

■ BLACK PEPPER

■ July 16, 2007

SPOT MARKETS

Black pepper markets remain quiet at the weekend. It was offered in previous price range in Kochi markets amid no arrivals as well as offtake. Rangebound trade at the futures counter has kept the physical market calm. Vietnam is learnt to have quoting higher prices following some decline in the recent past. 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. However, lower open position limit coupled with higher margins has resulted in lower participation in the futures market. The Forward Market Commission is expected to sort out issues related to open position limit, quality and delivery of pepper in next few days.

FUTURES MARKETS

Black pepper futures at NCDEX opened marginally higher as compared to previous settlement and the most active August contract tested an intraday high of Rs. 15052 at the early hours of trade. The futures traded downwards thereafter to test an intraday low of Rs. 14890. The futures finished with some losses in final action. Most active August contract traded in the range of Rs. 14890-15052 on Saturday.

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 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 positive territory. 14-day RSI is neutral and moving flat, 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 following a steady to weak opening initially and upwards thereafter.

Pepper 0708(NCPEPQ7)2007/07/14 - Daily B:14935.00 A:14950.00
O 14990.00 H 15050.00 L 14892.00 C 14941.00 V 8,783 I 13,045 -52
EMA(9) 14969 (18) 15045



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|--------------|-------|-------|-------|-------|-------|
| NCDEX August | 14416 | 14640 | 14941 | 15381 | 15606 |

TRADE RECOMMENDATION

Buy NCDEX August Pepper near Rs. 14850-14875 with a target at Rs. 15050 and then Rs. 15100 with a strict stop loss at Rs. 14725. Trade cautiously with intra day outlook.

| Centers | Variety | Price/Qtl | Arrival (Tonnes) |
|---------|-----------|-----------|------------------|
| Kochi | Garbled | 14600 | - |
| | Ungarbled | 14000 | |

SPOT MARKETS

Domestic jeera markets witnessed a stable trend at the weekend. It was quoted unchanged in benchmark Unjha market owing to reduced offtake amid steady arrivals. Lacklustre trading activity has kept the prices in a narrow range. Rangebound trade at the futures counter has kept the market quiet. 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 besides fall in domestic production.

FUTURES MARKETS

Jeera futures at NCDEX opened marginally lower as compared to previous settlement and most active August contract tested an intraday low of Rs. 12711 at the opening session of trade. The futures traded upwards thereafter on some buying support to test an intraday high of Rs. 12811 only to retreat again. The futures finished with some losses in final action. Most active August contract traded in the range of Rs. 12711-12811 during Saturday'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 a few places over the rest region outside West Rajasthan where it may be isolated. Heavy rainfall would limit regular trading activity.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and indecision in the market. Prices closed above the 9-day EMA, indicating a short-term bullish trend. However, the close below the 18-day EMA is bearish for the market. 14-day RSI is neutral and moving flat, leaving scope for both way movements. MACD is moving indecisively in negative territory. Volume has declined, while open interest has increased as compared to previous settlement. Jeera futures are likely to trade moderately downwards following a steady to weak opening initially and upwards thereafter.

JEERA 0708(NCJEEQ7)2007/07/14 - Daily B:12721.00 A:12725.00
O 12760.00 H 12810.00 L 12711.00 C 12725.00 V 5,466 I 10,695 -15
EMA(9) 12680 (18) 12757



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|--------------|-------|-------|-------|-------|-------|
| NCDEX August | 12440 | 12575 | 12725 | 12930 | 13074 |

TRADE RECOMMENDATION

Buy NCDEX August Jeera near 12650-12675 with a target of Rs. 12800 and then Rs. 12825 with a strict stop loss of Rs. 12590. Trade cautiously with intraday outlook.

| Centers | Variety | Prices/20 Kg | Arrival (Bags) 1 bag = 55 to 60 Kgs |
|---------|-----------------|--------------|--|
| Unjha | F.A.Q | 2500-2580 | |
| | Ganesh | 2600-2680 | 2500 |
| | Machine Cleaned | 2800-2880 | |

SPOT MARKETS

Chilli spot market at Guntur remained closed on weekend. The domestic demand is reported to be weak for the commodity. Traders say that currently there is good export demand for chillies from Bangladesh. However, due to rainfall the transportation for the commodity has been hit and hence there is delay in executing the export orders. Currently at Guntur cold storage there are stocks of 45-48 lakh bags. At NCDEX accredited warehouse the stock position as on 13th July is at 2,533 tonnes.

FUTURES MARKETS

Red chillies most active August futures opened steady at Rs.3955. The futures after dipping slightly to Rs.3940 made an intraday high at Rs.4017 and witnessed fresh buying coming in. Open interest gained slightly where as volumes remained subdued as against previous trading session. The contract then closed on a positive note at Rs.3995 up by 0.61 percent as compared to previous 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 steady opening and initial uptrend. Volumes were very low as compared to previous close 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 upwards leaving scope for positive recovery. 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)2007/07/14 - Daily B:3990.00 A:3995.00
O 3955.00 H 4017.00 L 3940.00 C 3995.00 V 6,010 I 8,550 +40

EMA(9) 4179.7 (14) 4274.9



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|--------------|------|------|------|------|------|
| NCDEX August | 3801 | 3895 | 3995 | 4194 | 4275 |

TRADE RECOMMENDATION

Buy NCDEX August Chilli at Rs. 3990-3995 with a target of Rs. 4065 and then Rs.4125 with a strict stop loss of Rs. 3925. Trade cautiously with intraday outlook.

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

TURMERIC

July 16, 2007

SPOT MARKETS

Turmeric major spot market remained closed due to weekly off. At Sangli market, prices were firm by Rs.25-30 per quintal as compared to Friday's trading session. Local demand was reported to be good as the offtake overtook the arrivals. Export demand from Japan 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 against last year. 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 a Re. down at Rs.2169. The futures failed to breach the opening levels and made an intraday low at Rs.2167 on selling pressure. Open interest gained where as the volumes were low as against Friday's trading session. The change in close price and open interest is suggesting short accumulation. The contract then closed weak by 0.96 percent at Rs.2168 as compared to previous 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 where as isolated at 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 and active bears in the market. Volumes were slightly low as 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. Turmeric futures are likely to recover and trade firm with a slight dip during the next trading session.

Turmeric 0708(NCTMCQ7)2007/07/14 - Daily B:2167.00 A:2168.00

O 2189.00 H 2189.00 L 2167.00 C 2168.00 V 15,280 I 27,910 -22

EMA(9) 2205.6 (14) 2213.6



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|--------------|------|------|------|------|------|
| NCDEX August | 2139 | 2156 | 2168 | 2206 | 2215 |

TRADE RECOMMENDATION

Buy NCDEX August Turmeric at Rs.2166-2168 or at the market open price with a target of Rs. 2179 and then Rs. 2186 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 | Closed | - |
| | Gattah | | |
| Erode | Finger | Closed | - |
| | Gattah | | |

CARDAMOM

July 16, 2007

SPOT MARKETS

Cardamom prices for 7mm variety at Nedukandam auction were traded in the range of 460-470 per kg. Out of total arrivals of 10,700 kg around 10,000 kg was sold. 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 1st week of August.

FUTURES MARKETS

Cardamom most active August futures contract closed in a positive territory. The futures opened with a gap at Rs.508. The contract then filled the opening gap and made an intraday low at Rs.506.2 and there after surged to Rs.511.5. Open interest gained significantly amidst good volumes. The change in close price and open interest is indicating long accumulation. The contract then closed firm by 0.69 percent at Rs.510.2.

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

TECHNICALS

Candlestick is indicating firm opening and active bulls 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)2007/07/14 - Daily B:510.70 A:510.80
O 508.00 H 511.50 L 506.20 C 510.20 V 508 T 419 I 1,562 +3.5

EMA(9) 505.60 (18) 504.15



RSI(9,MA(6)) 63.1384



DAV(9, 26, 12) 1.48420 MACD 0.142854



SUPPORT / RESISTANCES

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|-------|-------|-------|-------|-------|
| MCX August | 499.3 | 502.3 | 510.2 | 518.2 | 522.3 |

TRADE RECOMMENDATION

Buy MCX August Cardamom near Rs.510-510.8 or market open price with a target of Rs. 515.3 with a strict stop loss of Rs. 506.7 Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Nedukandam

460-470

10700

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