

■ BLACK PEPPER

■ July 12, 2007

SPOT MARKETS

Black pepper markets retrace back from previous weakness during Wednesday's trade. It was quoted higher by Rs. 100 per quintal in Kochi markets amid no arrivals as well as offtake. Traders reported presence of demand, both domestic as well as overseas, at lower price levels as a supportive factor for prices. Moreover, some recovery in pepper futures prices has also supported the market sentiments. However, traders alleged that exporters and hedgers are finding it difficult to operate on the exchange platforms given the lower open position limit set by FMC.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher as compared to previous settlement and the most active August contract tested an intraday low of Rs. 14201 amid a volatile trade. Increased buying interest at the lower price levels has supported the futures thereafter and the futures traded sharply upwards to test an intraday high of Rs. 14590 during final hours of trade. The futures finished near day's high in final action. Most active August contract traded in the range of Rs. 14201-14590 during Wednesday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

1. Stocks with commodity exchange warehouses over 15,000 tonnes
2. Talks of lower pepper prices offered by Vietnam

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 firm opening and initial uptrend. Prices closed below the 9-day as well as 18-day EMA, indicating a bearish trend in the market. MACD is moving downwards in positive territory, supporting the weakness. 14-day RSI is neutral and moving upwards, leaving scope for further uptrend. Volume has increased, while open interest has declined as compared to previous settlement. Pepper futures are likely to trade upwards following a firm opening with possibility of some downward movements later in the session.

Pepper 0708(NCPEPQ7)2007/07/11 - Daily B:14579.00 A:14589.00
O 14309.00 H 14585.00 L 14205.00 C 14581.00 V 20,296 I 13,518 +



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	14000	14243	14581	14864	15100

TRADE RECOMMENDATION

Buy NCDEX August Pepper near Rs. 14500-14550 with a target at Rs. 14650 and then Rs. 14700 with a strict stop loss at Rs. 14400. Trade cautiously with intra day outlook.

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

SPOT MARKETS

Domestic jeera markets remain stable during Wednesday's trade. It was offered in an unchanged price range in Unjha markets amid steady arrivals and higher offtake. Traders reported some export activity. Trading was lacklustre for past few days due to rainfall over major growing/trading centres. Recently, the NCDEX notified that all grades of Jeera starting with a prefix as 'JRI' cannot be delivered in July 2007 expiry contracts on the Exchange platform as these grades do not meet the quality specifications for contracts expiring in July 2007. However from August 2007 expiry contracts such grades of Jeera will also be deliverable.

FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and most active August contract tested an intraday high of Rs. 12535 at the early hours of trade. The futures traded downwards thereafter to test an intraday low of Rs. 12311 only to recover back again. The futures finished with 1.24 per cent gain after paring the losses in final action. Most active August contract traded in the range of Rs. 12311-12535 during Wednesday's trade.

PRICE DRIVERS

Bullish:

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

Bearish:

1. Lack of buying support in markets

WEATHER

Rain/thundershowers are likely at many places over Gujarat state and East & Southwest Rajasthan. Rain/thundershowers are likely at a few places over the rest region. Heavy rainfall would limit regular trading activity.

TECHNICALS

Candlesticks pattern indicates steady to firm opening and initial uptrend. 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 upwards, leaving scope for further uptrend. 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 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 August	12134	12259	12460	12681	12825

TRADE RECOMMENDATION

Buy NCDEX August Jeera near 12400 with a target of Rs. 12500 and then Rs. 12550 with a strict stop loss of Rs. 12325. 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	1500-2000
	Machine Cleaned	2760-2840	

SPOT MARKETS

Spot prices for chilli at the Guntur market remained unchanged for the Wednesday. The trade lacked luster amidst good arrivals and low offtake of around 15000 bags. Chilli acreage at Andhra Pradesh is likely to rise up to 1.50-1.80 lakh hectare where as usually it is 1.60 lakh hectares. The output for the year 2007-08 is likely to go up by 20-30 per cent due to large area under cultivation. Favourable climate during sowing time as well as higher stock levels up to 53 lakh bags is further adding weakness to the prices. The prices are likely to witness slump due to anticipation of higher production and present lackluster demand in the market.

FUTURES MARKETS

Red chillies most active August futures tested fresh lows for the contract. The contract opened weak with a gap at lower side at Rs.4197 and just managed to gain slightly up to Rs.4200 during initial trading session. The contract there after slipped and tested an intraday low at Rs.4026. Open interest gained marginally amidst significant gain in the volumes. The contract then closed at Rs.4082 down by 2.41 per cent as against Tuesday's close price.

PRICE DRIVERS

Bearish:

1. Domestic production is estimated higher by 20 percent
2. Chilli acreage at Andhra Pradesh is likely to go up.
3. High stock levels nearly 53-lakh bags at the cold storages

WEATHER

Rain/thundershowers are likely over coastal and interior of Karnataka and isolated near Andhra Pradesh. Good rainfall during the time of the sowing is beneficial for the crop.

TECHNICALS

Candlestick is indicating initial weak opening and active bears in the market. Volumes were at their highest levels for the contract. 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 there is scope for slight recovery. Red chillies futures are likely to trade weak in next trading session with a slight spurt in the prices during the mid trading session. However a positive correction on a positive side is likely very soon.

CHLL334GTR 0708(NCGTRQ7)2007/07/11 - Daily B:4075.00 A:4085.00
O 4197.00 H 4200.00 L 4026.00 C 4082.00 V 10,600 I 7,175 -133

EMA(9) 4345.1 (14) 4417.8



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	3887	3938	4082	4315	4395

TRADE RECOMMENDATION

Sell NCDEX August Chilli at Rs. 4082-4100 with a target of Rs. 4002 and then Rs. 3975 with a strict stop loss of Rs. 4145. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	4000-4400	50000

TURMERIC

July 12, 2007

SPOT MARKETS

Turmeric spot prices at Nizamabad market traded slightly firm by Rs.25-30 per quintal amidst low arrivals. At Erode market the prices were steady amidst slightly low arrivals as compared to Tuesday's trading session. At Sangli, prices for Sadashivpet traded slightly firm by Rs. 15 per quintal. Demand was reported to be good. Sowing at most of the areas at Nizamabad is completed and this year sowing is likely to be down by 10% in this area as compared to last year.

FUTURES MARKETS

Turmeric most active August futures at NCDEX closed in a red zone down by 0.76% at Rs.2192 after initial uptrend. The contract opened firm by Rs.2 at Rs.2214. During the initial trading session the contract witnessed fresh buying coming and the prices surged up to Rs.2227. However, the contract then made a steep fall to Rs.2179 level during the later part of trading session. Both the volumes and open interest gained significantly as against previous trading session.

PRICE DRIVERS

Bearish:

1. Higher production estimates for the season
2. Weak domestic and overseas demand

Bullish

3. Low acreage is likely due to fall in prices last year

WEATHER

Rain/thundershowers are likely at most places over Karnataka, Andhra Pradesh and Tamil Nadu. Rainfall over Maharashtra would also benefit the crop at its growing stage.

TECHNICALS

Candlestick is indicating initial uptrend and active bearish sentiments during the later trading session. The volumes gained significantly and supported the price movement. Prices closed below the 9-day EMA, indicating that the trend favours the bears for short-term. MACD is moving upwards leaving scope for up move in the market. 14-day RSI is in the neutral and moving towards the oversold region. Turmeric futures are likely to trade weak with slight firmness in the prices.

Turmeric 0708(NCTMCQ7)2007/07/11 - Daily B:2191.00 A:2193.00
O 2214.00 H 2227.00 L 2179.00 C 2192.00 V 22,970 I 26,960 -20



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	2145	2155	2192	2246	2253

TRADE RECOMMENDATION

Sell NCDEX August Turmeric at Rs. 2192-2195 or at the market open price with a target of Rs. 2184 and then Rs. 2176 with a strict stop loss of Rs. 2201. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1950-1975	500-1000
	Gattah	1850-1880	
Erode	Finger	2100-2150	3500
	Gattah	2000-2050	

SPOT MARKETS

Cardamom auction for the season has been initiated. The arrivals of 25000 kg were sold completely. Traders say that the domestic demand for the commodity is good. Cardamom production is likely to be short around 9000-11000 for the year 2007-08 due to the unfavorable climatic conditions. Large cardamom import for the year 2006-07 has gained to 6275 tones valued at Rs.54.68 crores as against year 2005-06's 4935 tones valued at Rs.40.06 crores.

FUTURES MARKETS

Cardamom most active August futures contract closed in negative territory. The futures contract opened at Rs.502. After gaining marginally during the initial trading session up to Rs.503.9 the contract made an intraday low at Rs.501. The open interest came down marginally amidst very low volumes as compared to previous highs for the contract. The contract closed marginally weak 0.26% at Rs.502.2 as compared to previous 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

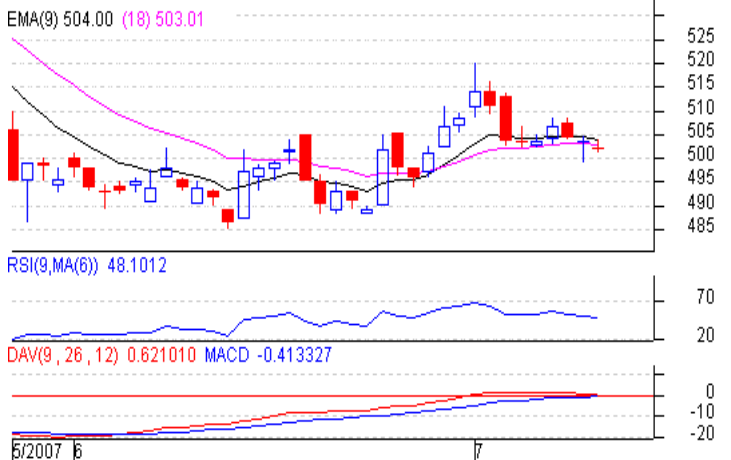
WEATHER

Rain/thundershowers are likely at most places at Kerala and Tamil Nadu This would be beneficial for the crop at this stage.

TECHNICALS

A Doji candlestick is indicating indecisive trend in the market amidst very low volumes. Prices closed below the 18-day EMA, indicating that the trend favours the bears for the short term. MACD is steady in the negative region. 14-day RSI is moving downwards and is neutral. Cardamom futures are likely to trade weak in the next trading session with a slight firmness in the prices during the mid trading session.

CARDAMOM 0708(MXCAMQ7)2007/07/11 - Daily B:502.20 A:502.80
O 502.00 H 503.90 L 501.00 C 502.20 V 290 T 14,572 I 1,373 -1.3



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	495.5	493.6	502.2	509.5	513.4

TRADE RECOMMENDATION

Sell MCX August Cardamom near Rs. 502.2-502.5 or market open price with a target of Rs. 497.3 with a strict stop loss of Rs. 504.5 Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Kumily	490	25000

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