position amidst very low 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 rains are likely over Kerala region of cardamom growing areas. Due to this, the crop at the growing areas and the yield of the crop is likely to be benefit.

TECHNICALS

Candlestick is indecisive as a doji is formed. Volumes were low against previous level and did not support the price movement. 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 neutral and moving downwards. Stochastic is in neutral region. We expect the contract to trade steady to firm with slight dip in the prices.

CARDAMOM 0706(MXCAMM7)2007/05/24 - Daily B:495.50 A:496.50
O 496.50 H 499.00 L 493.10 C 495.60 V 564 T 21,457 I 1,979 -2.7

EMA(6) 500.49 (14) 501.21 (26) 505.49



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------|-------|-------|-------|-------|-------|
| MCX June | 482.9 | 489.2 | 495.6 | 510.5 | 516.6 |

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.495.6-497.8 or at market open price with a first target of Rs.500.1 then Rs.505 with a stop loss of Rs.490.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

415-420

30000

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