

■ BLACK PEPPER

■ June 13, 2007

SPOT MARKETS

Domestic black pepper markets witnessed some weakness. It was quoted lower by Rs. 100 per quintal in Kochi markets amid no arrivals as well as offtake. Traders reported no selling pressure in the markets, though lack of buying support kept the market under pressure. Uncertainty over the revised position limit of pepper futures continues to dampen the market sentiment. Malaysian Pepper Board has predicted the pepper prices might surge further but would move in a narrow range. Black pepper prices in Malaysia rose by around 12 per cent during the first quarter of 2007. 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 marginally higher as compared to previous settlement and the most active July contract traded upwards thereafter to test an intraday high of Rs. 14340 earlier. The futures traded downwards to test an intraday low of Rs. 14082. The futures finished near day's low in final action. Most active July contract traded in the range of Rs. 14082-14340 on Tuesday.

PRICE DRIVERS

Bullish:

1. Vietnam crop size projected lower by 10-20 percent
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 Kerala, Coastal Karnataka and at a few places over Interior Karnataka and isolated over the rest region. It would be beneficial for the newly planted as well as old vines.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. 14-day RSI is trending downwards in neutral regions, leaving scope for further downtrend. MACD is moving indecisively in negative territory. 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 downwards following a steady to weak opening with possibility of upward movements later in the session.

Pepper0707(NCPEPN7)2007/06/12 - Daily B:14125.00 A:14140.00
O 14260.00 H 14340.00 L 14090.00 C 14140.00 V 11,265 I 11,193 -135
EMA(9) 14363 (18) 14557



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	13818	13965	14140	14334	14483

TRADE RECOMMENDATION

Sell NCDEX July Pepper near Rs. 14150-14175 with a target at Rs. 14075 and then Rs. 14025 with a strict stop loss at Rs. 14250. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14100	-
	Ungarbled	13500	

SPOT MARKETS

Domestic jeera markets remained slightly bearish on Tuesday. Prices were quoted lower in Unjha markets owing to reduced offtake amid higher arrivals. Demand is likely to improve further ahead of the rainy season in major producing and trading regions. Traders are reporting increased export enquiries for Indian jeera this time and hope to ship more quantity over previous year. Notably, India has exported 1,100 tonnes of jeera worth Rs. 11 crore or US\$ 2.61 million during April 2007. News of adverse climatic conditions in Syria, Turkey and consequent decline in production is underpinning the firmness in domestic markets.

FUTURES MARKETS

Jeera futures at NCDEX opened slightly lower as compared to previous settlement and most active July contract tested an intraday high of Rs. 13710 at the opening session of trade. Profit taking capped further advances and the futures traded sharply downwards thereafter to test an intraday low of Rs. 13411. The futures finished with significant losses in final action. Most active July contract traded in the range of Rs. 13411-13710 during Tuesday's trade.

PRICE DRIVERS

Bullish:

1. Estimations of lower production
2. Improved demand amid lower arrivals
3. Reports of adverse weather conditions in Syria, Turkey

Bearish:

1. Thin trading activities in markets

WEATHER

Isolated rain/thundershowers are likely over Gujarat state. Isolated duststorm/thunderstorm is likely over Rajasthan leading to further fall in day temperatures. Weather is not crucial at present as the harvesting season is over.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Prices closed above the 9-day as well as 18-day EMA, indicating that the trend remains firm. MACD is about to make a bearish crossover in the positive territory. 14-day RSI is moving downwards in neutral region, leaving scope for further downtrend. Volume as well as open interest has declined as compared to previous settlement. Jeera futures are likely to trade downwards following a weak opening with possibility of some upward movements later in the session.

JEERA 0707(NCJEEN7)2007/06/12 - Daily B:13451.00 A:13469.00
O 13700.00 H 13710.00 L 13416.00 C 13462.00 V 20,154 I 12,789 -237.9
EMA(9) 13355 (18) 13165



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	13000	13183	13462	13615	13800

TRADE RECOMMENDATION

Sell NCDEX July Jeera near Rs. 13475-13500 with a target of Rs. 13375 and then Rs. 13350 with a strict stop loss of Rs. 13575. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2420-2500	5000
	Ganesh	2520-2600	
	Machine Cleaned	2720-2800	

SPOT MARKETS

Red Chill spot trade opened with weak demand in both physical as well as export market. Traders say that currently there is demand from Bihar state where as the over all India the demand is weak. Where as for exports there are slow enquiries from Bangladesh, Singapore and Malaysia. 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 traded in bearish sentiments in the market. The contract opened steady at Rs.4785 there after made an intraday low at Rs.4622 on selling pressure. The open interest gained slightly, the change in close and open interest is suggesting creation of fresh short positions. The contract closed lower at Rs.4640 down by 2.04% 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. Volumes were marginally low and did not support the price movement. 14-day RSI is in the oversold region and moving downwards. 18 EMA is indicating short term bearish trend in the market. Stochastic oscillator is in the neutral region and steady. MACD is bearish. Red chillies futures are likely to trade weak in next trading session amidst slight firmness in the prices.

CHLL334GTR 0707(NCGTRN7)2007/06/12 - Daily B:4638.00 A:4640.00
O 4735.00 H 4735.00 L 4622.00 C 4640.00 V 6,215 I 8,490 -95

EMA(9) 4806.8 (18) 4869.7



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	4499	4552	4640	4818	4892

TRADE RECOMMENDATION

Sell NCDEX July Chilli at Rs. 4640-4655 or market open price with a target of Rs. 4601 and then Rs. 4565 with a strict stop loss of Rs. 4685.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 Loose	2500-3800	30000-40000
	Cold Storage	4000-4500	3000-5000

TURMERIC

June 13, 2007

SPOT MARKETS

Turmeric prices at all the major spot markets remained steady amidst steady arrivals. At Sangli around 886 bags were sold. At Duggirala and Warangal around 3700 and 6000 bags were sold and the prices were steady as that of yesterday. Local demand is reported to be weak. A local trader said that around 1.10 lakh bags (1 bag = 85 Kg) was stocked at Nanded and further 1 lakh bags are expected. Adding to this sowing is likely to get started by 2 nd week of July.

FUTURES MARKETS

Turmeric most active July futures closed at steady levels. The contract closed at Rs.2200 at the same levels as that of previous close price. The contract opened at Rs.2198 and made an intraday high at Rs.2211 on short covering. Open interest dropped and the volumes gained marginally as compared to previous settlement.

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

Candlesticks are indicating that the market is currently range bound and moving sideways. Volumes gained marginally as compared to previous trading session. Stochastic oscillator is neutral and moving downwards. MACD is in negative region indicating a bearish trend. The contract settled below the long term (18-day EMA). EMA's are indicating a bearish trend. 14-day RSI is neutral and moving upwards. We expect the contract to trade firm with small dip in the prices during the trading session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	2173	2181	2200	2226	2232

TRADE RECOMMENDATION

We recommend intraday Buy NCDEX July contract at 2197-2200 or at market open price with a target of Rs.2211 and then 2219 with a stop loss of Rs.2187.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1910-1935	1500
	Gattah	1800-1825	
Erode	Finger	2050-2100	6000
	Gattah	2000-2100	



■ CARDAMOM

■ June 13, 2007

SPOT MARKETS

Cardamom auctions were closed amidst low arrivals as the season for the commodity has ended. Traders say that local demand was reported to be steady where as there was no export inquiries. Currently there is no sufficient rainfall at the cardamom growing areas. However due to the prevailing conditions they are anticipating rainfall at the Idduki districts.

FUTURES MARKETS

The MCX cardamom July contract settled in negative territory on account of selling pressure and witnessed fresh lows since last fortnight. We witnessed creation of fresh short positions amidst significant gain in the volumes. The open interest gained and the contract closed down by 0.98% at Rs.477.00 against previous close price. The contract opened at Rs.480.30 made an intraday high at 481.00 and low at Rs.474.40.

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 active bears in the market. Volumes were good as compared to previous trading activity. The contract closed below all the EMA's, indicating a short-term bear trend. MACD is in the negative zone and is currently bearish. 14 day RSI is in oversold region and moving downwards leaving scope for a positive move in the prices. Stochastic is bearish. We expect the contract to trade slightly weak however; a positive move in the prices is expected.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	468.4	470.7	477	486.1	488.8

TRADE RECOMMENDATION

We recommend intraday Sell for the MCX cardamom July contract at Rs.477 - 477.7 or at market open price with a target of Rs.473.27 and then 471.3 with a stop loss of Rs.482.2.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Nedukandam

Market Closed

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