

SPOT MARKETS

Domestic red chillies markets in Guntur remained on an average stable at the start of the week. It was offered in the previous price range amidst mostly higher 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 high of Rs. 5260 at the early hours of trade. The futures slide on increased selling pressure and breached 4 percent lower circuit to test an intraday low of Rs. 4925. The futures settled near day's low in final action. Most active June contract traded in the range of Rs. 4925-5260 during Monday'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, Karnataka and Coastal Andhra Pradesh. Weather is not a crucial factor at present.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. 14-day RSI is heading towards oversold region, hinting further downtrend. 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. Increase in volume as well as open interest signifies strength in the bearish pattern. Red chillies futures are likely to trade downwards following a weak opening with possibility of some late recovery.

CHLL334GTR 0706(NCGTRM7)2007/05/07 - Daily B:4960.00 A:4961.00
O 5235.00 H 5260.00 L 4925.00 C 4961.00 V 16,775 I 10,050 -249
EMA(9) 5113.0 (18) 5204.6



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4582	4758	4961	5083	5259

TRADE RECOMMENDATION

Sell NCDEX June Chilli below Rs. 4975-5000 with a target of Rs. 4900 and then Rs. 4850 with a strict stop loss of Rs. 5075. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334	3600-4300	40000-45000

■ BLACK PEPPER

■ May 08, 2007

SPOT MARKETS

Domestic black pepper markets remained volatile during Monday's trade. It was offered in a lower price range in Kochi markets amidst arrivals as well as 5 MT. 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 during last week. 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. 16128 at the opening session of trade. The futures traded sharply downwards thereafter on increased selling interest and tested an intraday low of Rs. 15448. The futures settled in negative territory after paring some of the losses in late action. Most active June contract traded in the range of Rs. 15448-16128 during Monday's trade.

PRICE DRIVERS

Bullish:

1. Global supplies remains 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. Moderate 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, Karnataka and Coastal Andhra Pradesh. It would help the young vines.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and likely trend reversal. 14-day RSI is neither oversold nor overbought, leaving scope for both way movements. MACD remains indecisive. Prices closed just below the 9-day as well as 18-day EMA, indicating that the trend still remains bearish. Volume as well as open interest has increased 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)2007/05/07 - Daily B:15950.00 A:15972.00
O 16080.00 H 16128.00 L 15448.00 C 15972.00 V 34,916 I 17,166 -143
EMA(9) 16097 (18) 16047



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	15429	15693	15972	16445	16688

TRADE RECOMMENDATION

Buy NCDEX June Pepper below Rs. 15900 with a target at Rs. 16075 and then Rs. 16150 with a strict stop loss at Rs. 15775. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14800	5
	Ungarbled	14200	

SPOT MARKETS

Domestic jeera markets at Unjha remained bearish at the start of the week. It was offered in a lower price range owing to reduced offtake amidst steady arrivals. Trading volume was also considerably lower as compared to the levels seen a year ago. As the country consumes most of its produce domestically, it would be interesting to see the behavior of local demand in the scenario of rising prices. The prices would be capped only if the domestic demand turns price sensitive as production is expected to be short this year on account of lower acreage in Gujarat and adverse weather conditions in Rajasthan. Prices may witness some uptrend on declining arrivals, while the long-term fundamental continues to remain supportive.

FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and most active June contract tested an intraday high of Rs. 12948 at the early hours of trade. The futures traded sharply downwards thereafter to test an intraday low of Rs. 12455. The futures settled lower after paring some of the losses in late action. Most active June contract traded in the range of Rs. 12455-12948 during Monday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

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

WEATHER

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

TECHNICALS

Candlesticks pattern indicates weak opening and some 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 as well as 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(NCJEE7)2007/05/07 - Daily B:12716.00 A:12729.00
O 12905.00 H 12947.50 L 12460.00 C 12720.00 V 29,451 I 17,724 -195
EMA(9) 13223 (18) 13491



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	12300	12473	12720	13059	13229

TRADE RECOMMENDATION

Sell NCDEX June Jeera below Rs. 12750-12800 with a target of Rs. 12700 and then Rs. 12650 with a strict stop loss of Rs.12875. Trade cautiously with intra day 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 08, 2007

SPOT MARKETS

At the spot markets, we witnessed mixed market sentiments in the beginning of the week. Prices at Warangal and Duggirala markets were down by Rs.20-25/quintal amidst arrivals of 4000 and 2700 bags respectively and low demand in the market. Sangli market remained closed due to labour strike during initial hours however will resume regular trade Tuesday onwards. Where as at the prices at the Erode markets were trading up by Rs.20-25 against week ago prices.

FUTURES MARKETS

All the NCDEX futures contracts for Turmeric closed in a red zone after opening with a gap on a lower side. In most active June futures, we witnessed liquidation of long position amidst thin volumes and open interest. However, the change in the close price is insignificant. The contract opened high for the day at Rs.2169/quintal, failed to sustain the higher levels and due to selling pressure made a low at Rs.2145. The contract however, closed at Rs.2158/quintal marginally down by 0.64% against Saturday's close price. May contract traded between Rs.2134 and 2116 amidst very thin gain in the volumes and fall in the 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 and Karnataka region, 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 charts are indicating a bearish trend in the market. The volumes were low and did not support price movement. Stochastic oscillator is in oversold region. MACD is in negative territory indicating sell signal. The contract settled below the short term that is the 6-day EMA. EMA's are indicating a short-term bearish trend in the market. RSI is oversold region indicating sell signal. We expect the contract to trade weak at lower levels a small correction on a positive side is likely in coming days.

Turmeric 0706(NCTMCM7)2007/05/07 - Daily B:2163.00 A:2166.00
O 2169.00 H 2169.00 L 2145.00 C 2158.00 V 10,870 I 20,460 -14
EMA(6) 2185.2 (14) 2217.8 (26) 2235.8



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2085	2115	2158	2181	2195

TRADE RECOMMENDATION

Sell NCDEX June contract at 2160-2158 or at market open price with a target of Rs.2148 and Rs.2132 with a stop loss of Rs.2175 or above.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1800-1900	5000
	Gattah	1700-1750	
Erode	Finger	1975-2075	10500
	Gattah	1975-2025	



■ CARDAMOM

■ May 08, 2007

SPOT MARKETS

Auctions at Bodinayakanur were closed. 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 closed on negative territory on selling pressure. We witnessed liquidation of long position for the June contract, the market closed down by 0.71% at Rs.491.7/kg as compared to Saturday's settlement price along with the marginal fall in open interest however, and the change in close and open interest was not significant to prove our assumptions right. The volumes gained marginally and supported the price movement. In May contract, we witnessed liquidation of long position amidst marginal gain in the 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

The Candlesticks indicate a short-term bearish trend in the market. The marginal gain in volumes 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	479.7	482.4	491.7	495.9	499.1

TRADE RECOMMENDATION

We recommend intraday sell for the MCX cardamom June contract at Rs.491.5-492.2 or market open price with a first target of Rs487.5 Then Rs.484.6 with a stop loss of Rs.495 or below.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

Market Closed

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