

■ BLACK PEPPER

■ June 09, 2007

SPOT MARKETS

Domestic black pepper markets witnessed some weakness during Friday's trade. It was quoted lower by Rs. 100 per quintal in Kochi markets amid arrivals as well as offtake of 15 metric tonnes. Revival of southwest monsoon has kept the market under pressure as it would be favourable for the growth of the newly planted as well as old vines. Meanwhile, India has exported 1,600 tonnes of pepper worth Rs. 20.64 crore during April 2007 as against 1,575 tonnes worth Rs. 13.17 crore during April 2006. According to IPC, global pepper prices continue to slide down during this week with exception of India.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher than previous settlement and the most active July contract tested an intraday high of Rs. 14650 at the early hours of trade. The futures traded sharply downwards thereafter on increased selling interest and tested an intraday low of Rs. 14315. The futures finished near day's low in final action. Most active July contract traded in the range of Rs. 14315-14650 during Friday's trade.

PRICE DRIVERS

Bullish:

1. Global supplies remain tight
2. Vietnam crop size projected lower by 10-20 percent
3. 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 most places over Kerala, Karnataka and Lakshadweep. Scattered rain/thundershowers are likely over rest region during next 24 hrs. and increase thereafter. It would be beneficial for the newly planted as well as old vines and would enhance the soil moisture.

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 a bearish trend for the market. Volume as well as open interest has declined 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)2007/06/08 - Daily B:14334.00 A:14335.00
O 14550.00 H 14650.00 L 14330.00 C 14335.00 V 12,160 I 11,980 -210
EMA(9) 14485 (18) 14684



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	14000	14160	14335	14671	14850

TRADE RECOMMENDATION

Buy NCDEX July Pepper near Rs. 14250-14275 with a target at Rs. 14400 and then Rs. 14450 with a strict stop loss at Rs. 14175. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14200	15
	Ungarbled	13600	

SPOT MARKETS

Domestic jeera markets extended previous advances further during Friday's trade. It was offered in a higher price range in Unjha markets owing to improved offtake amid mostly 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, Turkey and consequent decline in production is underpinning the firmness in domestic markets. Long-term outlook for jeera remains firm with the estimated decline in domestic production.

FUTURES MARKETS

Jeera futures at NCDEX opened higher as compared to previous settlement and most active July contract tested an intraday low of Rs. 13440 at the opening session of trade. The futures traded upwards thereafter to test an intraday high of Rs. 13666 during late hours of trading. The futures settled with significant gains in final action. Most active July contract traded in the range of Rs. 13440-13666 on Friday.

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

Rain/thundershowers are likely at many places over Konkan & Goa and at a few places over south Madhya Maharashtra and isolated over the rest region outside Rajasthan where weather will be mainly dry. 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 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 moving upwards in neutral region, leaving scope for further uptrend. Volume as well as open interest has increased 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 0707(NCJEEN7)2007/06/08 - Daily B:13624.00 A:13630.00
O 13440.00 H 13665.00 L 13440.00 C 13625.00 V 30,453 I 14,391 +214
EMA(9) 13123 (18) 12993



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	13250	13425	13625	13881	14050

TRADE RECOMMENDATION

Buy NCDEX July Jeera near Rs. 13575-13600 with a target of Rs. 13700 and then Rs. 13725 with a strict stop loss of Rs. 13500. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2440-2520	3000
	Ganesh	2540-2620	
	Machine Cleaned	2740-2820	

SPOT MARKETS

Domestic red chillies markets regular trade in Guntur likely to resume by 12 or 13th June. During April, 2007, the chilli exports touched 22,000 tonne and were valued at Rs 126.50 crore, compared with 6644 tonne and Rs 30.11 crore value in April, 2006. Chilli exports in terms of quantity were reported to be the best amongst all the spices with a growth of 231 per cent in quantity and 320 per cent in value. According to Spices Board Chairman, production in China was less than the previous year, resulting in short supply in the International market.

FUTURES MARKETS

NCDEX Chilli most active July contract opened firm at Rs.4933 and contract however closed at Rs.4870 down by 1.10% against previous close price. During the initial trading session the contract surged up to Rs.4957 level and made a low at Rs.4840. The change in the close and open interest is suggesting creation of fresh short position however the change in open interest is very small to support our analysis. Volumes failed to breach the previous level and remained subdued.

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 bears in the market. Volumes were low to support the price movement. 14-day RSI is in the neutral region and moving downwards. EMA's are currently indecisive. Stochastic oscillator is in the neutral region and has witnessed a bearish crossover. MACD is bearish. Red chillies futures are likely to trade weak in next trading session amidst slight firmness in the prices.

CHLL334GTR 0707(NCGTRN7)2007/06/08 - Daily B:4866.00 A:4872.00

O 4933.00 H 4955.00 L 4840.00 C 4870.00 V 5,085 I 6,830 -50

EMA(9) 4891.0 (18) 4927.1



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	4718	4779	4870	4999	5048

TRADE RECOMMENDATION

Sell NCDEX July Chilli at Rs. 4870-4890 or market open price with a target of Rs. 4815 and then Rs. 4785 with a strict stop loss of Rs. 4935.

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

TURMERIC

June 09, 2007

SPOT MARKETS

All the major spot markets traded steady to weak by Rs.25 per quintal amidst steady arrivals. At Sangli, around 2500-2700 bags have arrived from other centres. Around 3000 and 5000 bags were sold at Duggirala and Warangal prices were steady. NMCE will launch Turmeric futures trading for Erode variety Turmeric on June 8 in four series of their expiry of August September October and November.

FUTURES MARKETS

Turmeric most active July futures contract on NCDEX closed on a negative territory, underpinned by selling pressure. The contract closed at Rs.2198 down by 0.50% on accumulation of short position. Volumes were good as against previous trading session where as the open interest gained slightly. The contract opened firm by Re.1 at Rs.2211 and made an initial high for the day at Rs.2219 and there after made a low at Rs.2196. For the benchmark June contract we witnessed liquidation of long positions amidst very low volumes.

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 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

Medium sized dark candlestick is indicating active bears in the market. Volumes surged and supported 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 0707(NCTMCN7)2007/06/08 - Daily B:2197.00 A:2200.00
O 2211.00 H 2219.00 L 2196.00 C 2198.00 V 8,790 I 20,600 -12



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	2167	2177	2198	2234	2248

TRADE RECOMMENDATION

We recommend intraday Sell NCDEX July contract at 2198-2203 or at market open price with a target of Rs.2189 and then 2180 with a stop loss of Rs.2111.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1910-1935	2500
	Gattah	1800-1825	
Erode	Finger	2000-2100	7500
	Gattah	1900-1975	



■ CARDAMOM

■ June 09, 2007

SPOT MARKETS

Around 12400 kg of cardamom capsules were sold at Vandanmedu auctions out of total arrivals of 14000 kg. The prices were quoted around 420-430 per kg. 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 June contract trading we witnessed liquidation of short positions amidst very good volumes since last 3 days. Open interest dropped marginally as against previous trading session. The contract opened slightly weak Rs.474.8 and surged up to Rs.483 during the initial trading session and there after witnessed a low at 474.6. However the contract closed on a positive note slightly up at Rs.476.7 up by 0.23% as compared to previous close.

PRICE DRIVERS

Bearish:

1. Rains in Kerala.

Bullish:

1. Low Production in India.
2. Nearly 30-40% 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

Candlesticks are indicating a rangebound market amidst marginal gain in the 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.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	466.4	469	476.7	486.8	488.8

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.476 - 476.7 or at market open price with a target of Rs.480.2 and then 484.2 with a stop loss of Rs.472.2.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Vandanmedu	420-430	14000

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