

■ BLACK PEPPER

■ June 15, 2007

SPOT MARKETS

Domestic black pepper markets witnessed some recovery after the recent weakness. Prices were quoted higher by Rs. 100 per quintal in Kochi markets amid no arrivals as well offtake. Wednesday's huge fall in pepper futures prices is attributable to the news that FMC is not reassessing the decision on near month position limit. However, global demand-supply mismatch continues to support the market sentiments. Recently, Malaysian Pepper Board predicted that the pepper prices might surge further, but would move in a narrow range. Long term outlook for the pepper remains firm, though some rangebound trade is likely in the days ahead as demand, both domestic as well as overseas remains subdued.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher as compared to previous settlement and the most active July contract tested an intraday low of Rs. 13370 at the early hours of trade. The futures recovered back on increased buying interest at lower price levels and tested an intraday high of Rs. 13960 during late hours of trading. The futures finished with significant gains in final action. Most active July contract traded in the range of Rs. 13370-13960 during Thursday'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 many places over Interior Karnataka, Coastal Karnataka and Kerala. 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 regions, leaving scope for further uptrend. MACD is moving indecisively in negative territory. Prices closed below the 9-day as well as 18-day EMA, indicating that the trend remains bearish in the market. 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.

Pepper 0707(NCPEPN7)2007/06/14 - Daily B:13920.00 A:13939.00
O 13675.00 H 13959.00 L 13381.00 C 13925.00 V 18,475 I 10,509 +254
EMA(9) 14165 (18) 14407



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	13415	13650	13925	14400	14621

TRADE RECOMMENDATION

Buy NCDEX July Pepper near Rs. 13875-13900 with a target at Rs. 14100 and then Rs. 14175 with a strict stop loss at Rs. 13725. Trade cautiously with intra day outlook.

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

SPOT MARKETS

Domestic jeera markets remain stable during Thursday's trade. It was offered in an unchanged price range in Unjha markets amid mostly steady arrivals as well as offtake. Wednesday's huge fall in jeera futures prices is attributable to the news that FMC is not reassessing the decision on near month position limit. The market remains supported by its strong fundamentals. Recovery in futures prices also added to the steadiness in physical markets. Long-term outlook on jeera remains firm on domestic as well as global supply shortage this year and increased overseas demand thereof for Indian jeera.

FUTURES MARKETS

Jeera futures at NCDEX opened higher as compared to previous settlement and most active July contract tested an intraday low of Rs. 12561 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards for the rest of the session. July contract tested an intraday high of Rs. 13290 during late hours of trading and finished with significant gains in final action. Most active July contract traded in the range of Rs. 12561-13290 during Thursday'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

WEATHER

Isolated rain/thundershowers are likely over Gujarat state. 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 18-day EMA, an indication that the intermediate-term trend is turning firm again. However, the close below 9-day EMA is a bearish indication. MACD is moving indecisively in the positive territory. 14-day RSI is moving upwards in neutral region, leaving scope for further uptrend. Volume has increased, while open interest has declined 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.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	12746	13000	13251.2	13616	13881

TRADE RECOMMENDATION

Buy NCDEX July Jeera near Rs. 13175-13200 with a target of Rs. 13350 and then Rs. 13425 with a strict stop loss of Rs. 13050. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2380-2460	4000
	Ganesh	2480-2560	
	Machine Cleaned	2680-2760	

SPOT MARKETS

Red Chill spot prices remained steady to slightly weak as compared to that of previous trading session. Currently there is a stock of 50 lakh bags at the Guntur cold storage as per local trader. Chillies fetched better prices on the back of good domestic demand. Export demand was also reported to be good. Out of the total arrivals around 40000 bags were sold. Sowing at Andhra Pradesh has been initiated in small quantity where as the overall sowing is likely to start after a period of one month.

FUTURES MARKETS

NCDEX Chilli most active July contract settled in a positive territory underpinned by fresh buying support coming in. Volumes gained significantly and supported the price movement. The contract opened steady at Rs.4592 and after an initial low of Rs.4577 the contract surged up to Rs.4748. The contract then closed at Rs. 4731 up by 1.75%

PRICE DRIVERS

Bullish:

1. Low Physical 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 South Interior Karnataka, Tamil Nadu, Kerala, and Andhra Pradesh. Weather is not a crucial factor at present.

TECHNICALS

Candlestick is indicating active bulls in the market along with a much awaited technical correction. Volumes gained significantly and supported the price movement. 14-day RSI is in the neutral region and moving upwards leaving scope for positive move in the prices. 18 EMA is indicating short term bearish trend in the market. Stochastic oscillator is also in the oversold zone. MACD is bearish. Red chillies futures are likely to trade weak in next trading session.

CHLL334GTR 0707(NCGTRN7)2007/06/14 - Daily B:4729.00 A:4735.00
O 4592.00 H 4748.00 L 4577.00 C 4731.00 V 9,180 I 8,335 +139



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	4457	4508	4731	4840	4891

TRADE RECOMMENDATION

Buy NCDEX July Chilli at Rs. 4731-4700 or market open price with a target of Rs. 4775 and then Rs. 4825 with a strict stop loss of Rs. 4691.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 Loose	3000-3700	20000-25000
	Cold Storage	4100-4500	25000-30000

TURMERIC

June 15, 2007

SPOT MARKETS

Turmeric prices at all the major spot markets remained steady to slightly weak by Rs.25-30 per quintal. The domestic and export demand was reported to be lack luster. At Sangli around 1109 bags of Turmeric was sold and the prices were steady. At Duggirala and Warangal around 4500 and 6000 bags were sold and the prices were down at Rs.1600-1800 and 1625-1825 respectively.

FUTURES MARKETS

Turmeric most active July futures closed in the red zone after testing fresh lows. The change in close price and open interest is indicating short accumulation. The volumes failed to breach the previous highs. The contract opened at Rs.2154 and after an initial high of Rs.2157 made a steep fall to Rs.2130. The open interest gained as compared to last trading session. The contract then closed at Rs.2141 down by 2.74% as against previous close price.

PRICE DRIVERS

Bearish:

1. Higher production estimates.
2. Weak Domestic demands

Bullish

3. 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 sowing for the next season is not yet started in this area. Rainfall is expected in Karnataka and Maharashtra likely to benefit the crop at its growing stage.

TECHNICALS

Candlestick is indicating active bears in the market. Volumes failed to breach previous day's high levels. Stochastic oscillator is neutral and moving downwards. 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. 14-day RSI is in oversold region. We expect the contract to trade weak with small spurt in the prices during the trading session. However a positive correction is expected in the market.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	2107	2119	2141	2185	2199

TRADE RECOMMENDATION

We recommend intraday sell NCDEX July contract at 2141-2145 or at market open price with a target of Rs.2127 and then 2116 with a stop loss of Rs.2157.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1875-1925	1500
	Gattah	1775-1815	
Erode	Finger	2025-2075	6500
	Gattah	2000-2050	

SPOT MARKETS

Cardamom auctions were closed amidst low arrivals as the season for the commodity has ended. The report on the new crop is also not positive with farmers saying that the crop will be lower by 30-40% due to plant destruction. The severe heat has affected cardamom plants in nearly 10,000 hectares and needs replanting, said Mr. KK Devassia secretary of Cardamom Growers association.

FUTURES MARKETS

The MCX cardamom July contract settled in a positive territory and witnessed fresh buying coming in. Volumes were at their highest for the contract since its inception. We witnessed long accumulation amidst gain in open interest. The contract opened at Rs.474.1 and after an initial low of Rs.472.6. The contract there after surged to Rs.486.5 and then closed at Rs.482.1 up by 2.62%.

PRICE DRIVERS

Bearish:

1. Rains in Kerala.

Bullish:

1. Low Production in India.
2. Nearly 30-40% of cardamom plants dried and dead.

WEATHER

Rain and thunder showers 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

Candlesticks are indicating active bull in the market and a much awaited positive technical correction. Volume gained significantly as compared to previous day's trading session. The contract closed above the short term, 9 day EMA indicating short term firmness in the market. MACD is in the negative zone and is currently bearish. 14 day RSI is in the neutral region and moving upwards. Stochastic is bearish. We expect the contract to trade steady to firm for next trading session.

CARDAMOM 0707(MXCAMN7)2007/06/14 - Daily B:481.60 A:483.50
O 474.40 H 486.50 L 472.60 C 482.10 V 1,080 T 51,906 I 1,164 +12.3
EMA(9) 481.03 (14) 484.40



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	464.7	468.7	482.1	495.2	500.1

TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom July contract at Rs.481.1 - 482 or at market open price with a target of Rs.486.3 and stop loss of 476.9

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

Market Closed

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