

■ BLACK PEPPER

■ July 18, 2007

SPOT MARKETS

Black pepper markets remain quiet during Tuesday's trade. It was offered in an unchanged price range in Kochi markets amid no arrivals as well as offtake. Rangebound trade at the futures market has also failed to provide any impetus to the physical markets. Market is waiting for fresh cues to act on. Indian ASTA grade pepper continues to remain highly competitive in global market. Indonesia's total supply is expected at around 35,000 tonnes in 2007, up by 17 per cent on year, mainly due to a large carry over stock. However, the increase in Indonesian supply is unlikely to makeup the global shortage, which is estimated at around 47,500 tonnes in 2007.

FUTURES MARKETS

Black pepper futures at NCDEX opened unchanged as compared to previous settlement and the most active August contract tested an intraday high of Rs. 14899 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 14622. However, the futures managed to finish in positive territory after paring the losses in final action. Most active August contract traded in the range of Rs. 14622-14899 during Tuesday's trade.

PRICE DRIVERS

Bullish:

1. Total margins on futures reduced by FMC
2. Increased US import of Indian pepper

Bearish:

1. Profit taking at higher price levels
2. Lower open position limit for futures

WEATHER

Rain/thundershowers are likely over pepper growing regions. It would be beneficial for the growth of newly planted as well as old vines.

TECHNICALS

Candlesticks pattern indicates steady opening and indecision in the market. Prices closed below the 9-day as well as 18-day EMA, indicating bearish trend in the market. MACD is moving indecisively in negative 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. Pepper futures are likely to trade moderately downwards initially following a steady opening with possibility of upward movements later in the session.

Pepper 0708(NCPEP07)2007/07/17 - Daily B:14750.00 A:14761.00
O 14725.00 H 14899.00 L 14635.00 C 14750.00 V 13,162 I 12,696 +12



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|--------------|-------|-------|-------|-------|-------|
| NCDEX August | 14217 | 14460 | 14750 | 15005 | 15225 |

TRADE RECOMMENDATION

Sell NCDEX August Pepper near Rs. 14825-14850 with a target at Rs. 14675 and then Rs. 14650 with a strict stop loss at Rs. 14950. Trade cautiously with intra day outlook.

| Centers | Variety | Price/Qtl | Arrival (Tonnes) |
|---------|-----------|-----------|------------------|
| Kochi | Garbled | 14500 | - |
| | Ungarbled | 13900 | |

SPOT MARKETS

Domestic jeera markets witnessed a stable trend during Tuesday's trade. It was offered in previous price range in benchmark Unjha market owing to reduced offtake amid lower arrivals. Spillover weakness from jeera futures market has pressurised the physical market trend. The Forward Market Commission is expected to sort out issues related to open position limit, quality and delivery of pepper soon. Global supply of jeera is expected to fall short of demand as key producing nations like Syria and Turkey has estimated lower harvest.

FUTURES MARKETS

Jeera futures at NCDEX opened lower as compared to previous settlement and most active August contract tested an intraday high of Rs. 12592 at the early hours of trade. The futures traded sharply downwards thereafter to test an intraday low of Rs. 12403 during final hours of trading. The futures finished near day's low in final action. Most active August contract traded in the range of Rs. 12403-12592 during Tuesday's trade. Near month July contract lost significant ground ahead of its expiry this Friday and finished lower by around 3 per cent from its previous settlement.

PRICE DRIVERS

Bullish:

1. Lower domestic production
2. Reports of decline in global production

Bearish:

1. Lower position limit for jeera futures

WEATHER

Rain/thundershowers are likely at many places over Konkan & Goa. Rain/thundershowers are likely at a few places over the Madhya Maharashtra and isolated over the rest region. Heavy rainfall would limit regular trading activity.

TECHNICALS

Candlesticks pattern indicates weak opening and initial downtrend. Prices closed below the 9-day as well as 18-day EMA, indicating a bearish trend in the market. 14-day RSI is neutral and moving downwards, leaving scope for further downtrend. MACD is moving indecisively in negative territory. Volume as well as open interest has declined as compared to previous settlement. Jeera futures are likely to trade downwards following a weak opening with possibility of upward movements later in the session.

JEERA 0708(NCJEEQ7)2007/07/17 - Daily B:12410.00 A:12415.00
O 12531.00 H 12592.00 L 12403.00 C 12415.00 V 8,679 I 10,086 -131
EMA(9) 12606 (18) 12701



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|--------------|-------|-------|-------|-------|-------|
| NCDEX August | 12125 | 12250 | 12415 | 12565 | 12689 |

TRADE RECOMMENDATION

Sell NCDEX August Jeera near 12465-12480 with a target of Rs. 12375 and then Rs. 12350 with a strict stop loss of Rs. 12545. Trade cautiously with intraday outlook.

| Centers | Variety | Prices/20 Kg | Arrival (Bags) 1 bag = 55 to 60 Kgs |
|---------|-----------------|--------------|--|
| Unjha | F.A.Q | 2460-2540 | |
| | Ganesh | 2560-2640 | 2500 |
| | Machine Cleaned | 2760-2840 | |

CHILLI

July 18, 2007

SPOT MARKETS

Chilli spot prices at Guntur market were traded low by Rs.200 per quintal at Rs.3500-4000 per quintal. The arrivals were good at 50000-60000 bags amidst low offtake of 15000-20000 bags. The domestic demand is reported to be weak with weak export demand as well and no buyers from Bangladesh. However, export demand is likely to gain momentum during the week ahead. Prices are likely to fall further and the trend would remain bearish for a medium term due to higher production for the season.

FUTURES MARKETS

Red chillies most active August futures opened weak at Rs.3775. The contract during the initial trading session slipped slightly and made an intraday low at Rs.3771. The futures thereafter witnessed fresh buying coming in and surged up to Rs.3869. Slight gain in open interest as well as volumes were witnessed as compared to previous trading session. The contract then closed marginally up by 0.27 percent at Rs.3825 as compared to Monday's close price.

PRICE DRIVERS

Bullish:

1. Technical correction is likely as futures market is oversold

Bearish:

1. Domestic production is estimated higher by 20 percent
2. Chilli acreage at Andhra Pradesh is likely to go up.

WEATHER

Rain / thunder shower is likely over coastal and interior region of Karnataka and isolated over Andhra Pradesh. Rainfall during the time of the sowing is beneficial for the crop.

TECHNICALS

Candlestick is indicating weak opening and there after initial uptrend in the market. Volumes gained as compared to previous trading session. Prices closed below the 9-day and 18-day EMA, indicating weak trend in the market leaving scope for further fall in prices. MACD is bearish in negative territory. 14-day RSI is extremely oversold and moving slightly upwards. Red chillies futures are likely to trade weak in next trading session however; a slight spurt is likely during the mid trading session.

CHLL334GTR 0708(NCGTRQ7)2007/07/17 - Daily B:3818.00 A:3825.00
O 3775.00 H 3869.00 L 3771.00 C 3825.00 V 9,71,019,815 +30

EMA(9) 4047.2 (14) 4159.5



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|--------------|------|------|------|------|------|
| NCDEX August | 3601 | 3698 | 3825 | 4194 | 4265 |

TRADE RECOMMENDATION

Sell NCDEX August Chilli at Rs. 3825-3830 with a target of Rs. 3773 and then Rs.3738 with a strict stop loss of Rs. 3878. Trade cautiously with intraday outlook.

| Centers | Variety | Price/Qtl | Arrival (Bags) 1 bag = 40 to 45 Kgs |
|---------|------------------------|-----------|--|
| Guntur | LCA 334 (Cold Storage) | 3500-4000 | 55000-60000 |

TURMERIC

July 18, 2007

SPOT MARKETS

Turmeric prices at the major spot market were traded steady. At Nizamabad and Erode the arrivals and offtake gained as against Monday's trading session where as the prices remained unchanged. Sowing activity is in progress at Andhra Pradesh and Tamil Nadu and is likely to get completed by end of July. Local demand is reported to be steady. Export demand from Japan was reported to be good. Currently there is a total stock of 9,090 tonnes at NCDEX accredited warehouses all over India.

FUTURES MARKETS

Turmeric most active August futures at NCDEX opened firm by Rs.2 at Rs.2154. The futures during the initial trading session witnessed firmness at Rs.2168 and there after made an intraday low at Rs.2141 on selling activity. The open interest dropped amidst subdued volumes which did not support the price movement. The contract then closed marginally weak by 0.14 percent at Rs.2150 as compared to Mondays close price.

PRICE DRIVERS

Bearish:

1. Higher production estimates for the season

Bullish

1. Low acreage is likely due to fall in prices last year
2. Good export demand in the market.

WEATHER

Rain/thundershowers are likely at most places over coastal and south interior Karnataka, Andhra Pradesh and Tamil Nadu is beneficial for the crop. Excess rainfall over Maharashtra is likely to cause damage to the crop at its growing stage.

TECHNICALS

Candlestick is indicating indecisive trend in the market. Volumes were low as compared to previous close price and did not support the price movement. Prices closed below the 9-day EMA, indicating that the trend favours the bears for short-term. MACD is in negative territory and bearish. 14-day RSI is in the oversold region. Turmeric futures are likely to trade weak with slight firmness in the prices during intraday.

Turmeric 0708(NCTMCQ7)2007/07/17 - Daily B:2147.00 A:2151.00
O 2154.00 H 2168.00 L 2141.00 C 2150.00 V 15,110 I 27,640 -2

EMA(9) 2185.9 (14) 2198.0



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|--------------|------|------|------|------|------|
| NCDEX August | 2106 | 2117 | 2150 | 2192 | 2202 |

TRADE RECOMMENDATION

Sell NCDEX August Turmeric at Rs.2150-2152 or at the market open price with a target of Rs. 2139 and then Rs. 2128 with a strict stop loss of Rs. 2159. Trade cautiously with intraday outlook.

| Centers | Variety | Price/Qtl | Arrival (Bags) 1 bag = 90 Kgs |
|-----------|---------|-----------|----------------------------------|
| Nizamabad | Finger | 1925-1950 | 600 |
| | Gattah | 1825-1850 | |
| Erode | Finger | 2100-2150 | 5000 |
| | Gattah | 2000-2050 | |

SPOT MARKETS

Cardamom auction remained closed at Nudukandam and is likely to take place on Wednesday. Local dealers say that domestic demand is good and the old stock is being sold in the auctions. Export demand is likely to pick up once the new crop starts arriving in the market by 3rd week of August or September. Cardamom prices at the auction are likely to remain firm for a medium term due to lower production by 20-30 percent for the season.

FUTURES MARKETS

Cardamom most active August futures contract closed firm after opening slightly weak. The futures opened slightly weak at Rs.509. The contract surged up on fresh buying support to Rs.518.6 after making an intraday low at Rs.507.4. Open interest gained amidst very good volumes supporting the bull trend in the market. The contract then closed firm by 1.67 percent at Rs.518 as against Monday's close.

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 at Kerala and Tamil Nadu. This would be beneficial for the crop at this stage.

TECHNICALS

Candlestick is indicating weak opening, initial uptrend and active bulls in the market. Volumes gained significantly and supported the price movement. Prices closed above the 9 day and 18-day EMA, indicating that the trend favours the bulls for the short term. MACD is positive leaving scope for further uptrend. 14-day RSI is in oversold region. Cardamom futures are likely to trade firm in the next trading session with a slight dip in the prices during the mid trading session.

CARDAMOM 0708(MXCAMQ7)2007/07/17 - Daily B:518.00 A:518.60
O 509.00 H 518.60 L 507.40 C 518.00 V 1,216 T 62,661 I 1,655 +8.5

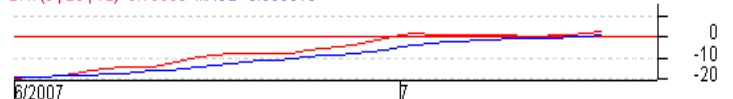
EMA(9) 508.71 (18) 506.11



RSI(9,MA(6)) 72.5224



DAV(9, 26, 12) 3.18986 MACD 0.835813



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|-------|-------|-----|-------|-------|
| MCX August | 498.6 | 502.3 | 518 | 528.6 | 534.8 |

TRADE RECOMMENDATION

Buy MCX August Cardamom near Rs.518-517.5 or market open price with a target of Rs. 526.8 with a strict stop loss of Rs. 512.8 Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Nudukandam

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