

■ BLACK PEPPER

■ June 07, 2007

SPOT MARKETS

Domestic black pepper markets witnessed some weakness during Wednesday's trade. It was quoted lower by Rs. 100 per quintal in Kochi markets amid arrivals as well as offtake of 30 MT. Trade activities at global as well as domestic markets continue to remain slow as buyers adopt a wait and watch policy eyeing prices to ease further. At the domestic front, traders reported no selling pressure in the physical markets. Futures prices of pepper remain under pressure on reduction of open position limits as well as imposition of higher margins. Traders are optimistic that that Forward Market Commission would soon take necessary steps in this matter.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher than previous settlement and the most active July contract tested an intraday high of Rs. 14775 at the early hours of trade. The futures traded sharply downwards thereafter on increased selling interest and tested an intraday low of Rs. 14350. The futures finished with significant losses in final action. Most active July contract traded in the range of Rs. 14350-14775 during Wednesday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

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

WEATHER

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Coastal Karnataka, Kerala and Lakshadweep; at a few places over South Interior Karnataka and isolated over the rest region. Rainfall over pepper growing regions would help the newly planted vines.

TECHNICALS

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

Pepper 0707(NCPEPN7)2007/06/06 - Daily B:14460.00 A:14465.00
O 14699.00 H 14774.00 L 14350.00 C 14465.00 V 16,493 I 11,917 -205
EMA(9) 14517 (18) 14746



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	14100	14282	14465	14830	15000

TRADE RECOMMENDATION

Buy NCDEX July Pepper near Rs. 14375 with a target at Rs. 14500 and then Rs. 14550 with a strict stop loss at Rs.14290. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14300	30
	Ungarbled	13700	

SPOT MARKETS

Domestic jeera markets extended previous advances further during Wednesday's trade. It was offered in a higher price range in Unjha markets owing to higher offtake amid steady arrivals. Demand is likely to improve further ahead of the rainy season in major producing and trading regions. Moreover, unconfirmed news of adverse climatic conditions in Syria, another key jeera producing country, has supported the firmness in domestic markets. Long-term outlook for jeera remains firm with the estimated decline in domestic production this year.

FUTURES MARKETS

Jeera futures at NCDEX opened higher as compared to previous settlement and most active July contract tested an intraday high of Rs. 13550 at the early hours of trade. Profit taking capped further advances and the futures traded sharply downwards to test an intraday low of Rs. 13089.7 during late hours of trading. The futures finished lower after curbing some of the losses in final action. Most active July contract traded in the range of Rs. 13089.7-13550 during Wednesday's trade.

PRICE DRIVERS

Bullish:

1. Estimations of lower production
2. Improved demand amid lower arrivals

Bearish:

1. Thin trading activities in markets

WEATHER

Isolated duststorm/thunderstorm is likely over Rajasthan. Rain/thundershowers are likely at a few places over Konkan & Goa and isolated over Gujarat and south Madhya Maharashtra and mainly dry weather over the rest region. Weather is not crucial at present as the harvesting season is over.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and indecision in the market. Prices closed above the 9-day as well as 18-day EMA, indicating that the trend remains firm. MACD is moving upwards in the positive territory, supporting the firmness in the market. 14-day RSI is neutral, leaving scope for both way movements. Volume has increased, while open interest has declined as compared to previous settlement. Jeera futures are likely to trade upwards following a steady to weak opening with possibility of some downward movements early in the session.

JEERA 0707(NCJEEN7)2007/06/06 - Daily B:13249.00 A:13250.00
O 13325.00 H 13545.00 L 13090.00 C 13250.00 V 34,812 I 13,272 -89
EMA(9) 12895 (18) 12860



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	12916	13068	13250	13616	13786

TRADE RECOMMENDATION

Buy NCDEX July Jeera near Rs. 13175-13200 with a target of Rs. 13325 and then Rs. 13375 with a strict stop loss of Rs. 13075. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2380-2460	2500-3000
	Ganesh	2480-2560	
	Machine Cleaned	2680-2760	

SPOT MARKETS

Domestic red chillies markets regular trade in Guntur likely to resume by 12th or 13th June. 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 closed firm on short covering. We witnessed liquidation of short positions for the benchmark June futures amidst slight fall in open interest. The volumes were low as against previous trading session. The contract opened firm at Rs.4768 made an initial high at Rs.4840 and low of Rs.4742 for the day. The contract then closed firm at Rs.4868 up by 1.06% 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 active bulls in the market. Volumes were marginally low and did not support the price movement. 14-day RSI is in the neutral region and moving up wards. Prices closed below the 18-day EMA, indicating a short-term bear trend in the market. Stochastic oscillator is in the neutral region and moving upwards. MACD is bearish. Red chillies futures are likely to trade firm in next trading session amidst small dip in the prices.

CHLL334GTR 0706(NCGTRM7)2007/06/06 - Daily B:4826.00 A:4830.00
O 4768.00 H 4840.00 L 4742.00 C 4828.00 V 4,600 I 6,855 +86



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4708	4747	4828	4945	5015

TRADE RECOMMENDATION

Buy NCDEX June Chilli at Rs. 4820-4800 or market open price with a target of Rs. 4875 and then Rs. 4905 with a strict stop loss of Rs. 4775

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

TURMERIC

June 07, 2007

SPOT MARKETS

All the major spot markets traded steady to marginally firm by Rs.25 after opening slightly bearish for the week. At Sangli, around 2500 bags arrived from other centres. Around 3500 and 7500 bags were sold at Duggirala and Warangal prices were steady and up by Rs.25 per quintal respectively. Local traders say that the demand lacked lustre. There were no export inquiries as well said a trader at Nizamabad.

FUTURES MARKETS

Turmeric June futures contract on NCDEX closed on a negative territory after initial gains. The June contract closed on Liquidation of long position. Volumes were marginally low as against previous trading session where as the open interest slipped down. The contract opened firm by Rs.2 at Rs.2189 and closed at Rs.2170 down by 0.65% as against previous close price after making a high for the day at Rs.2195 during the initial trading session and there after made a low at Rs.2170 on selling pressure. In July contract we witnessed short accumulation amidst marginally low volumes and gain in open interest the contract traded between Rs.2222 and Rs.2195 to close at Rs.2198 down by 0.91%.

PRICE DRIVERS

Bearish:

1. Higher production estimates.
2. 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 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

Medium sized dark candlestick is suggesting active bears in the market. Volumes failed to breach the previous level and did not support the price movement. Stochastic oscillator is neutral and moving upwards. 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 downwards. We expect the contract to trade weak with small spurt in the prices during the trading session.

Turmeric 0706(NCTMCM7)2007/06/06 - Daily B:2170.00 A:2171.00
O 2189.00 H 2195.00 L 2170.00 C 2170.00 V 8,370 I 14,680 -17



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2140	2151	2170	2203	2219

TRADE RECOMMENDATION

We recommend intraday Sell NCDEX June contract at 2175-2170 or at market open price with a target of Rs.2162 and then 2153 with a stop loss of Rs.2184.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1940-1970	2000
	Gattah	1825-1860	
Erode	Finger	2050-2100	7000
	Gattah	1950-2000	



■ CARDAMOM

■ June 07, 2007

SPOT MARKETS

Weekly auction at Kumily are closed on account of commodity season ending amidst poor arrivals. During the off-season auctions will be carried twice a week mainly on Thursday and Friday, as the markets will remain closed the other days. Regular trade will resume from the last week on July or first week of August. During the last few days of the auction, buyers were active and exporters bought around 4000 kg.

FUTURES MARKETS

The MCX cardamom June contract trading session lacked luster amidst very low volumes. We witnessed selling activity in the market and the contract closed weak. A Benchmark June contract traded between Rs.471 and Rs.476.8 and closed at Rs.473.5 marginally down by 0.38%. The change in close price and open interest is however very small to support our analysis.

PRICE DRIVERS

Bearish:

1. Rains in Kerala.

Bullish:

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

WEATHER

Isolated thunder showers and rain 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

Candlestick is indicating indecisive trend in the market amidst marginally low volumes as compared to previous close. 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.

CARDAMOM 0706(MXCAMM7)2007/06/06 - Daily B:473.30 A:474.00
O 475.00 H 476.80 L 473.20 C 473.50 V 259 T 12,285 I 1,551 -1.8
EMA(9) 478.97 (18) 485.88



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	464	467.1	473.5	479.7	482.9

TRADE RECOMMENDATION

We recommend intraday Sell for the MCX cardamom June contract at Rs.473.2-474.3 or at market open price with a target of Rs.468.2 with a stop loss of Rs.479.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Kumily

Market Closed

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