

## ■ BLACK PEPPER

■ July 17, 2007

### SPOT MARKETS

Black pepper markets witnessed some weakness at the start of this week. It was quoted lower by Rs. 100 per quintal in Kochi markets amid arrivals as well as offtake of 12.5 metric tonnes. Spillover weakness from the futures market has also pressurised the spot market trend. Indian ASTA grade pepper remains highly competitive in global market with prices quoting around US\$ 4,000 per metric tonne C&F Cochin. Global supply situation continue to remain tight with an estimated shortfall of 47,500 tonnes in 2007. A good quantity of around 14,800 tonnes of certified pepper stock is lying with the national commodity exchanges.

### FUTURES MARKETS

Black pepper futures at NCDEX opened higher as compared to previous settlement and the most active August contract tested an intraday high of Rs. 15025 at the opening session of trade. Increased selling interest has pressurised the futures and the futures traded downwards thereafter to test an intraday low of Rs. 14628. The futures finished lower after paring some of the losses in late action. Most active August contract traded in the range of Rs. 14628-15025 during Monday'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 to weak opening and initial downtrend. Prices closed below the 9-day as well as 18-day EMA, indicating bearish trend in the market. MACD is moving indecisively in positive territory. 14-day RSI is neutral and moving downwards, leaving scope for further downtrend. Volume has increased, while open interest has declined as compared to previous settlement. Pepper futures are likely to trade downwards following a steady to weak opening with possibility of upward movements later in the session.

Pepper 0708(NCPEPQ7)2007/07/16 - Daily B:14738.00 A:14740.00  
O 14960.00 H 15025.00 L 14628.00 C 14738.00 V 14,097 I 12,876 -203  
EMA(9) 14923 (18) 15012



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	14225	14475	14738	15031	15275

### 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	12.5
	Ungarbled	13900	

## CUMIN

July 17, 2007

### SPOT MARKETS

Domestic jeera markets remain bearish at the start of this week. It was offered in a lower price range in benchmark Unjha market owing to reduced offtake amid higher arrivals. Lacklustre trading activity has kept the prices under pressure. Moreover, weakness in jeera futures prices have also dampen physical market sentiments. The Forward Market Commission is expected to sort out issues related to open position limit, quality and delivery of pepper in next few days. 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 marginally lower as compared to previous settlement and most active August contract tested an intraday high of Rs. 12740 at the opening session of trade. Increased selling interest has pressurised the futures thereafter and the futures traded downwards to test an intraday low of Rs. 12502. The futures finished with significant losses in final action. Most active August contract traded in the range of Rs. 12502-12740 during Monday's trade.

### 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 steady to 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 has increased, while open interest has declined as compared to previous settlement. Jeera futures are likely to trade downwards following a steady to weak opening with possibility of upward movements later in the session.

JEERA 0708(NCJEEQ7)2007/07/16 - Daily B:12535.00 A:12546.00  
O 12740.00 H 12740.00 L 12503.00 C 12546.00 V 9,939 I 10,569 -179

EMA(9) 12654 (18) 12735



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	12240	12355	12546	12689	12814

### TRADE RECOMMENDATION

Sell NCDEX August Jeera near 12600-12620 with a target of Rs. 12525 and then Rs. 12490 with a strict stop loss of Rs. 12685. 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	4000-5000
	Machine Cleaned	2760-2840	

## CHILLI

July 17, 2007

### SPOT MARKETS

Chilli spot prices at Guntur market were traded low at Rs.3700-4200 per quintal. The arrivals were good at 55000-60000 bags amidst low offtake of 20000-22000 bags. The week started with lackluster domestic demand 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.3970. The contract failed to breach the opening levels to make any high for the day and thereafter tested fresh lows at Rs.3790 on selling pressure. Open interest gained amidst very good volumes as against previous trading session. The change in close price and open interest is indicating short accumulation. The contract then closed down steeply breaching the lower circuit by 5.04 percent at Rs.3795 as compared to Saturdays 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 Andhra Pradesh. Rainfall during the time of the sowing is beneficial for the crop.

### TECHNICALS

Candlestick is indicating weak opening and strong bears in the market. Volumes gained significantly 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 leaving scope for a positive move in the prices. Red chillies futures are likely to trade firm in next trading session however; a slight dip is likely during the mid trading session.

CHLL334GTR 0708(NCGTRQ7)2007/07/16 - Daily B:3795.00 A:3800.00  
O 3970.00 H 3970.00 L 3790.00 C 3795.00 V 8,895 I 9,270 -200



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	3648	3718	3795	4194	4265

### TRADE RECOMMENDATION

Buy NCDEX August Chilli at Rs. 3790-3795 with a target of Rs. 3845 and then Rs.3876 with a strict stop loss of Rs. 3725. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3700-4200	55000-60000



## TURMERIC

July 17, 2007

### SPOT MARKETS

Turmeric prices at the major spot market on the first day of the week remained unchanged where as witnessed firmness of Rs.20-25 per quintal at Duggirala market. At Nizamabad and Erode the arrivals and offtake remained more or less similar amidst steady prices. 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 weak by Rs.2 at Rs.2166. The futures after initial firmness at Rs.2176 tested an intraday low at Rs.2138 on active bears. The open interest gained amidst very good volumes. The change in close price and open interest is indicating short accumulation. The contract then closed weak by 0.86 percent at Rs.2152 as compared to Saturdays 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 Karnataka, Andhra Pradesh and Tamil Nadu is beneficial for the crop at its growing stage. Excess rainfall over Maharashtra is likely to cause damage to the crop at its growing stage.

### TECHNICALS

Candlestick is indicating weak opening, initial uptrend and thereafter selling pressure in the market. Volumes were very good compared to previous trading session. 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 leaving scope for a positive move in the prices. Turmeric futures are likely to recover and trade firm with a slight dip during the next trading session.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	2112	2124	2152	2203	2211

### TRADE RECOMMENDATION

Buy NCDEX August Turmeric at Rs.2150-2152 or at the market open price with a target of Rs. 2161 and then Rs. 2178 with a strict stop loss of Rs. 2143. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1925-1950	500
	Gattah	1825-1850	
Erode	Finger	2100-2150	3800
	Gattah	2000-2050	



## ■ CARDAMOM

■ July 17, 2007

### SPOT MARKETS

Cardamom auction remained closed at Bodinayakanur 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 1<sup>st</sup> week of August. 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 weak after opening firm. The futures opened firm at Rs.511. The contract then surged up to Rs.513.7 during the initial trading session there after made an intraday low at Rs.506.2. Open interest was slightly low amidst good volumes. The contract then closed marginally weak by Re.0.30 at Rs.509.9. as against Saturday's close price.

### 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 firm opening, initial uptrend and there after active bears in the market. Volumes gained slightly as against previous trading session. Prices closed above the 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 moving upwards and is neutral. 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)2007/07/16 - Daily B:509.30 A:510.00  
O 511.00 H 513.70 L 506.20 C 509.90 V 657 T 21,265 I 1,546 -0.3



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	499.3	502.3	509.3	518.2	522.3

### TRADE RECOMMENDATION

Buy MCX August Cardamom near Rs.509-509.3 or market open price with a target of Rs. 514.3 with a strict stop loss of Rs. 505.7 Trade cautiously with intraday outlook.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Bodinayakanur

Closed

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