

## ■ BLACK PEPPER

■ June 26, 2007

### SPOT MARKETS

Domestic black pepper markets extended previous week's advances further. It was quoted higher by Rs. 300 per quintal in Kochi markets amid arrivals as well as offtake of 10 MT. Increased export inquiries for Indian pepper along with a firm futures market is providing the underlying support to the firmness. Recent export figures suggest an increase in US import of Indian pepper as compared to other sources like Vietnam and Brazil. Indian pepper continues to remain highly competitive in global market after the recent decline in prices. Global supply shortage continues to support the long-term firm outlook on pepper with most producing countries estimated to have a reduced crop size.

### FUTURES MARKETS

Black pepper futures at NCDEX opened higher as compared to previous settlement and the most active August contract tested an intraday low of Rs. 15380 at open. Increased buying interest has supported the futures thereafter and the futures traded sharply upwards to test an intraday high of Rs. 15790. The futures finished significantly higher after curbing some of the gains in final action. Most active August contract traded in the range of Rs. 15380-15790 during Monday's trade.

### PRICE DRIVERS

#### Bullish:

1. Global demand-supply mismatch
2. India's export up 50% on year at 2200 tonnes in May 2007
3. Increased US demand for Indian pepper

#### Bearish:

1. Moderate stocks at exchange warehouses

### WEATHER

Rain/thundershowers are likely over most of pepper growing 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 moving upwards in neutral region, leaving scope for further uptrend. MACD is moving upwards in positive territory, supporting the firmness in the market. Prices closed above the 9-day as well as 18-day EMA, indicating that the short-term as well as intermediate-term trend is bullish. Volume has increased, while 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 later in the session.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	15158	15437	15684	16022	16276

### TRADE RECOMMENDATION

Buy NCDEX August Pepper at Rs. 15600-15625 with a target at Rs. 15775 and then Rs. 15825 with a strict stop loss at Rs. 15525. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14700	10
	Ungarbled	14100	

### SPOT MARKETS

Domestic jeera markets witnessed a stable sentiment at the start of this week. It was offered in an unchanged price range in Unjha market amid steady arrivals and reduced offtake. Activity was limited owing to rainfall over the trading centers. Traders are expecting further decline in arrivals that may result into some firmness in prices. Moreover, spillover strength from its futures market has also supported the firmness in physical market prices. Estimated decline in production in Syria and Turkey has resulted in firmness in global jeera prices. Long-term outlook on jeera remains firm on domestic as well as global supply shortage.

### FUTURES MARKETS

Jeera futures at NCDEX opened lower as compared to previous settlement and most active August contract tested an intraday low of Rs. 12374 at open. The futures traded sharply upwards thereafter on increased buying interest and tested an intraday high of Rs. 12924 during late hours of trading. Most active August contract traded in the range of Rs. 12374-12924 during Monday'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. Quality concerns of stocks at commodity exchange warehouses

### WEATHER

Rain/thundershowers are likely at many places over Gujarat during next 24 hours and decrease thereafter. Rain/thundershowers are likely at a few places over the rest region outside north Rajasthan where it may be isolated. Weather is not crucial at present as the harvesting season is over.

### TECHNICALS

Candlesticks pattern indicates firm opening and initial uptrend. Prices closed above the 9-day EMA, indicating that the short-term trend has turned firm. However, close below the 18-day EMA is a bearish indication. MACD is about to make a bullish crossover in negative territory. 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 firm opening with possibility of some downward movements later in the session.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	12418	12576	12924	13233	13391

### TRADE RECOMMENDATION

Buy NCDEX August Jeera at Rs. 12875-12900 with a target of Rs. 12975 and then Rs. 13075 with a strict stop loss of Rs. 12775. Trade cautiously with intraday outlook.

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

### SPOT MARKETS

The week started off with steady prices for chilli at the domestic spot markets. It was quoted unchanged in Guntur markets amid higher arrivals as well as offtake. Traders are reporting good overseas demand from Sri Lanka, Bangladesh and Malaysia. Sowing in Andhra Pradesh has been started at some pockets. However, sowing activity would gather momentum in the coming month. Longer-term fundamentals of chillies remain bearish if considered the significant rise in production this year. Prices are likely to remain mostly rangebound in the days ahead.

### FUTURES MARKETS

Red chillies futures at NCDEX opened weak at Rs.4575. the contract after initial firmness at Rs.4617 tested fresh intraday low at Rs.4484 since three months. The change in close price and open interest is indicating creation of fresh short positions. The volumes gained and supported the price movement. The contract then closed at Rs.4527 down by 1.14 % as compared to previous close price.

### PRICE DRIVERS

#### Bullish:

1. Moderate demand in the market
2. Export up to 132 percent to 40000 tonnes in April-May 2007

#### Bearish:

1. Domestic production is estimated higher by 20 percent

### WEATHER

Rain/thundershowers are likely at most places over the region outside south Tamil Nadu where it is likely at many places. Weather is not a crucial factor at present.

### TECHNICALS

Candlesticks pattern indicated active bears in the market amidst very good volumes. Prices closed below the 9-day EMA, indicating short-term weak trend in the market leaving scope for further fall in prices. MACD is moving indecisively in negative territory. 14-day RSI is bearish. Red chillies futures are likely to trade weak in next trading session with a small spurt in the prices during the mid trading session. However a positive correction is likely very soon.

CHLL334GTR 0707(NCGRN7)2007/06/25 - Daily B:4530.00 A:4538.00

O 4575.00 H 4617.00 L 4484.00 C 4527.00 V 5,485 I 7,985 -57

EMA(9) 4644.1 (18) 4709.6



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	4394	4424	4527	4672	4706

### TRADE RECOMMENDATION

Sell NCDEX July Chilli at Rs. 4527-4550 with a target of Rs. 4486 and then Rs. 4465 with a strict stop loss of Rs. 4598. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	4000-4600	50000



## TURMERIC

June 26, 2007

### SPOT MARKETS

The week started off with steady prices at all the major spot market for Turmeric. It was offered in an unchanged price range in Nizamabad market amid reduced arrivals as well as offtake. Prices remained steady in Erode markets amidst lower arrivals as well as offtake. Turmeric prices are unlikely to witness any significant movement in short-term amid lack of any fresh developments in its fundamental aspects. The prices are likely to remain steady at these levels.

### FUTURES MARKETS

Turmeric futures at NCDEX opened down by Rs.2 at Rs.2143. The July contract there after made an intraday high at Rs.2158 and witnessed fresh buying coming in. The change in the close price and open interest is indicating liquidation of short position amidst low volumes as compared to last trading session. The contract then closed at Rs.2152 marginally up by 0.33 % as compared to previous close price.

### PRICE DRIVERS

#### Bearish:

1. Higher production estimates for the season
2. Weak domestic as well as overseas demand

#### Bullish

3. Low Acreage is likely due to fall in prices last year

### WEATHER

Rain/thundershowers are likely at most places over the region outside south Tamil Nadu where it is likely at many places. Rainfall over Karnataka and Maharashtra would benefit the crop at its growing stage.

### TECHNICALS

Candlesticks pattern indicated steady to firm opening and initial uptrend. The volumes are low and did not support the price movement. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains bearish for short-term as well as intermediate-term. MACD is moving indecisively in negative territory. 14-day RSI is in neutral region and leaving scope for further uptrend. Turmeric futures are likely to trade firm and we can witness fresh buying coming in.

Turmeric 0707(NCTMCN7)2007/06/25 - Daily B:2151.00 A:2154.00

O 2143.00 H 2158.00 L 2143.00 C 2152.00 V 5,630 I 22,500 +7

EMA(9) 2152.8 (18) 2165.5



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	2126	2132	2152	2171	2180

### TRADE RECOMMENDATION

Buy NCDEX July Turmeric at Rs. 2150-2152 or at the market open price with a target of Rs. 2160 and then Rs. 2166 with a strict stop loss of Rs. 2144. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1900-1925	1500
	Gattah	1800-1825	
Erode	Finger	2000-2100	4000
	Gattah	1900-1950	

### SPOT MARKETS

Cardamom daily auction remained suspended till the arrival of the next crop. Harvesting is likely to start during late July to early August, which would depend greatly upon the performance of southwest monsoon. Rainfall over the cardamom growing regions was not satisfactory until now. Severe heat has affected cardamom plants in nearly 10,000 hectares and needs replanting, according to the Secretary of Cardamom Growers association.

### FUTURES MARKETS

Cardamom July futures at MCX opened firm by Re.0.6 at Rs.475. the contract thereafter underpinned by fresh buying support surged up to Rs.491. The open interest gained along with a significant gain in volumes. The change in the close price and open interest is indicating long accumulation. The contract then closed at Rs.489.3 up by 3.08% as compared to previous close price.

### PRICE DRIVERS

#### Bearish:

1. Rainfall likely over growing region

#### Bullish:

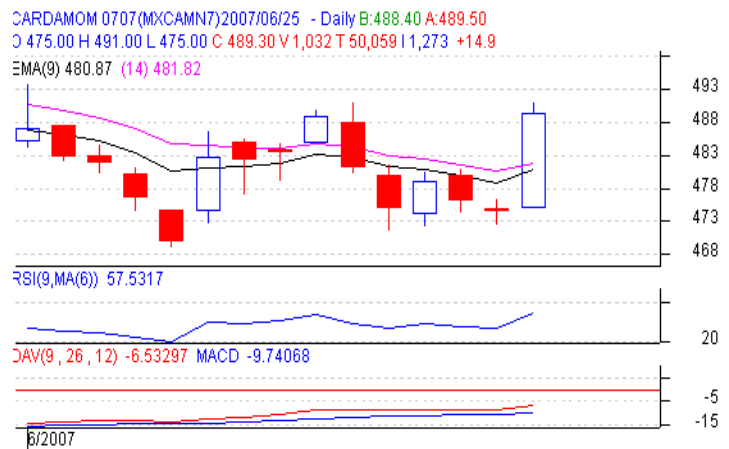
1. Domestic production estimated lower
2. Nearly 30-40 per cent of cardamom plants dried and dead

### WEATHER

Rain/thundershowers are likely at most places over the region outside south Tamil Nadu where it is likely at many places. This would be beneficial for the crop.

### TECHNICALS

Long white candlestick is indicating active bulls in the market. The volumes gained significantly and supported the price movement. Prices closed above the 9-day as well as 18-day EMA, indicating that the trend favours the bulls. MACD is indecisive in negative territory. 14-day RSI is moving upwards, leaving scope for further positive move in the prices. Cardamom futures are likely to trade firm in the next trading session with a small consolidation in the prices during the mid trading session.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	466.1	470.1	489.3	499.4	504

### TRADE RECOMMENDATION

Buy MCX July Cardamom near Rs. 489-489.3 with a target of Rs. 495.5 with a strict stop loss of Rs. 486.2. Trade cautiously with intraday outlook.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Bodinayakanur

Closed

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