

■ BLACK PEPPER

■ June 21, 2007

SPOT MARKETS

Domestic black pepper markets witnessed a stable trend. Prices remained unchanged for the last couple of days in Kochi markets amid no arrivals as well as offtake. Firmness in pepper futures market has supported the physical market sentiments. Traders are reporting increase in export inquiries for Indian pepper, which remains highly competitive in global market after the recent decline in domestic 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. Pepper prices are likely to witness some firmness in the days ahead.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher as compared to previous settlement and the most active July contract tested an intraday high of Rs. 14369 at the early hours of trade. The futures slide to test an intraday low of Rs. 14055 during late hours of trading only to recover back again. The futures finished in positive territory in final action. Most active July contract traded in the range of Rs. 14055-14369 during Wednesday's trade.

PRICE DRIVERS

Bullish:

1. Global demand-supply mismatch
2. 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 Coastal Karnataka, Kerala and at many places over Coastal Andhra Pradesh. It would be beneficial for the growth of newly planted as well as old vines.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and indecision in the market. 14-day RSI is neutral, leaving scope for both way movements. MACD is moving indecisively in negative territory. Prices closed above the 9-day EMA, indicating that the short-term trend is firm. However, the close below 18-day day EMA is somewhat bearish for the market. Volume as well as 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 early in the session.

Pepper 0707(NCPEPN7)2007/06/20 - Daily B:14168.00 A:14180.00
O 14153.00 H 14368.00 L 14055.00 C 14170.00 V 11,939 I 7,767



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	13705	13895	14170	14491	14667

TRADE RECOMMENDATION

Buy NCDEX July Pepper at Rs. 14050-14075 with a target at Rs. 14250 and then Rs. 14300 with a strict stop loss at Rs. 13925. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14000	-
	Ungarbled	13400	

SPOT MARKETS

Domestic jeera markets extended previous advances further during Wednesday's trade. It was quoted higher in Unjha markets owing to higher offtake amid increased arrivals. Arrivals are likely to decline further in the coming few days that may result into some firmness in prices. Market continues to remain supported by its strong fundamentals. 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 and increased overseas demand thereof for Indian jeera.

FUTURES MARKETS

Jeera futures at NCDEX opened higher as compared to previous settlement and active July contract tested an intraday high of Rs. 13270 at the early hours of trade. The futures traded downwards thereafter and tested an intraday low of Rs. 12970 during late hours of trading. However, the futures curbed the losses and finished with some gains in final action. Active July contract traded in the range of Rs. 12970-13270 during Wednesday'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. Reduced near-month open position limit for Jeera futures

WEATHER

Rain/thundershowers are likely at a few places over the rest region outside Saurashtra & Kutch and West Rajasthan where it may be isolated. Weather is not crucial at present as the harvesting season is over.

TECHNICALS

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



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	12748	12918	13120	13416	13585

TRADE RECOMMENDATION

Buy NCDEX July Jeera at Rs. 13025-13050 with a target of Rs. 13200 and then Rs. 13250 with a strict stop loss of Rs. 12920. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2440-2520	3500-4000
	Ganesh	2540-2620	
	Machine Cleaned	2740-2820	

SPOT MARKETS

Domestic red chillies prices remain steady during Wednesday's trade. It was offered in previous price range in Guntur markets amid reduced arrivals as well as offtake. Trade sources estimated stock of around 50 lakh bags at cold storages in Guntur. Moreover, overseas demand is also reportedly good at present. 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.

FUTURES MARKETS

Red chillies futures at NCDEX opened higher than previous settlement and most active July contract tested an intraday high of Rs. 4730 at the early hours of trade. The futures traded downwards thereafter and tested an intraday low of Rs. 4666 only to recover back again. The futures finished with some gains in final action. Most active July contract traded in the range of Rs. 4666-4730 during Wednesday's trade.

PRICE DRIVERS

Bullish:

1. Moderate demand in the market
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 Coastal Andhra Pradesh. Rain/thundershowers are likely at a few places over rest Andhra Pradesh during next 36 hours and increase thereafter. Weather is not a crucial factor at present.

TECHNICALS

Candlesticks pattern indicated steady to firm opening and initial uptrend. Prices closed below the 9-day as well as 18-day EMA, an indication that the short term as well as intermediate term trend is bearish. MACD is moving indecisively in negative territory. 14-day RSI is neutral and rising, leaving scope for further uptrend. Volume has declined, while open interest has increased. Red chillies 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 July	4585	4641	4700	4771	4826

TRADE RECOMMENDATION

Buy NCDEX July Chilli at Rs. 4675-4680 with a target of Rs. 4725 and then Rs. 4740 with a strict stop loss of Rs. 4650. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	4000-4600	25000-30000

TURMERIC

June 21, 2007

SPOT MARKETS

Domestic turmeric prices remain on average stable during Tuesday's trade. It was quoted unchanged in Nizamabad market amid higher arrivals as well as offtake. However, it was offered in a marginally changed price range in Erode markets, where arrivals as well as offtake was lower than previous day. Daily auction at Sangli would be carried out twice a week on Mondays and Thursdays. Demand, both domestic as well as overseas continues to remain lacklustre.

FUTURES MARKETS

Turmeric futures at NCDEX opened marginally higher than previous settlement and most active July contract tested an intraday high of Rs. 2153 at the early hours of trade. The futures traded downwards thereafter and tested an intraday low of Rs. 2132 during late hours of trading. The futures finished with some losses in final action. Most active July contract traded in the range of Rs. 2132-2153 during Wednesday's trade.

PRICE DRIVERS

Bearish:

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

Bullish

3. Short covering at lower price levels

WEATHER

Rain/thundershowers are likely at most places over Coastal Karnataka, Kerala and at many places over Coastal Andhra Pradesh. Rainfall over Karnataka and Maharashtra would benefit the crop at its growing stage.

TECHNICALS

Candlesticks pattern indicated steady to weak opening and initial downtrend. 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. Volume has increased, while open interest has declined as compared to previous settlement. Turmeric futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.

Turmeric 0707(NCTMCN7)2007/06/20 - Daily B:2141.00 A:2143.00
O 2149.00 H 2153.00 L 2132.00 C 2142.00 V 10,500 I 23,830 -3
EMA(9) 2157.5 (18) 2174.5



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	2116	2125	2142	2165	2175

TRADE RECOMMENDATION

Sell NCDEX July Turmeric at Rs. 2150 with a target of Rs. 2130 and then Rs. 2126 with a strict stop loss of Rs. 2162. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1900-1925	2000
	Gattah	1800-1825	
Erode	Finger	2050-2100	5000
	Gattah	1950-1975	



■ CARDAMOM

■ June 21, 2007

SPOT MARKETS

Cardamom daily auction remained closed till the arrival of the next crop. Harvesting is likely to start during late July to early August, which would depend upon the southwest monsoon. Rainfall so far over the cardamom growing regions was scanty, reported a local trader at Vandamedu. 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 futures at MCX opened lower than previous settlement and most active July contract tested an intraday high of Rs. 481.6 at the early hours of trade. The futures traded sharply downwards thereafter to test an intraday low of Rs. 471.5. The futures finished with significant losses in final action. Most active July contract traded in the range of Rs. 471.5-481.6 during Wednesday's trade.

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 Coastal Karnataka, Kerala and at many places over Coastal Andhra Pradesh. This would be beneficial for the crop.

TECHNICALS

Candlestick pattern indicated steady to weak opening and initial downtrend. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend is bearish. MACD is indecisive in negative territory. 14-day RSI is moving downwards in neutral region, leaving scope for further downtrend. Volume has declined, while open interest has increased. Cardamom futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	465	469.1	474.2	480	484.3

TRADE RECOMMENDATION

Sell MCX July Cardamom near Rs. 475 with a target of Rs. 471.5 and then Rs. 470 with a strict stop loss of Rs. 477.5. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

CPMC, Kumily

Closed

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