

■ BLACK PEPPER

■ May 24, 2007

SPOT MARKETS

Domestic black pepper markets remain steady during Wednesday's trade. It was offered in an unchanged price range in Kochi markets amid no arrivals as well as offtake. Slowdown in activity in international markets and consequently some weakness in global pepper prices in general and Vietnam pepper prices in particular are attributed to the weakness in domestic markets. Overseas buyers preferred to be on the sideline eyeing further decline in prices. Spillover weakness from futures market has also dampened the prices to a greater extent. Pepper prices are likely to consolidate in the coming days.

FUTURES MARKETS

Black pepper futures at NCDEX opened much lower than previous settlement. Most active June contract breached 4 per cent lower circuit and tested an intraday low of Rs. 13186. The futures surged up during late hours of trading and June contract tested an intraday high of Rs. 13950, only to finish in negative territory in final action. Most active June contract traded in the range of Rs. 13186-13950 on Wednesday.

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

Southwest monsoon is not likely to set in over Kerala during next 3-4 days. Isolated rain/thundershowers are likely over Kerala, Tamil Nadu, Coastal Andhra Pradesh and Coastal Karnataka. It would help the newly planted vines.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and likely trend reversal. 14-day RSI is moving flat near oversold region, leaving scope for further downtrend. 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 has increased, while open interest has declined as compared to previous settlement. Black pepper futures are likely to trade upwards following a steady to weak opening with possibility of some downward movements early in the session.

Pepper 0706(NCPEPM7)2007/05/23 - Daily B:13742.00 A:13754.00
O 13685.00 H 13940.00 L 13199.00 C 13754.00 V 31,058 I 13,493 -80
EMA(9) 14665 (18) 15085



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13055	13333	13754	14417	14688

TRADE RECOMMENDATION

Buy NCDEX June Pepper near Rs. 13675-13700 with a target at Rs. 13850 and then Rs. 13925 with a strict stop loss at Rs.13550. Trade cautiously with intra day outlook.

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

CUMIN

May 24, 2007

SPOT MARKETS

Domestic jeera markets at Unjha extended previous weakness further. It was offered in a lower price range amid higher arrivals and steady offtake. Sharp decline in jeera futures prices in recent time has weakened the physical market sentiments as well. 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. However, some short-term weakness is likely on weak demand for the commodity.

FUTURES MARKETS

Jeera futures at NCDEX opened lower than previous settlement and most active June contract traded downwards thereafter to test an intraday low of Rs. 11150. The futures retraced back on increased buying support and curbed the earlier losses to test an intraday high of Rs. 11790.1. The futures finished with significant gains in late action. Most active June contract traded in the range of Rs. 11150-11790.1 during Wednesday'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 firm opening and initial uptrend. 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 upwards in neutral region, hinting an upward technical correction. Volume has increased, while open interest has declined as compared to previous settlement. Jeera futures are likely to trade upwards following a steady to firm opening with possibility of some downward movement early in the session.

JEERA 0706(NCJEE7)2007/05/23 - Daily B:11655.00 A:11670.00
O 11337.00 H 11790.10 L 11150.00 C 11670.00 V 33,207 I 17,076 +286.8
EMA(9) 12184 (18) 12546



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11000	11248	11670	12055	12292

TRADE RECOMMENDATION

Buy NCDEX June Jeera above Rs. 11600 with a target of Rs. 11750 and then Rs. 11800 with a strict stop loss of Rs. 11500. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2200-2280	5000
	Ganesh	2300-2380	
	Machine Cleaned	2500-2580	

CHILLI

May 24, 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 tested fresh lows since 2 months after hitting 4% lower circuit. Most active June contract tested an intraday low of Rs. 4606 after initial high of Rs.4900 at the opening session of trade. The contract closed at Rs.4712 down by 2.84% as against last close price. We witnessed creation of fresh short position amidst good 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

Candlesticks indicate heavy selling pressure in the market amidst significant gain in the volumes supporting the fall in the price. 9-day RSI is bearish, 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.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4276	4438	4712	5036	5173

TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4712-4750 with a target of Rs. 4650 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 24, 2007

SPOT MARKETS

At most, of the auctions Turmeric prices were trading steady as that of previous trading session. At Sangli 1458, bags were sold and the prices were steady. Around 6000 and 3000, bags were sold at Warangal and Duggirala and prices were steady. 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. Currently there is no fresh export demand for the famous Rajapuri variety as per a local trader.

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 gained significantly amidst fall in open interest. The contract-opened a Re.down at Rs. 2228 however failed to sustain the initial high at Rs.2240. On selling pressure, the prices made a fall at Rs.2187 level. The contract finally closed at Rs.2206 down by 1.03% as compared to Tuesday's close price. We witnessed short accumulation for the July contract amidst good volumes and marginal gain in open interest. The contract traded between Rs.2275-2217 ranges.

PRICE DRIVERS

Bearish:

1. Higher production estimates.

Bullish:

1. 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 indicates active bears in the market. Volumes were at their highest since a fortnight. Stochastic oscillator is neutral. 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 and moving downwards. We expect the contract to trade weak in next trading session.

Turmeric 0706(NCTMCM7)2007/05/23 - Daily B:2206.00 A:2208.00
O 2229.00 H 2240.00 L 2187.00 C 2206.00 V 28,040 I 18,920 -21



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2129	2158	2206	2264	2288

TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2206-2210 or at market open price with a target of Rs.2192 and then 2178 with a stop loss of Rs.2225.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1875-1950	1500
	Gattah	1775-1825	
Erode	Finger	1975-2075	10000
	Gattah	1900-2000	



■ CARDAMOM

■ May 24, 2007

SPOT MARKETS

At Kumily the auctions around 56000 kg of cardamom were sold for Rs.450-460/kg. The local demand was reported to be 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 good volumes. The contract-opened up at Rs.502.90 and failed to resist the intraday high at 505 levels and fell down to make a low of Rs.493.7. In July contract, we witnessed creation of fresh short position amidst good 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

As per the IMD South-West monsoon over Kerala is likely to be delayed further by 3-4 days. Due to this, the crop at the growing areas and the yield of the crop is likely to be affected.

TECHNICALS

Candlestick is indicating active selling pressure in the market. Volumes were marginally up against previous level and supported 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 weak with slight gain in the prices.

CARDAMOM 0706(MXCAMM7)2007/05/23 - Daily B:498.20 A:499.40
O 502.90 H 505.00 L 493.70 C 499.00 V 1,623 T 63,951 I 2,071 -2.7

EMA(6) 502.64 (14) 502.16 (26) 506.33



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	482.1	487.9	499	510.5	516.6

TRADE RECOMMENDATION

We recommend intraday Sell for the MCX cardamom June contract at Rs.499-500 or at market open price with a first target of Rs.492.7 then Rs.485 with a stop loss of Rs.504.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Kumily	450-460	56000

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