

## ■ BLACK PEPPER

■ June 08, 2007

### SPOT MARKETS

Domestic black pepper markets remained stable during Thursday's trade. It was offered in previous price range in Kochi markets amid arrivals as well as offtake of 22 MT. Trade activities at global as well as domestic markets continue to remain slow as buyers adopt a wait and watch policy eyeing prices to ease further. At the domestic front, traders reported no selling pressure in the physical markets. Futures prices of pepper remain under pressure on reduction of open position limits as well as imposition of higher margins. Traders are optimistic that that Forward Market Commission would soon take necessary steps in this matter.

### FUTURES MARKETS

Black pepper futures at NCDEX opened higher than previous settlement and the most active July contract tested an intraday low of Rs. 14445 at the early hours of trade. The futures traded upwards thereafter on increased buying interest and tested an intraday high of Rs. 14670. The futures finished in positive territory after paring some of the gains in final action. Most active July contract traded in the range of Rs. 14445-14670 during Thursday's trade.

### 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. Weak domestic and export demand

### WEATHER

Rain/thundershowers are likely at many places over the region outside Tamil Nadu where it may be isolated. Present soil moisture is reportedly satisfactory and the vines can hold for a couple of days. Rainfall over pepper growing regions would help the newly planted vines as well as the 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 upwards in negative territory, supporting the firmness in the market. Prices closed above the 9-day EMA, indicating that the short-term trend is firm. However, the close below the 18-day EMA is somewhat bearish for the market. 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 firm opening with possibility of some downward movements early in the session.

Pepper 0707(NCPEPN7)2007/06/07 - Daily B:14540.00 A:14550.00  
O 14505.00 H 14665.00 L 14450.00 C 14545.00 V 12,200 I 12,386 +80  
EMA(9) 14523 (18) 14725



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	14175	14335	14545	14925	15075

### TRADE RECOMMENDATION

Buy NCDEX July Pepper near Rs. 14450-14475 with a target at Rs. 14650 and then Rs. 14700 with a strict stop loss at Rs. 14340. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14300	22
	Ungarbled	13700	

### SPOT MARKETS

Domestic jeera markets continue the firm trend during Thursday's trade. It was quoted in a higher price range in Unjha markets owing to higher offtake amid steady arrivals. Demand is likely to improve further ahead of the rainy season in major producing and trading regions. Moreover, unconfirmed news of adverse climatic conditions in Syria and consequent decline in production is underpinning the firmness in domestic markets. Long-term outlook for jeera remains firm with the estimated decline in domestic production this year.

### FUTURES MARKETS

Jeera futures at NCDEX opened higher as compared to previous settlement and most active July contract traded upwards to test an intraday high of Rs. 13489. The futures slide during late hours of trading to test an intraday low of Rs. 13251 only to recover back again. The futures finished with significant gains in final action. Most active July contract traded in the range of Rs. 13251-13489 during Thursday's trade.

### PRICE DRIVERS

#### Bullish:

1. Estimations of lower production
2. Improved demand amid lower arrivals
3. Reports of adverse weather conditions in Syria

#### Bearish:

1. Thin trading activities in markets

### WEATHER

Isolated duststorm 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 9-day as well as 18-day EMA, indicating that the trend remains firm. MACD is moving upwards in the positive territory, supporting the firmness in the market. 14-day RSI is neutral, leaving scope for both way 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 0707(NCJEEN7)2007/06/07 - Daily B:13407.00 A:13422.00  
O 13284.00 H 13485.00 L 13255.00 C 13411.00 V 28,365 I 13,494 +161  
EMA(9) 12998 (18) 12918



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	13000	13181	13411	13824	14000

### TRADE RECOMMENDATION

Buy NCDEX July Jeera near Rs. 13375-13400 with a target of Rs. 13500 and then Rs. 13575 with a strict stop loss of Rs. 13275. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2400-2480	3000
	Ganesh	2500-2580	
	Machine Cleaned	2700-2780	

### SPOT MARKETS

Domestic red chillies markets regular trade in Guntur likely to resume by 12 or 13<sup>th</sup> 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

NCDEX Chilli most active July contract opened firm at Rs.4950 and contract however closed at Rs.4920 slightly down by Rs.3 against previous close price. During the initial trading session the contract surged up to Rs.5034 level and made a low at Rs.4890. The change in the close and open interest is suggesting creation of fresh short position however the change is close price is very small to support our analysis. The volumes gained significantly and supported the price movement.

### 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

Medium sized dark candlestick is indicating active bears in the market. Volumes gained significantly and supported the price movement. 14-day RSI is in the neutral region and moving downwards. EMA's are currently indecisive. Stochastic oscillator is in the neutral region and likely to witness a bearish crossover. MACD is bearish. Red chillies futures are likely to trade weak in next trading session amidst slight firmness in the prices.

CHLL334GTR 0707(NCGTRN7)2007/06/07 - Daily B:4918.00 A:4930.00  
O 4950.00 H 5030.00 L 4890.00 C 4920.00 V 11,525 I 6,655 -10



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	4809	4862	4920	5023	5084

### TRADE RECOMMENDATION

Buy NCDEX June Chilli at Rs. 4920-4900 or market open price with a target of Rs. 4945 and then Rs. 5000 with a strict stop loss of Rs. 4875

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

## TURMERIC

June 08, 2007

### SPOT MARKETS

All the major spot markets traded mixed between the ranges of Rs.25-35 up or down amidst slight gain in arrivals at the auctions. At Sangli, around 878 bags were sold and the prices for Rajapuri and Salem variety were steady at Rs.2300-2700 and 2700-3000 per quintal. Around 3500 and 5500 bags were sold at Duggirala and Warangal prices were steady. NMCE will launch Turmeric futures trading for Erode variety Turmeric on June 8 in four series of their expiry of August September October and November.

### FUTURES MARKETS

Turmeric most active July futures contract on NCDEX closed firm, on account of fresh buying support. The July contract closed on Accumulation of long position. Volumes were low as against previous trading session where as the open interest gained slightly. The contract opened firm by Rs.3 at Rs.2201 and closed at Rs.2210 up by 0.36% as against previous close price after making a high for the day at Rs.2215 and there after made a low at Rs.2201. For the benchmark June contract we witnessed creation of fresh short position amidst very low volumes.

### 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.

### TECHNICALS

Small white candlestick is indicating fresh buying coming in the market. The volumes were low to support the price movement. Stochastic oscillator is neutral and moving upwards. 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 neutral and moving upwards. We expect the contract to trade weak with small spurt in the prices during the trading session.

Turmeric 0707(NCTMCN7)2007/06/07 - Daily B:2208.00 A:2211.00  
O 2201.00 H 2215.00 L 2201.00 C 2210.00 V 6,150 I 20,180 +12



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX July	2177	2187	2210	2224	2233

### TRADE RECOMMENDATION

We recommend intraday Buy NCDEX June contract at 2210-2205 or at market open price with a target of Rs.2214 and then 2222 with a stop loss of Rs.2192.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1910-1935	1500
	Gattah	1800-1825	
Erode	Finger	2000-2125	9000
	Gattah	1900-2000	



## ■ CARDAMOM

■ June 08, 2007

### SPOT MARKETS

Around 46000 kg of cardamom capsules were sold at Bodinayakanur auctions out of total arrivals of 48000 kg. The prices were quoted around 425-430 per kg. Traders say that local demand was reported to be good where as there was no export inquiries. Currently there is no sufficient rainfall at the cardamom growing areas.

### FUTURES MARKETS

The MCX cardamom June contract trading we witnessed liquidation of short positions amidst marginal fall in the open interest. The volumes were slightly up as against previous session. The contract opened at Rs.474 and made an intraday high at Rs.477.5 and low at Rs.473. However the contract closed on a positive note at Rs.475.9 up by 0.44% as compared to previous close price.

### PRICE DRIVERS

#### Bearish:

1. Rains in Kerala.

#### Bullish:

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

### WEATHER

Isolated thunder showers and rain 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 a rangebound market amidst marginal gain in the 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. 14 day RSI is in oversold region and moving downwards leaving scope for a positive move in the prices. Stochastic is bearish. We expect the contract to trade slightly weak however; a positive move in the prices is expected.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX June	468.7	471.8	475.9	482.1	485.3

### TRADE RECOMMENDATION

We recommend intraday Buy for the MCX cardamom June contract at Rs.475-475.9 or at market open price with a target of Rs.479.2 with a stop loss of Rs.472.2.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Bodinayakanur

425-230

48000

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