

■ BLACK PEPPER

■ July 05, 2007

SPOT MARKETS

Black pepper traded firm at the domestic markets. The prices remained unchanged at the Kochi market on subdued trading activity. Pepper traded range-bound at NCDEX with prices closing marginally lower than the opening. This failed to provide any cue to traders in physical market who are closely watching the price movements in futures market. Export inquiries are supporting domestic market and lower price of the Indian pepper ASTA variety compared to that of Vietnam and Brazil has resulted in increased demand for the same from US. However, value-added processors and oleoresin manufacturers in the country are opting for other varieties of pepper, leading to a rise in imports.

FUTURES MARKETS

Black pepper futures at NCDEX opened higher than the previous close and traded down. The most active August contract opened firm 15687/qrtl. The contract traded steadily upwards thereafter to test a high of Rs. 15840/. The prices were pushed down later by increased selling activity at the higher levels to test an intraday low of Rs. 15571/qrtl, before settling at Rs. 15631/qrtl. Open interest of the contract dipped marginally, while volume traded dipped significantly as compared to the previous day.

PRICE DRIVERS

Bullish:

1. Global demand-supply mismatch
2. India's export up 50% on year at 2,200 tonnes in May 2007
3. Increased US demand for Indian pepper

Bearish:

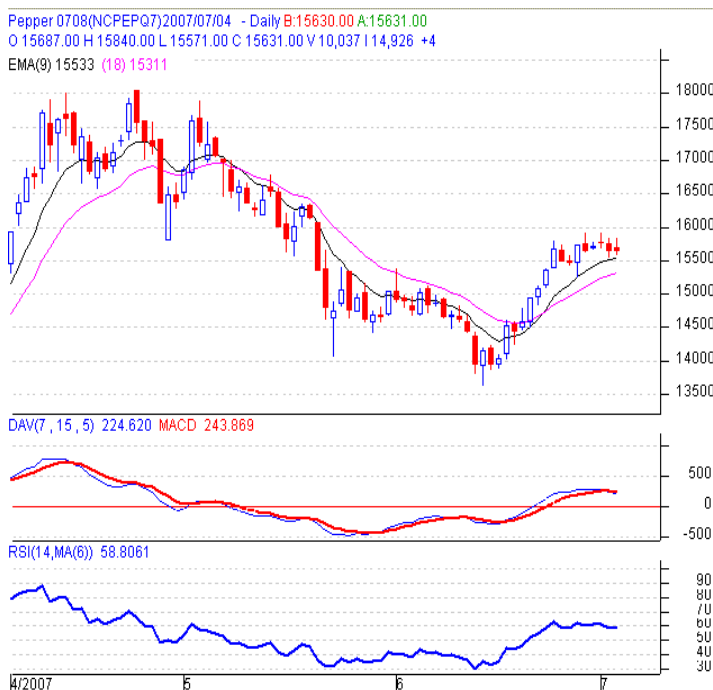
1. Profit taking at higher price levels

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

A bearish candle with strong selling pressure at higher levels is formed with prices closing above the EMAs. RSI and MACD are flat in the neutral region, giving scope for movement in either direction. MACD is likely to give a bullish crossover, while Stochastic is falling in the neutral zone with a probability for bearish cross over. Black pepper is expected to trade range-bound following firm opening in the short term.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	15128	15335	15631	16011	16163

TRADE RECOMMENDATION

Sell NCDEX August Pepper below Rs. 15680 with a target at Rs. 15560 and then Rs. 15530 with a strict stop loss at Rs. 15740. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14800	—
	Ungarbled	14200	

SPOT MARKETS

Domestic jeera prices improved at the major trading centres on offtakes exceeding the arrivals. Arrival of jeera to the markets was affected by the heavy rains in and around the trading centre. The domestic market is supported by the higher demand from Singapore and export inquiries. Lower quantities are expected to arrive in the market, thereby resulting in some firmness in prices. Estimated decline in production in Syria and Turkey has resulted in firmness in global jeera prices. Jeera is expected to trade firm in the domestic as well as global markets in the medium to long term.

FUTURES MARKETS

NCDEX Jeera contracts traded bullish during the day with the most active August contract opening higher at Rs. 12872. The contract traded down steadily up to test a high of Rs. 13099. The sellers emerging at the higher levels pushed the prices down to close at Rs. 12917. The contract traded in the range of Rs. 12862-13099 with marginal decline in open interest and increase in volume traded, indicating short liquidation.

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

Rain/thundershowers are likely at a few places over East Rajasthan and Gujarat state during next 48 hours and increase thereafter. Isolated rain/thundershowers are likely over West Rajasthan. Weather is not crucial at present as the harvesting season is over.

TECHNICALS

A bearish candle with a stronger selling pressure at higher levels is formed for the day, with prices closing at par with the EMAs. RSI is rising in the neutral zone, while Stochastic is falling after a bearish crossover. MACD is flat in the negative region and about to make a bullish crossover. Increase in volume and open interest indicates long accumulation. The market is expected to trade range-bound with bullish undertone in the short term.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	12593	12718	12917	13158	13269

TRADE RECOMMENDATION

Buy NCDEX August Jeera near 12925-12930 with a target of Rs. 12994 and then Rs. 13045 with a strict stop loss of Rs. 12880. Trade cautiously with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2470-2550	
	Ganesh	2570-2650	—
	Machine Cleaned	2770-2850	

SPOT MARKETS

Chilli spot price quotes remained unchanged on Wednesday. The arrivals and offtake remained unchanged at 20000-25000 bags at the Guntur market. Chilli acreage is likely to be surged by 10,000 hectares to last years 57,672 hectares of total area under cultivation. The output for the year 2007 -08 is likely to go up by 20-30% due to large area under cultivation. The crop for next season is likely to hit the market early by November -December where as usually it arrives during January - February.

FUTURES MARKETS

Red chillies most active August futures at NCDEX opened weak at Rs.4516. The contract during the initial trading session witnessed firmness at Rs.4565. The contract there after slumped and made an intraday low at Rs.4464 on selling pressure. Volumes and pen interest gained slightly. The change in close price and open interest is indicating short accumulation. The contract then closed at Rs.4492 down by 0.57 % as compared to previous close price.

PRICE DRIVERS

Bullish:

1. Export up to 132 percent to 40000 tonnes in April-May 2007

Bearish:

1. Domestic production is estimated higher by 20 percent
2. Chilli acreage is likely to be surged by 10,000 hectares
3. Sluggish demand in the market

WEATHER

Rain/thundershowers are likely at most places over the region outside south Tamil Nadu where it is likely at many places. Weather is not a crucial factor at present.

TECHNICALS

Candlestick is indicating indecisive trend in the market. The slight gain in volumes supported the price movement. Prices closed below the 9-day EMA, indicating short-term weak trend in the market leaving scope for further fall in prices. MACD is moving indecisively in negative territory. 14-day RSI is neutral and moving downwards. Stochastic oscillator is in neutral region. Red chillies futures are likely to trade weak in next trading session with a slight spurt in the prices.

CHLL334GTR 0708(NCGTRQ7)2007/07/04 - Daily B:4491.00 A:4498.00
O 4516.00 H 4565.00 L 4464.00 C 4492.00 V 6,050 I 7,130 -38



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	4325	4360	4492	4695	4755

TRADE RECOMMENDATION

Sell NCDEX August Chilli at Rs. 4490-4525 with a target of Rs. 4425 and then Rs. 4385 with a strict stop loss of Rs. 4555. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	4000-4500	40000

TURMERIC

July 05, 2007

SPOT MARKETS

Turmeric prices at the major auctions were traded steady as that of Wednesday's trading session. The prices at the Erode auctions were quoted unchanged amidst slight gain in the arrivals. At Nizamabad as well the prices remained similar to that of previous trading session amid steady arrivals as well as offtake. Sowing has been initiated at Nizamabad region in Andhra Pradesh and so far there is no major fall in the acreage. A trader at Sangli said that there is good domestic demand for Gattah from Uttar Pradesh.

FUTURES MARKETS

Turmeric most active August futures at NCDEX opened firm by Rs.3 at Rs.2280. The contract after an initial firmness up to Rs.2292 made an intraday low at Rs.2263 on selling pressure. The fall in the prices and gain in open interest is indicating short accumulation. The volumes failed to breach previous highs. The contract then closed weak at Rs.2268 down by 0.76% as against previous close price.

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 the region outside south Tamil Nadu where it is likely at many places. Rainfall over Karnataka and Maharashtra would benefit the crop at its growing stage.

TECHNICALS

Candlesticks pattern indicated active bears in the market. The volumes were low as compared to previous trading session. Prices closed above the 9-day as well as 18-day EMA, indicating that the trend favours the bulls for short-term. MACD is moving upwards and supporting the uptrend in the market. 14-day RSI is in the neutral region and moving downwards. Turmeric futures are likely to trade weak and we can expect slight firmness in the prices during the initial trading session.

Turmeric 0708(NCTMCQ7)2007/07/04 - Daily B:2268.00 A:2269.00
O 2280.00 H 2292.00 L 2263.00 C 2268.00 V 13,340 I 26,620 -9



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	2223	2238	2268	2308	2321

TRADE RECOMMENDATION

Sell NCDEX August Turmeric at Rs. 2268-2270 or at the market open price with a target of Rs. 2257 and then Rs. 2249 with a strict stop loss of Rs. 2781. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1950-2000	1500
	Gattah	1875-1900	
Erode	Finger	2125-2175	4800
	Gattah	2000-2075	



■ CARDAMOM

■ July 05, 2007

SPOT MARKETS

Cardamom auction is likely to resume from 2nd or 3rd week of July onwards. Cardamom production is likely to be short around 9000-11000 tonne. Mr. Devassia, executive secretary of Cardamom Growers Association said that Import of under-valued cardamom from Guatemala is depressing the Indian prices adding to this he also said that 20,000 kg of cardamom has already reached the Mumbai port and another consignment of the same quantity will arrive soon.

FUTURES MARKETS

Cardamom most active August futures contract opened firm by Rs.1.9 at Rs.513.8. The contract after initial firmness at Rs.513.8 made an intraday low at Rs.502.5 on selling pressure. The gain in open interest and fall in the close price is indicating short accumulation amidst good volumes. The contract then closed at Rs.503.1 down by 1.53% 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 over the region outside south Tamil Nadu where it is likely at many places. This would be beneficial for the crop.

TECHNICALS

Candlestick is indicating active bears in the market. The volumes gained and supported the price movement. Prices closed above the 18-day EMA, indicating that the trend favours the bulls for the short term. MACD is moving upwards leaving scope for further uptrend in the market. 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)2007/07/04 - Daily B:503.10 A:503.90
O 512.80 H 513.80 L 502.50 C 503.10 V 338 T 17,134 I 866 -7.8
EMA(9) 504.48 (18) 502.08



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	490.1	494	503.1	519.9	526.5

TRADE RECOMMENDATION

Sell MCX August Cardamom near Rs. 503.1-504 or market open price with a target of Rs. 498.4 with a strict stop loss of Rs. 507.5 Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Kumily

Closed

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