

## ■ BLACK PEPPER

■ June 02, 2007

### SPOT MARKETS

Domestic black pepper markets remain steady during Friday's trade. It was offered in an unchanged price range in Kochi markets amid arrivals as well as offtake of 40 MT. Moderate buying support has kept the market firm, with the traders reporting some export enquiries. Moreover, there was no selling pressure in the markets. Profit taking at the futures markets has kept the spot prices unchanged. NCDEX has changed the margin distribution of pepper futures from immediate effect, which is having a positive impact on the futures prices. Long-term outlook for pepper remains firm, though developments in Vietnam would be the single most important driving factor in the near future.

### FUTURES MARKETS

Black pepper futures at NCDEX opened higher than previous settlement and the near month June contract traded upwards to test an intraday high of Rs. 14399 at the early hours of trade. Profit taking capped further advances and the futures traded sharply downwards thereafter to test an intraday low of Rs. 13851. The futures finished with losses in late action. Near month June contract traded in the range of Rs. 13851-14399 during Friday's trade.

### PRICE DRIVERS

#### Bullish:

1. Global supplies remain tight
2. Vietnam crop size projected lower by 10-20 percent

#### Bearish:

1. Slowdown in global market activity
2. Higher stocks at exchange warehouses
3. Weak 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 initial downtrend. 14-day RSI is moving downwards in neutral region, leaving scope for further downtrend. MACD is moving upwards in negative territory, supporting the firmness. Prices closed below the 9-day as well as 18-day EMA, indicating a bearish trend. 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)2007/06/01 - Daily B:13901.00 A:13906.00  
O 14099.00 H 14392.00 L 13866.00 C 13904.00 V 13,736 I 10,186 -177  
EMA(9) 13983 (18) 14350



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	13250	13565	13904	14391	14699

### TRADE RECOMMENDATION

Buy NCDEX June Pepper at Rs. 13750-13800 with a target at Rs. 14000 and then Rs. 14050 with a strict stop loss at Rs. 13675. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14300	40
	Ungarbled	13700	

### SPOT MARKETS

Domestic jeera markets extended previous advances further during Friday's trade. It was quoted in a higher price range in Unjha markets owing to improved offtake amid mostly steady arrivals. Traders reported some improvement in demand as buyers are becoming active ahead of the rainy season in the major producing/trading areas. Quality issues with physical delivery in commodity exchanges are still weighing on the markets. Unconfirmed reports of rains in Syria have added to the firmness in the markets. Long-term fundamentals continue to remain supportive with the estimated fall in domestic production.

### FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and near-month June contract tested an intraday high of Rs. 12550 at the early hours of trade. Profit taking capped further advances and the futures slide to test an intraday low of Rs. 12240 during late hours of trading. The futures finished with significant losses in final action. Near-month June contract traded in the range of Rs. 12240-12550 during Friday'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 weak opening and initial downtrend. 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 moving downwards in neutral region, hinting further downtrend. Volume as well as open interest has declined as compared to previous settlement. Jeera futures are likely to trade downwards following a steady to weak opening initially and upwards thereafter.

JEERA 0706(NCJEE7)2007/06/01 - Daily B:12277.00 A:12280.00  
O 12489.00 H 12550.00 L 12240.00 C 12280.00 V 12,954 I 16,215 -190  
EMA(9) 12127 (18) 12260



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	11858	12055	12280	12508	12705

### TRADE RECOMMENDATION

Buy NCDEX June Jeera near Rs. 12175-12200 with a target of Rs. 12350 and then Rs. 12375 with a strict stop loss of Rs. 12075. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2300-2380	
	Ganesh	2400-2480	3000-3500
	Machine Cleaned	2600-2680	

### SPOT MARKETS

Domestic red chillies markets in Guntur remained closed for summer holidays. 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 settled on a positive note after opening firm. 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.4645 and surged up to Rs.4755 underpinned by fresh buying on short covering. The contract then closed at Rs.4697 up by 1.19% 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

Small white candlestick is indicating fresh buying coming in the market. Volumes gained marginally as against previous trade and supported the price movement. 9-day RSI is in the neutral region and moving upwards. Prices closed below the 26-day EMA, indicating that the trend still favours the bear's. Stochastic oscillator is bearish. MACD is bearish. Red chillies futures are likely to trade firm in next trading session amidst small dip in the prices.

CHLL334GTR 0706(NCGTRM7)2007/06/01 - Daily B:4696.00 A:4705.00  
O 4645.00 H 4755.00 L 4645.00 C 4697.00 V 5,340 I 7,095 +57



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	4580	4641	4697	4798	4864

### TRADE RECOMMENDATION

Buy NCDEX June Chilli at Rs. 4690-4685 or market open price with a target of Rs. 4745 and then Rs. 4790 with a strict stop loss of Rs. 4645.

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

## TURMERIC

June 02, 2007

### SPOT MARKETS

Turmeric spot prices were almost steady to weak at most of the spot markets amidst steady to low arrivals as against previous trade. At Sangli, morning auctions will be carried out thrice a week from tomorrow onwards on Saturday, Tuesday and Thursday for Rajapuri variety. Around 2500 and 7000, bags were sold at Duggirala and Warangal for Rs.1600-1750 and 1550-1750 per quintal. Prices at Duggirala were down by Rs.25 whereas at Warangal were steady. Local traders say that the demand lacked lustre.

### FUTURES MARKETS

Turmeric June futures contract on NCDEX slightly up by Rs.2 at Rs.2151 against previous close price. The June contract closed on Liquidation of short positions amidst marginal gain in volumes and fall in open interest. The contract opened slightly up at Rs.2153. During the trading session, the contract made a high at Rs.2164 due to short covering. The July contract traded between Rs.2190 and 2174 amidst very low volumes and marginal fall in 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

Doji candle is formed indicating indecisiveness in the current bearish trend. Volumes gained in marginally 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 short term (6-day EMA). EMA's are indicating a bearish trend. 9-day RSI is neutral. We expect the contract to trade slightly steady to firm however, the over all trend still favours the bears.

Turmeric 0706(NCTMCM7)2007/06/01 - Daily B:2151.00 A:2153.00

O 2153.00 H 2164.00 L 2146.00 C 2151.00 V 6,400 I 17,130 O

EMA(6) 2159.5 (14) 2180.1 (26) 2197.9



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX June	2124	2136	2151	2168	2185

### TRADE RECOMMENDATION

We recommend intraday Buy for NCDEX June contract at 2148-2151 or at market open price with a target of Rs.2161 and then 2170 with a stop loss of Rs.2138.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1875-1900	1200
	Gattah	1755-1800	
Erode	Finger	1950-2050	7000
	Gattah	1700-1850	



## ■ CARDAMOM

■ June 02, 2007

### SPOT MARKETS

Arrivals at the Vandanmedu auctions were witnessed around 13000 kg and around 666 kg were unsold. The prices were weak at Rs.380-400 per Kg. During the off-season auctions will be carried twice a week mainly on Thursday and Friday the markets were closed as the season has ended. Regular trade will resume from the last week on July or first week of August.

### FUTURES MARKETS

The MCX cardamom June contract lacked luster amidst very poor volumes. The benchmark June futures opened steady at Rs.479.7 and during the initial trading session made an intraday high at Rs.483.8. However, later the contract made a low for the day at Rs.478.2. The contract then closed at Rs.479.90 slightly up by 0.25%.

### 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 indecisive trend in the market. The volumes were very low as compared to previous trading session. 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 the neutral region leaving scope for a positive move in the prices. Stochastic is in neutral region. We expect the contract to trade slightly firm and fresh buying is expected.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	471.2	473.3	479.9	487.3	495.1

### TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.479.4-479.9 or at market open price with a first target of Rs.483.5 then Rs.490.1 with a stop loss of Rs.474.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Vandanmedu

380-400

13000

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