

■ BLACK PEPPER

■ June 04, 2007

SPOT MARKETS

Domestic black pepper markets witnessed a stable trend at the weekend. It was offered in an unchanged price range in Kochi markets amid arrivals as well as offtake of 25 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 higher than previous settlement and the near month June contract tested an intraday high of Rs. 13975 at the early hours of trade. The futures traded downwards thereafter to test an intraday low of Rs. 13782. The futures finished slightly lower after curbing some of the losses in final action. Near month June contract traded in the range of Rs. 13782-13975 on Saturday.

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 a few places over Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands. It would help the newly planted vines.

TECHNICALS

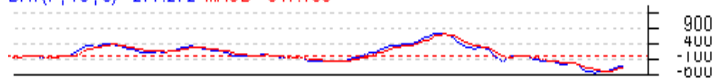
Candlesticks pattern indicates steady to weak opening and likely uptrend. 14-day RSI is neutral, leaving scope for both ways movements. MACD is moving upwards in negative territory, supporting the firmness. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains bearish.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

Pepper 0706(NCPEPM7)2007/06/02 - Daily B:13881.00 A:13889.00
O 13950.00 H 13974.00 L 13782.00 C 13889.00 V 6,437 I 10,215 -15

EMA(9) 13965 (18) 14302



DAV(7, 15, 5) -277.272 MACD -347.169



RSI(14,MA(6)) 39.2403



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13432	13671	13889	14356	14562

TRADE RECOMMENDATION

Buy NCDEX June Pepper at Rs. 13750-13800 with a target at Rs. 13950 and then Rs. 14000 with a strict stop loss at Rs.13675. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14300	25
	Ungarbled	13700	

SPOT MARKETS

Domestic jeera markets witnessed a steady trend at the weekend. It was quoted unchanged 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 steady as compared to previous settlement and near-month June contract tested an intraday low of Rs. 12235 at the opening session of trade. The futures traded upwards thereafter on increased buying support and tested an intraday high of Rs. 12420. The futures finished in positive territory in final action. Near-month June contract traded in the range of Rs. 12235-12420 during Saturday'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

Isolated rain/thundershowers are likely over Gujarat State. Mainly dry weather and rise in day temperature 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 has declined, while 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)2007/06/02 - Daily B:12386.00 A:12400.00
O 12280.00 H 12420.00 L 12240.00 C 12385.00 V 6,219 I 16,395 +105
EMA(9) 12179 (18) 12273



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11900	12075	12385	12646	12843

TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 12325-12350 with a target of Rs. 12425 and then Rs. 12475 with a strict stop loss of Rs. 12250. Trade cautiously with intraday outlook.

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

CHILLI

June 04, 2007

SPOT MARKETS

Domestic red chillies markets regular trade in Guntur likely to resume on 4th 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 hit 4 percent upper circuit. We witnessed liquidation of short positions for the benchmark June futures amidst fall in open interest. The volumes gained as compared to previous trade. The contract opened at Rs.4714 and surged up to Rs.4883 underpinned by fresh buying on short covering. The contract then closed at Rs.4857 up by 3.41% 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

Long White candlestick is indicating fresh buying coming in and active bulls in the market. The volumes surged and supported the price movement. 9-day RSI is in the neutral region and moving upwards. Prices closed above the 26-day EMA, indicating a short-term bull trend in the market. Stochastic oscillator has witnessed a bullish cross over and indicating a buy signal. MACD is bearish. Red chillies futures are likely to trade firm in next trading session amidst small dip in the prices.

CHLL334GTR 0706(NCGTRM7)2007/06/02 - Daily B:4850.00 A:4860.00
O 4714.00 H 4883.00 L 4714.00 C 4857.00 V 8,120 16,915 +160
EMA(6) 4736.4 (14) 4779.7 (26) 4875.2



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4629	4691	4857	4950	5095

TRADE RECOMMENDATION

Buy NCDEX June Chilli at Rs. 4848-4874 or market open price with a target of Rs. 4945 and then Rs. 4990 with a strict stop loss of Rs. 4800.

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

TURMERIC

June 04, 2007

SPOT MARKETS

All the major spot markets were closed because of weekly holiday. At Sangli, around 789 bags were sold. Prices for Salem variety were down by Rs.50 at Rs.2700-3050 per quintal. Arrivals from other centre were reported to be around 3000 bags at Sangli. 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 lacked luster amidst very low volumes for the week. The June contract closed on creation of fresh short positions amidst marginal gain in open interest. The contract opened slightly down at Rs.2145. During the trading session, the contract made a high at Rs.2155 during the initial session and closed slightly down by 0.28% against previous close price. The July contract traded between Rs.2185 and 2165 amidst good volumes and marginal gain in open interest indicating short accumulation.

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

Candlestick Doji pattern is indicating indecisiveness in the current bearish trend in the market. Volumes were marginally low as compared to previous trading session. 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 short term (6-day EMA). EMA's are indicating a bearish trend. 9-day RSI is neutral and moving downwards. 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	2111	2124	2145	2169	2175

TRADE RECOMMENDATION

We recommend intraday Sell for NCDEX June contract at 2145-2140 or at market open price with a target of Rs.2134 and then 2128 with a stop loss of Rs.2158.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	Market Closed	
	Gattah		
Erode	Finger	Market Closed	
	Gattah		



■ CARDAMOM

■ June 04, 2007

SPOT MARKETS

Weekly auction at Pulianmalai are closed on account of commodity season ending. 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 settles in a negative zone on selling pressure. The volumes gained marginally and supported the bears in the market. The benchmark June futures opened slightly weak at Rs.479 and during the initial trading session made an intraday high at Rs.481.8. However, later the contract made a low for the day at Rs.472.6. The contract then closed at Rs.474.30 down by 1.06%.

PRICE DRIVERS

Bearish:

1. Rains in Kerala.

Bullish:

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

WEATHER

Heavy to very heavy rainfall is likely over Kerala and Karnataka region of cardamom growing areas during past 24 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)2007/06/02 - Daily B:473.70 A:474.00
O 479.00 H 481.80 L 472.60 C 474.30 V 555 T 429 I 1,634 -5.1

EMA(6) 480.19 (14) 486.88 (26) 494.13



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	464	469	474.3	485.7	490.1

TRADE RECOMMENDATION

We recommend intraday Sell for the MCX cardamom June contract at Rs.475.4-476.5 or at market open price with a target of Rs.470.5 with a stop loss of Rs.480.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Pulianmalai

Market Closed

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