

■ BLACK PEPPER

■ May 31, 2007

SPOT MARKETS

Domestic black pepper markets witnessed some weakness during Wednesday's trade. It was quoted lower by Rs. 100 per quintal in Kochi markets amid no arrivals as well as offtake. Traders reported lacklustre trading activity as the reason behind the decline in prices. However, there was no selling pressure in the physical markets. Recent decline in pepper futures prices in commodity exchanges have cast a bearish shadow over the markets. Moreover, advancement of SW monsoon is also weighing down on the markets. According to IPC, India exported 4,011 tonnes of black pepper to the US during Jan-Mar 2007. 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 most active June contract traded upwards to test an intraday high of Rs. 13830 at the early hours of trade. The futures slide to test an intraday low of Rs. 13601 during late hours of trading. However, the futures finished with some gains in final action. Most active June contract traded in the range of Rs. 13601-13830 during Wednesday'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

Under the influence of an off-shore trough extending from Karnataka coast to Kerala coast, fairly wide spread rainfall is likely to continue over Kerala, Coastal Karnataka and Lakshadweep during next 2-3 days. It would help the newly planted vines.

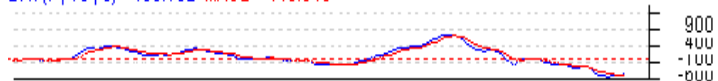
TECHNICALS

Candlesticks pattern indicates steady opening and indecision in the market. 14-day RSI is neutral, leaving scope for both way movements. MACD is moving flat in negative territory. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend still remains weak. Volume as well as open interest has declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady opening with possibility of some early downward movements.

Pepper0706(NCPEPM7)2007/05/30 - Daily B:13690.00 A:13699.00
O 13676.00 H 13830.00 L 13601.00 C 13690.00 V 9,415 I 11,139 +27
EMA(9) 13984 (18) 14440



DAV(7, 15, 5) -435.102 MACD -448.045



RSI(14,MA(6)) 34.5555



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13202	13444	13690	14049	14267

TRADE RECOMMENDATION

Buy NCDEX June Pepper at Rs. 13575-13600 with a target at Rs. 13725 and then Rs. 13775 with a strict stop loss at Rs.13475. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14100	-
	Ungarbled	13500	

SPOT MARKETS

Domestic jeera markets remained quiet during Wednesday's trade. It was offered in an unchanged price range in Unjha markets owing to reduced offtake amid steady arrivals. Lack of any significant developments in its demand front has kept the market mostly rangebound for the past few weeks. Quality issues with physical delivery in commodity exchanges are still weighing on the markets. Traders expect improvement in demand scenario in the coming few weeks ahead of the rainy season in the major producing/trading areas. 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 near-month June contract tested an intraday low of Rs. 11951 at the opening session of trade. The futures traded upwards thereafter on increased buying support and tested an intraday high of Rs. 12121. The futures finished higher in final action. Near-month June contract traded in the range of Rs. 11951-12121 during Wednesday's trade.

PRICE DRIVERS

Bullish:

1. Estimations of lower production this season

Bearish:

1. Weak domestic as well as overseas demand
2. Lacklustre 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 steady to firm opening and initial uptrend. 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 for intermediate term. 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 declined, while open interest has increased as compared to previous settlement. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements early in the session.

JEERA 0706(NCJEE7)2007/05/30 - Daily B:12060.00 A:12065.00
O 12000.00 H 12120.00 L 11958.00 C 12068.00 V 10,230 I 17,238 +84.2
EMA(9) 11994 (18) 12233



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11681	11819	12068	12272	12429

TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 11975-12000 with a target of Rs. 12125 and then Rs. 12175 with a strict stop loss of Rs. 11875. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2260-2340	
	Ganesh	2360-2440	2500-3000
	Machine Cleaned	2560-2640	

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 continued the bearish note after opening steady. We witnessed creation of fresh short positions for the benchmark June futures. The volumes were good as compared to previous trade. The contract opened at Rs.4690 and surged up to Rs.4710. However, the contract failed to sustain this level and made an intraday low at Rs.4573 because of selling pressure. The contract then closed at Rs.4590 down by 2.22% 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

Medium sized dark candlestick is indicating strong bears in the market. Volumes gained marginally and supported the price movements. 9-day RSI is in the oversold region. Prices closed below the 6-day as well as 26-day EMA, indicating that the trend still favours the bear's. Stochastic oscillator has witnessed a crossover and indicating a sell signal. 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)2007/05/30 - Daily B:4582.00 A:4590.00
O 4690.00 H 4710.00 L 4573.00 C 4590.00 V 6,485 17,645 -104
EMA(6) 4706.2 (14) 4802.8 (26) 4913.5



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4401	4487	4590	4761	4812

TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4590-4600 with a target of Rs. 4535 and then Rs. 4490 with a strict stop loss of Rs. 4654.

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

TURMERIC

May 31, 2007

SPOT MARKETS

Turmeric spot prices were almost steady to weak at most of the spot markets amidst marginal gain in the arrivals. Sangli markets were closed because of workers strike with respect to hike in wages. Around 2500 and 7000, bags were sold at Duggirala and Warangal for Rs.1650-1725 and 1650-1800 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 continued the bearish rally in the trading session and tested fresh lows. The June contract closed on liquidation of long position amidst good volumes and fall in open interest. The contract opened slightly weak at Rs.2153. During the initial trading session, the contract made a high at Rs.2167 later on due to the selling pressure made an intraday low at Rs.2136. The contract closed at Rs.2137 down by 0.88% as compared to previous close price. Short accumulation was witnessed for the July contract amidst gain in 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

Rain and 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

Candlestick is indicating active bear's and selling pressure in the market. Volumes gained and supported 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 oversold and bearish. We expect the contract to trade weak in next trading session. However, a positive correction is expected very soon.

Turmeric 0706(NCTMCM7)2007/05/30 - Daily B:2136.00 A:2140.00
O 2153.00 H 2159.00 L 2136.00 C 2137.00 V 12,020 I 17,370 -19
EMA(6) 2168.1 (14) 2190.1 (26) 2206.2



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2100	2112	2137	2167	2175

TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2137-2140 or at market open price with a target of Rs.2128 and then 2114 with a stop loss of Rs.2155.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1875-1900	1500
	Gattah	1755-1800	
Erode	Finger	1950-2050	6500
	Gattah	1700-1850	



■ CARDAMOM

■ May 31, 2007

SPOT MARKETS

The weekly auctions at Kumily were carried on for the last day of the season. The arrivals were around 72000 kg and almost all were sold. The arrivals were sold for Rs.395-420/kg. 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 firm on fresh buying support. The benchmark June futures opened steady and during the initial trading session made an intraday high at Rs.487. However, later the contract made a low for the day at Rs.478. The volumes failed to breach previous level. The contract then closed at marginally up by 0.56%. We witnessed Accumulation of Long position amidst good volumes and gain in open interest.

PRICE DRIVERS

Bearish:

1. Rains in Kerala.

Bullish:

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

WEATHER

Southwest monsoon is likely to continue over Kerala region of cardamom growing areas for next two days. Due to this, the crop at the growing areas and the yield of the crop would benefit largely.

TECHNICALS

Small white candlestick is indicating fresh buying coming in the market. The volumes were 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)2007/05/30 - Daily B:481.70 A:482.30
O 479.00 H 487.00 L 478.00 C 482.20 V 546 T 21,425 I 1,694 +2.7
EMA(6) 485.85 (14) 492.04 (26) 498.50



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	468.8	473.4	482.2	498.4	502.8

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.482-481.6 or at market open price with a first target of Rs.488 then Rs.495.1 with a stop loss of Rs.476.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Kumily

395-420

72000

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