

■ BLACK PEPPER

■ June 05, 2007

SPOT MARKETS

Domestic black pepper markets remained on an average weak at the start of the week. It was quoted lower by Rs. 100 per quintal in Kochi markets amid arrivals as well as offtake of 12 MT. Activity at the global markets remains slow as most of the European and the American buyers are reportedly covered with their stocks. Overseas buyers are now eyeing the Indonesian and Brazilian new harvest that is most likely to hit the market after June. Some recovery in Vietnam pepper prices are reported after the recent decline amid some buying interest at the lower price tags. At the domestic front, traders reported no selling pressure in the physical markets and taking cues from global markets for future direction in prices. Some export enquiries are also reported at the present lower price tag, which remains competitive in the global markets.

FUTURES MARKETS

Black pepper futures at NCDEX opened lower than previous settlement and the near month June contract tested an intraday high of Rs. 14001 at the early hours of trade. The futures traded downwards thereafter to test an intraday low of Rs. 13690. The futures finished lower after paring some of the losses in late action. Near month June contract traded in the range of Rs. 13690-14001 during Monday'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

Isolated rain/thundershowers are likely over Coastal Karnataka, Kerala and Lakshadweep during next 48 hours and increase thereafter. It would help the newly planted vines.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and indecision in the market. 14-day RSI is neutral, leaving scope for both ways movements. MACD is moving upwards in negative territory, supporting the firmness. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains bearish. Volume has increased, while 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 0706(NCPEPM7)2007/06/04 - Daily B:13790.00 A:13792.00
O 13850.00 H 13995.00 L 13695.00 C 13786.00 V 8,178 I 9,672 -103

EMA(9) 13929 (18) 14247



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13300	13540	13786	14242	14485

TRADE RECOMMENDATION

Buy NCDEX June Pepper at Rs. 13675-13700 with a target at Rs. 13850 and then Rs. 13925 with a strict stop loss at Rs. 13550. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14200	12
	Ungarbled	13600	

SPOT MARKETS

Domestic jeera markets continue to remain steady during Monday's trade. It was offered in the previous price range in Unjha markets owing to steady arrivals as well as offtake. Demand is likely to improve further ahead of the rainy season in major producing/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 production this year. Jeera prices are likely to remain firm in the coming days.

FUTURES MARKETS

Jeera futures at NCDEX opened higher as compared to previous settlement and near-month June contract tested an intraday low of Rs. 12301 at the opening session of trade. The futures traded upwards thereafter on moderate buying support and tested an intraday high of Rs. 12475. The futures finished with some gains in final action. Near-month June contract traded in the range of Rs. 12301-12475 during Monday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

1. Thin trading activities in markets

WEATHER

Rain/thundershowers are likely at a few places over Konkan & Goa and Gujarat State and isolated over Marathawada and Madhya Maharashtra. Isolated duststorm/thunderstorm is likely 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 above the 9-day as well as 18-day EMA, indicating that the trend remains firm. MACD is moving upwards in the negative territory, supporting the firmness in the market. 14-day RSI is neutral, leaving scope for both ways movements. 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 0706(NCJEE7)2007/06/04 - Daily B:12418.00 A:12440.00
O 12409.00 H 12475.00 L 12301.00 C 12440.00 V 7,173 I 17,055 +55
EMA(9) 12229 (18) 12288



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	12016	12173	12440	12666	12823

TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 12375-12400 with a target of Rs. 12500 and then Rs. 12575 with a strict stop loss of Rs. 12275. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2300-2380	2500-3000
	Ganesh	2400-2480	
	Machine Cleaned	2600-2680	

SPOT MARKETS

Domestic red chillies markets regular trade in Guntur likely to resume by 12 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 at lower levels after initial high. We witnessed liquidation of long positions for the benchmark June futures amidst fall in open interest. The volumes were low as against previous trading session. The contract opened firm at Rs.4875 made an initial low at Rs.4773 and then surged up to Rs.4928. The contract however closed weak at Rs.4825 down by 35% against previous trade.

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

Candlestick is indicating active bears in the market. Volumes were marginally low and did not support the price movement. 9-day RSI is in the neutral region and steady. Prices closed above the 9-day EMA, indicating a short-term bull trend in the market. Stochastic oscillator is in the neutral region and moving upwards. MACD is bearish. Red chillies futures are likely to trade weak in next trading session amidst small spurt in the prices.

CHLL334GTR 0706(NCGTRM7)2007/06/04 - Daily B:4825.00 A:4840.00
O 4875.00 H 4928.00 L 4773.00 C 4825.00 V 7,290 I 6,940 -32

EMA(9) 4762.4 (18) 4815.3



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4663	4731	4825	4957	5038

TRADE RECOMMENDATION

Sell NCDEX June Chilli at Rs. 4825-4840 or market open price with a target of Rs. 4785 and then Rs. 4745 with a strict stop loss of Rs. 4875.

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

TURMERIC

June 05, 2007

SPOT MARKETS

All the spot markets opened with steady to bearish sentiments in the market. At Sangli, around 6000 bags were arrived from other canters. Around 2500 and 6500 bags were sold at Duggirala and Warangal down by Rs.25 at Duggirala for Rs.1600-1800, where as at Warangal the prices were steady. 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 surged on short covering and closed on a positive note. The June contract closed on liquidation of short position. Volumes gained as against previous trading session where as the open interest slipped down. The contract opened firm at Rs.2149 up by Rs.4. During the trading session, the contract made a low of Rs.2146 and there after surged up to 2176. The contract then closed at Rs.2165 up by 0.84% against previous close price. In July contract we witnessed accumulation of long position amidst significant gain in volumes and open interest.

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 white candlestick is indicating a short term positive correction for the bearish trend in the market. The volumes were good as against previous trading session and supported the price movement. 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 long term (18-day EMA). EMA's are indicating a bearish trend. 9-day RSI is neutral and moving upwards. We expect the contract to trade weak as the long-term trend favours the bears.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2115	2138	2165	2175	2200

TRADE RECOMMENDATION

We recommend intraday Buy for NCDEX June contract at 2160-2165 or at market open price with a target of Rs.2172 and then 2180 with a stop loss of Rs.2151.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1900-1925	2000
	Gattah	1800-1825	
Erode	Finger	1950-2050	7000
	Gattah	1700-1850	

CARDAMOM

June 05, 2007

SPOT MARKETS

Weekly auction at Bodinayakanur 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 tested fresh lows and closed on negative territory on selling pressure. Benchmark June contract closed slightly up by Rs.0.3 at Rs.474.7 as compared to previous close price. The change in close price and open interest is indicating liquidation of short position however the change is very small to support our analysis. Volumes were good and supported the price movement.

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 active bears in the market amidst good 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. 9 day RSI is in oversold region leaving scope for a positive move in the prices. Stochastic is in neutral region. We expect the contract to trade slightly weak however; a positive move in the prices is expected.

CARDAMOM 0706(MXCAMM7)2007/06/04 - Daily B:473.50 A:474.50

O 473.00 H 476.00 L 469.20 C 474.70 V 686 T 21,434 I 1,628 +0.4

EMA(9) 481.67 (18) 488.80



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	466.5	469.1	474.7	481.2	488

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.474.4-477.7 or at market open price with a target of Rs.479.8 with a stop loss of Rs.470.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

Market Closed

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