

■ BLACK PEPPER

■ June 18, 2007

SPOT MARKETS

Domestic black pepper markets witnessed some weakness at the weekend. It was quoted lower by Rs. 200 per quintal in Kochi markets amid arrivals as well as offtake of 5 MT. Prices declined owing to lack of buying support at the physical market. However, global supply shortage continues to support the market sentiments. Traders are reporting some export inquiries for Indian pepper as it remains competitive in global market after the recent decline in prices. Long term outlook for the pepper remains firm, though some rangebound trade is likely in the days ahead as demand, both domestic as well as overseas remains subdued.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher as compared to previous settlement and the most active July contract tested an intraday low of Rs. 13567 at the early hours of trade. The futures recovered back on some buying support and tested an intraday high of Rs. 13748. The futures finished in positive territory in final action. Most active July contract traded in the range of Rs. 13567-13748 during Saturday's trade.

PRICE DRIVERS

Bullish:

1. Global demand-supply mismatch
2. India's export up 1.6% at 1600 tonnes in April 2007

Bearish:

1. Higher stocks at exchange warehouses
2. Weak domestic and export demand

WEATHER

Rain/thundershowers are likely at many places over Coastal Karnataka, Kerala and at a few places over the rest region. It would be beneficial for the growth of newly planted as well as old vines.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. 14-day RSI is neutral, leaving scope for both way movements. MACD is moving downwards in 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 bearish in the market. Volume as well as 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 0707(NCPEP07)2007/06/16 - Daily B:13710.00 A:13725.00
O 13641.00 H 13747.00 L 13575.00 C 13702.00 V 5,662 I 10,150 +47
EMA(9) 13991 (18) 14263



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	13317	13500	13702	14000	14175

TRADE RECOMMENDATION

Buy NCDEX July Pepper near Rs. 13625-13650 with a target at Rs. 13800 and then Rs. 13850 with a strict stop loss at Rs. 13525. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13800	5
	Ungarbled	13200	

SPOT MARKETS

Domestic jeera markets remain stable at the weekend. It was offered at an unchanged price range in Unjha markets amid mostly steady arrivals as well as offtake. Traders are expecting arrivals to decline further in the coming few days that may result into some firmness in prices. Market continues to remain supported by its strong fundamentals. Long-term outlook on jeera remains firm on domestic as well as global supply shortage this year and increased overseas demand thereof for Indian jeera.

FUTURES MARKETS

Jeera futures at NCDEX opened higher as compared to previous settlement and most active July contract tested an intraday high of Rs. 13119 at the early hours of trade. The futures traded downwards thereafter and tested an intraday low of Rs. 12911 during late hours of trading. The futures finished lower in final action. Most active July contract traded in the range of Rs. 12911-13119 during Saturday's trade.

PRICE DRIVERS

Bullish:

1. Lower domestic production
2. Reports of decline in production in Syria, Turkey

Bearish:

1. Lack of buying support in markets
2. Reduced near-month open position limit for Jeera futures

WEATHER

Rain/thundershowers are likely at many places over Konkan & Goa and at a few places over Madhya Maharashtra and Gujarat region and isolated over rest region. Weather is not crucial at present as the harvesting season is over.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains bearish. MACD is moving downwards in the positive territory, supporting the weakness in the market. 14-day RSI is neutral, leaving scope for both way movements. Volume as well as open interest has declined as compared to previous settlement. Jeera futures are likely to trade moderately downwards following a steady to weak opening initially and upwards thereafter.

JEERA 0707(NCJEEN7)2007/06/16 - Daily B:12975.10 A:12983.30
O 13050.00 H 13119.00 L 12913.00 C 12983.30 V 8,604 I 8,454 -96.7
EMA(9) 13172 (18) 13123



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	12595	12784	12983.3	13276	13465

TRADE RECOMMENDATION

Buy NCDEX July Jeera near Rs. 12900 with a target of Rs. 13075 and then Rs. 13100 with a strict stop loss of Rs. 12800. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2400-2480	3000
	Ganesh	2500-2580	
	Machine Cleaned	2700-2780	

SPOT MARKETS

Red Chill spot market remained closed on account of weekly off. Currently there is a stock of 50 lakh bags at the Guntur cold storage as per local trader. Chillies fetched better prices on the back of good domestic demand during the week. Export demand was also reported to be good. Sowing at Andhra Pradesh has been initiated in small quantity where as the overall sowing is likely to start after a period of one month.

FUTURES MARKETS

NCDEX Chilli most active July contract settled in a negative territory under pinned by selling pressure. Volumes were very low where as the open interest gained marginally as compared to previous day's trading session. The contract opened firm at Rs.4700 however the contract failed to sustain the opening high for the day and there after made an intraday low at Rs.4612. The contract then closed at Rs. 4640 down by 1.19% as compared to previous close price.

PRICE DRIVERS

Bullish:

1. Low physical demand in the market
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

Candlestick is indicating active bears in the market. The volumes were very low as compared previous trading session and did not support the price movement. 14-day RSI is in the neutral region and moving downwards leaving scope for further fall in prices. 18 EMA is indicating short term bearish trend in the market. Stochastic oscillator is also in the oversold zone and has witnessed a bearish crossover. MACD is bearish. Red chillies futures are likely to trade weak in next trading session.

CHLL334GTR 0707(NCGTRN7)2007/06/16 - Daily B:4636.00 A:4640.00
C 4700.00 H 4700.00 L 4612.00 C 4640.00 V 3,860 I 8,305 -45
EMA(9) 4722.2 (18) 4795.5



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	4528	4565	4640	4773	4812

TRADE RECOMMENDATION

Sell NCDEX July Chilli at Rs. 4640-4675 or market open price with a target of Rs. 4601 and then Rs. 4570 with a strict stop loss of Rs. 4735.

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

TURMERIC

June 18, 2007

SPOT MARKETS

Turmeric auction remained closed at the all the major mandi's on account of weekly off. However at Sangli around 882 bags were sold and the prices were steady. Domestic and export demand was reported to be lack luster. After over two years, MCX has re-launched futures trading in turmeric contracts on June 6. Trading in turmeric futures has been gathering momentum since its re-launch on the exchange.

FUTURES MARKETS

Turmeric most active July futures closed firm on fresh buying coming in. The volumes were low as against previous trading session. The change in close price and open interest is indicating long accumulation. The contract opened steady at Rs.2139 made an initial low at Rs.2136 and there after surged up to 2147 to make an intraday high. The contract then closed slightly up at Rs.2147 up by 0.28% as compared to previous close price.

PRICE DRIVERS

Bearish:

1. Higher production estimates.
2. Weak Domestic demands

Bullish

3. Fresh export orders expected.

WEATHER

Isolated thundershowers and rain over Andhra Pradesh and Tamil Nadu is expected. This kind of weather will not have a major effect as sowing for the next season is not yet started in this area. Rainfall is expected in Karnataka and Maharashtra likely to benefit the crop at its growing stage.

TECHNICALS

Candlestick is indicating active bulls in the market. The volumes were low as compared to previous trading session. Stochastic oscillator is bearish. MACD is in negative region indicating a bearish trend. The contract settled below (18-day EMA). EMA's are indicating a bearish trend. 14-day RSI is in neutral region, moving upwards leaving scope for positive move in prices. We expect the contract to trade firm with small dip in the prices.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	2113	2124	2147	2175	2186

TRADE RECOMMENDATION

We recommend intraday Buy NCDEX July contract at 2143-2147 or at market open price with a target of Rs.2153 and then 2161 with a stop loss of Rs.2134.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	Closed	-
	Gattah	Closed	
Erode	Finger	Closed	-
	Gattah	Closed	

CARDAMOM

June 18, 2007

SPOT MARKETS

Local trader at Vandanmedu said that since 1st June rainfall at the cardamom growing areas were scanty and was witnessed for only two days as compared to last years rainfall. Severe heat has affected cardamom plants in nearly 10,000 hectares and needs replanting, said Mr. KK Devassia secretary of Cardamom Growers association.

FUTURES MARKETS

The MCX cardamom July contract settled slightly firm and witnessed creation of fresh long positions. Volumes were low and did not support the price movement. Open interest gained slightly. The contract opened at Rs.483.9 and after an initial high at Rs.484.8 the contract made an intraday low at Rs.479. The contract there after closed at Rs.483.5 slightly up by 0.27% as compared to previous close price.

PRICE DRIVERS

Bearish:

1. Rains in Kerala.

Bullish:

1. Low Production in India.
2. Nearly 30-40% of cardamom plants dried and dead.

WEATHER

Rain and thunder showers are likely over Kerala and Karnataka region of cardamom growing areas during past 48 hours. Due to this, the crop at the growing areas and the yield of the crop would benefit largely.

TECHNICALS

Candlesticks are indicating indecisive trend in the market. Volume was low and failed to breach the previous day's trading session. The contract closed above the short term, 9 day EMA indicating short term firmness in the market. MACD is in the negative zone and is currently bearish. 14 day RSI is in the neutral region and moving upwards leaving scope for positive move in prices. Stochastic oscillator is neutral. We expect the contract to trade steady to firm for next trading session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	470.3	474.1	483.5	492	496.9

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom July contract at Rs.482.8 - 483.5 or at market open price with a target of Rs.487.4 and stop loss of 478.2

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Pulianmalai

Closed

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