

## CHILLI

May 18, 2007

### SPOT MARKETS

Domestic red chillies markets in Guntur remained closed for summer holidays.

Meanwhile, chilli exports 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, thereby pushing up the demand and the prices.

### FUTURES MARKETS

Chilli futures at NCDEX opened marginally higher than previous settlement and most active June contract tested an intraday low of Rs. 4880 during mid-session. The futures traded upwards thereafter to test an intraday high of Rs. 5040. The futures finished in positive territory in final action. Most active June contract traded in the range of Rs. 4880-5040 during Thursday's trade.

### 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

Isolated rain/thundershowers are likely over Kerala, Lakshadweep and Tamil Nadu. Weather is not a crucial factor at present.

### TECHNICALS

Candlesticks pattern indicates steady opening and initial uptrend. 14-day RSI is neutral, leaving scope for both way movements. MACD remains in the negative territory, supporting the weakness. Prices closed below the 9-day as well as 18-day EMA, indicating bearish trend in the market. Volume has increased, while open interest has declined. Red chillies futures are likely to trade upwards following a steady opening with possibility of downward movements later in the session.

CHLL334GTR 0706(NCGTRM7)2007/05/17 - Daily B:4980.00 A:4981.00  
O 4950.00 H 5038.00 L 4880.00 C 4987.00 V 10,145 I 8,210 +41  
EMA(9) 4993.4 (18) 5062.6



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4757	4853	4987	5139	5250

### TRADE RECOMMENDATION

Buy NCDEX June Chilli at Rs. 4925-4950 with a target of Rs. 5000 and then Rs. 5025 with a strict stop loss of Rs. 4875. Trade cautiously with intra day outlook.

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

## ■ BLACK PEPPER

■ May 18, 2007

### SPOT MARKETS

Domestic black pepper markets recovered back from previous weakness. It was quoted higher by Rs. 200 per quintal in Kochi markets amid no arrivals as well as offtake. While contradictory reports of Vietnam pepper prices have pressurised the market sentiments, news of higher export from India has supported the prices.

During the fiscal year 2006-07, pepper export was up by 66 per cent at 28,750 tonnes valued at Rs 306.20 crore over export of 17,363 tonnes valued at Rs 150.95 crore in 2005-06. The FOB value has also increased from Rs 86.94 to Rs 106.50 per kg during the same period. US imported about 13,886 tonnes of pepper from India in 2006-07 against 659 tonnes the previous fiscal.

### FUTURES MARKETS

Black pepper futures at NCDEX opened higher and most active June contract tested an intraday low of Rs. 14522 at the early hours of trade. The futures traded sharply upwards thereafter and tested an intraday high of Rs. 15240. The futures finished higher after paring some of the gains in final action. Most active June contract traded in the range of Rs. 14522-15240.

### PRICE DRIVERS

#### Bullish:

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

#### Bearish:

1. Increasing stocks at exchange accredited warehouses
2. Weak domestic as well as export demand

### WEATHER

Isolated rain/thundershowers are likely over Kerala. It would help the newly planted vines.

### TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. 14-day RSI is moving upwards in neutral region, leaving scope for further uptrend. MACD is moving downwards in the negative territory, supporting the weakness. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend still remains bearish. 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 firm opening with possibility of some downward movements early in the session.

Pepper 0706(NCPEPM7)2007/05/17 - Daily B:15048.00 A:15083.00  
O 14852.00 H 15231.00 L 14526.00 C 15061.00 V 29,464 I 17,179 +255  
EMA(9) 15349 (18) 15572



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	14391	14699	15061	15600	15900

### TRADE RECOMMENDATION

Buy NCDEX June Pepper near Rs. 15000 with a target at Rs. 15250 and then Rs. 15300 with a strict stop loss at Rs.14850. Trade cautiously with intra day outlook.

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

### SPOT MARKETS

Domestic jeera markets at Unjha continue to remain quiet. It was quoted unchanged amid slightly higher arrivals as well as offtake. No significant development at the demand front has kept the prices in a narrow range over the past couple of days. However, recent sharp decline in futures prices has to some extent dampen the market sentiments. Meanwhile, cumin exports during last fiscal year 2006-07 totalled 26,000 tonnes valued at Rs 201.50 crore. Long-term fundamentals continue to remain supportive with the estimated fall in production this year.

### FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and most active June contract tested an intraday low of Rs. 12281 at the early hours of trade. Increased buying interest has supported the futures and the futures traded upwards thereafter to test an intraday high of Rs. 12788. The futures finished with significant gains in final action. Most active June contract traded in the range of Rs. 12281-12788 during Thursday's trade.

### PRICE DRIVERS

#### Bullish:

1. Estimations of lower production this season

#### Bearish:

1. Subdued export demand at higher price levels
2. Lacklustre trading activities in physical markets

### WEATHER

Isolated duststorm/thunderstorm is likely over Rajasthan. Mainly dry weather is likely over the rest region. Weather is not crucial at present as most of the harvesting operation is over.

### TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. Prices closed below 9-day as well as 18-day EMA, indicating that the trend remains bearish. MACD remains in the negative territory. 14-day RSI is moving upwards in neutral region, leaving scope for further uptrend. 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 movements later in the session.

JEERA 0706(NCJEE07)2007/05/17 - Daily B:12638.00 A:12640.00  
O 12400.00 H 12785.00 L 12285.00 C 12640.00 V 32,532 I 18,828 +259.9  
EMA(9) 12719 (18) 12960



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	12200	12370	12640	12961	13144

### TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 12575-12600 with a target of Rs. 12700 and then Rs. 12775 with a strict stop loss of Rs. 12475. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2280-2360	
	Ganesh	2380-2460	3500
	Machine Cleaned	2580-2660	



## TURMERIC

May 18, 2007

### SPOT MARKETS

Spot prices for Turmeric at all the markets were traded steady to weak by Rs.25- 50/quintal amidst weak demand as the season is coming to an end. At Warangal, around 7000 bags were sold and prices were weak by Rs.25-30/quintal. Local traders say that NCDEX warehouse at Erode as well as Warangal has opened and the stock deposits have been started.

### FUTURES MARKETS

All the NCDEX futures contracts for Turmeric continued the bearish sentiments. For the most active June contract, we witnessed liquidation of long positions amidst good volumes and fall in open interest. The contract-opened firm at Rs.2223/quintal however failed to sustain the initial gains at Rs.2225 and due to selling pressure, the prices made a steep fall up Rs.2186 level. The contract finally closed at Rs.2201 down by 0.63% as compared to Wednesday's close price. We witnessed liquidation of long positions for May futures contract amidst low volumes and fall in open interest.

### PRICE DRIVERS

#### Bearish:

1. Higher production estimates.
2. Fresh export orders expected.
3. Stockists demand in the physical market.

### WEATHER

Dry weather is likely over Tamil Nadu and Andhra Pradesh region. 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 indicate active bears in the market. Volumes gained significantly as compared to last trading session. Stochastic oscillator is below the signal line and suggesting a bearish trend. MACD is about to witness a negative crossover indicating a bearish trend. The contract settled below the short term (6-day EMA). EMA's are indicating a short-term bearish trend in the market. RSI is in neutral zone and moving downwards. We expect the contract to trade weak in next trading session.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2144	2165	2201	2243	2261

### TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2201-2207 or at market open price with a target of Rs.2190 and then 2173 with a stop loss of Rs.2225.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1800-1900	2000
	Gattah	1750-1800	
Erode	Finger	1975-2075	8000
	Gattah	1900-2000	

### SPOT MARKETS

Cardamom daily auction at Bodinayakanur remained closed however regular trade will resume from tomorrow onwards. The traders said that currently rainfall is not witnessed however, is anticipated in coming days at the growing areas.

### FUTURES MARKETS

The MCX cardamom futures settled in a weak zone and witnessed selling pressure. Long liquidation was observed for the benchmark June contract along with slight drop in open interest. The contract-opened firm at Rs.507.9, made an intraday high up to 509 levels after initial low of Rs.500.1. The contract closed marginally down by Re.1.5/kg as compared to previous settlement. The volumes failed to breach the previous highs. The July contract traded between Rs.527 and Rs.518.5 amidst low volumes and marginal gain in open interest.

### PRICE DRIVERS

#### Bearish:

1. Expected rains in Kerala.
2. Weak demand in the market.

#### Bullish:

1. Low Production in India

### WEATHER

Currently dry weather is reported at Kerala and Karnataka cardamom growing areas however there is prediction of early monsoon this year at these areas as per IMD. This will benefit the crop at the growing areas and the yield of the crop is anticipated to improve.

### TECHNICALS

Candlestick is indicating active bears in the market. Volumes failed to sustain the previous highs and did not support the price movements. The contract closed above short term EMAs, indicating a short-term bull trend. MACD is in the negative zone, which is about to make a bullish cross over. RSI is neutral and moving downwards. Stochastic is in neutral region and moving upwards. We expect the contract to trade firm.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	490.9	495.5	504.1	513.3	519.6

### TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.504-1-503.4 or at market open price with a first target of Rs.510.5 then Rs.516.6 with a stop loss of Rs.498.1.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Bodinayakanur

Closed

-

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.