

■ BLACK PEPPER

■ May 30, 2007

SPOT MARKETS

Domestic black pepper markets remained stable during Tuesday's trade. It was quoted unchanged in Kochi markets amid no arrivals as well as offtake. Though there was no selling pressure in the physical markets, yet the recent downtrend in futures market owing to higher margins and reduced open position limit has dampened the physical market trend. IMD's declaration of onset of SW monsoon over Kerala on Monday has also weighed down on the pepper markets. According to IPC, India was the largest exporter of black pepper to the US during January-March 2007. India exported 4,011 tonnes of black pepper to the US during this period. Long-term firm outlook for pepper remains intact, though developments in Vietnam would be the single most important driving factor in the near future.

FUTURES MARKETS

Black pepper futures at NCDEX opened lower and the most active June contract tested an intraday low of Rs. 13411 at the early hours of trade. The futures traded upwards thereafter to test an intraday high of Rs. 13775 during late hours of trading. The futures finished higher after paring some of the gains in final action. Most active June contract traded in the range of Rs. 13411-13775 during Tuesday'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

Rain/thundershowers are likely at most places over Coastal Karnataka and Kerala; at many places over South Interior Karnataka and at a few places over North Interior Karnataka. 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 flat in negative territory. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend still 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 firm opening with possibility of some downward movements early in the session.

Pepper 0706(NCPEPM7)2007/05/29 - Daily B:13655.00 A:13679.00
O 13580.00 H 13765.00 L 13415.00 C 13661.00 V 14,455 I 11,496 +42
EMA(9) 14057 (18) 14529



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13123	13329	13661	14014	14219

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	14200	-
	Ungarbled	13600	-

CUMIN

May 30, 2007

SPOT MARKETS

Domestic jeera markets remained firm during Tuesday's trade. It was quoted in a higher price range owing to higher offtake amid reduced arrivals. Arrivals have further declined to 2500 bags as against 3500 bags previous day. 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. 11846 at the early hours of trade. The futures traded upwards thereafter on increased buying support and tested an intraday high of Rs. 12065. The futures finished higher after curbing some of the gains in late action. Near-month June contract traded in the range of Rs. 11846-12065 during Tuesday'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 below the 9-day as well as 18-day EMA, indicating that the trend still remains bearish. MACD is moving upwards after a bullish crossover in the negative territory. 14-day RSI is moving upwards in neutral region, hinting further uptrend. Volume as well as 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(NCJEE7)2007/05/29 - Daily B:11967.00 A:11975.00
O 11919.00 H 12065.00 L 11848.00 C 11972.00 V 12,045 I 17,061 +102
EMA(9) 11973 (18) 12251



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11700	11819	11972	12292	12429

TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 11900-11925 with a target of Rs. 12050 and then Rs. 12100 with a strict stop loss of Rs. 11800. Trade cautiously with intraday outlook.

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

CHILLI

May 30, 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 contract on NCDEX settled on a bearish note after opening firm. We witnessed creation of fresh short positions for the most active June futures. The volumes were good as compared to previous trade. The contract opened high for the day at Rs.4750. However, the contract failed to sustain this level and made an intraday low at Rs.4651 because of selling pressure. The contract then closed at Rs.4676 down by 1.35% 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.

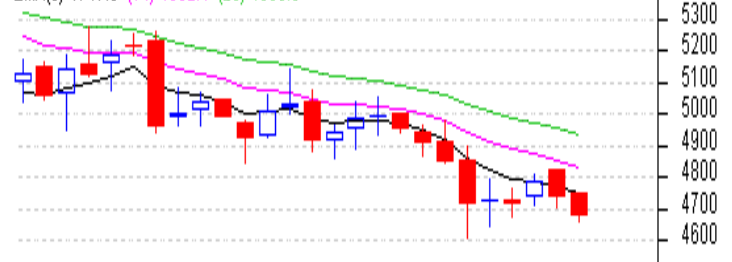
TECHNICALS

Medium sized dark candlestick is indicating selling pressure 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 bears. Stochastic oscillator is moving towards the over sold region. MACD is bearish. Red chillies futures are likely to trade weak in the next trading session. However, a positive correction is expected.

CHILL334GTR 0706(NCGTRM7)2007/05/29 - Daily B:4675.00 A:4683.00

O 4750.00 H 4750.00 L 4653.00 C 4676.00 V 4,030 17,040 -63

EMA(6) 4747.5 (14) 4832.4 (26) 4936.8



RSI(9,MA(6)) 30.5020



DAV(9, 26, 12) -155.746 MACD -138.578



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4539	4596	4676	4790	4830

TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4676-4700 with a target of Rs. 4624 and then Rs. 4590 with a strict stop loss of Rs. 4750. Trade cautiously with intra day outlook.

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

TURMERIC

May 30, 2007

SPOT MARKETS

Turmeric spot prices were almost steady at most of the spot markets amidst marginal gain in the arrivals. Around 1177 bags were sold at Sangli. Rajapuri best were sold for Rs.2350-2700 and Salem was sold for Rs.2700-3000 per quintal. Around 4000 and 5000, bags were sold at Duggirala and Warangal for Rs.1600-1850 and 1650-1850 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. The June contract closed on liquidation of long position amidst low volumes and fall in open interest. The contract opened slightly weak by Rs.2 at Rs.2164. During the initial trading session, the contract made a low at Rs.2146 due to the selling pressure but later on surged and made an intraday high at Rs.2167. The contract closed at Rs.2155 down by 0.50% as compared to previous close price. Short accumulation was witnessed for the July contract amidst low 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 bear dominated market and the contract tested fresh lows. Volumes failed to breach previous levels. 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.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2114	2130	2155	2177	2187

TRADE RECOMMENDATION

We recommend intraday sell for NCDEX June contract at 2155-2158 or at market open price with a target of Rs.2142 and then 2134 with a stop loss of Rs.2175.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1875-1925	1500
	Gattah	1755-1825	
Erode	Finger	1950-2050	7500
	Gattah	1700-1850	



■ CARDAMOM

■ May 30, 2007

SPOT MARKETS

At Nedukandam, the markets were closed as the season has ended. Regular trade will resume from the last week on July or first week of August. Local demand was reported to be steady. Export demand was almost negligible for the season in the auctions.

FUTURES MARKETS

The MCX cardamom June contract settled in a positive territory and tested fresh lows. The most active June futures opened weak and during the initial trading session made an intraday low at Rs.471. However, later on due to profit booking the contract surged and made a positive move up to Rs.480.7. The volumes failed to breach previous level. The contract then closed at marginally up by 0.36%. We witnessed liquidation of short position amidst good volumes and fall 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 has set over Kerala region of cardamom growing areas today on 28th May 07. Due to this, the crop at the growing areas and the yield of the crop would benefit largely.

TECHNICALS

Small white candlestick is indicating a much-awaited technical correction 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)2007/05/29 - Daily B:479.90 A:480.50
O 476.20 H 480.70 L 471.00 C 479.90 V 990 T 47,059 I 1,678 +1.7
EMA(6) 487.42 (14) 493.61 (26) 499.83



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	464	467.5	479.9	486.9	493.1

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.479-478.5 or at market open price with a first target of Rs.484 then Rs.490.1 with a stop loss of Rs.473.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

Market Closed

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