

■ BLACK PEPPER

■ July 06, 2007

SPOT MARKETS

Black pepper traded firm at the domestic markets on arrival equaling offtake. According to a recent FMC directive, total margins on pepper have been reduced to 12.5 per cent on selling and 18.5 per cent on buying effective beginning of trade on July 6th. This is likely to increase participation in the market. However, the curb on open position limit continues to dent investor's interest in the pepper futures market. Export inquiries and increased demand for the Indian pepper from the U.S. on account of the lower price tag in the international market as compared to that of Vietnam and Brazil are supporting the market. The long term outlook of pepper remains firm globally.

FUTURES MARKETS

Black pepper futures traded volatile at NCDEX with a bearish undertone. The most active August contract opened weak at Rs. 15610/mtl and traded up thereafter to test a high of Rs. 15669/mtl. The sellers emerging at the higher levels pushed the prices down to test a low of Rs. 15465/mtl. The prices improved later on some buying interest at the lower levels and the contract settled at Rs. 15506/mtl. Volume traded as well as open interest improved as compared to the previous day, indicating short accumulation.

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

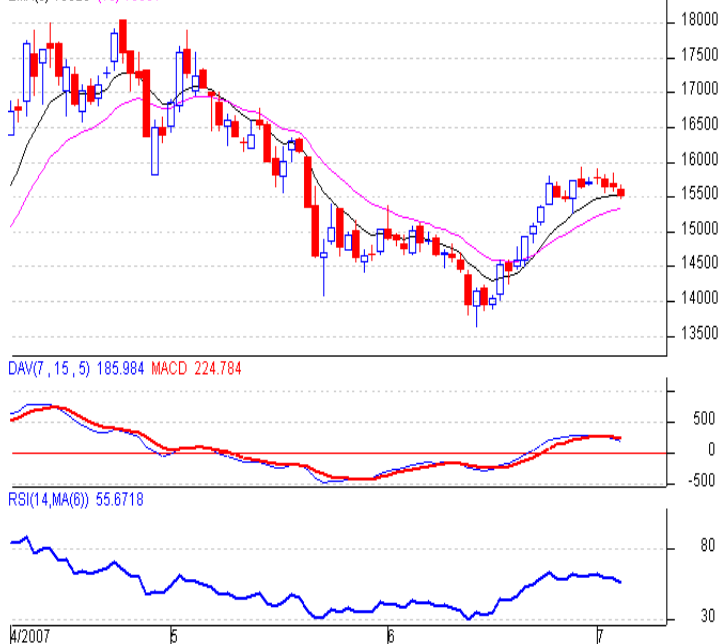
WEATHER

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 short bearish candle with buying interest below and selling pressure above is formed for the day. Prices closed at par with 9 Day EMA. RSI and Stochastic are falling slightly in the neutral zone. MACD is steady in the positive region, indicating some firmness. Market is expected to trade sideways with prices closing below the opening levels in the short term.

Pepper 0708(NCPEP07)2007/07/05 - Daily B:15503.00 A:15506.00
O 15610.00 H 15669.00 L 15465.00 C 15506.00 V 11,216 115,049 -125
EMA(9) 15528 (18) 15331



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	15128	15335	15506	15758	15996

TRADE RECOMMENDATION

Sell NCDEX August Pepper below Rs. 15550 with a target at Rs. 15430 and then Rs. 15405 with a strict stop loss at Rs. 15610. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14800	120
	Ungarbled	14200	

CUMIN

July 06, 2007

SPOT MARKETS

Domestic jeera prices improved at the major trading centres on higher offtakes. Jeera is brought to the centres after the rains, but in lower quantities as compared to the previous levels. According to a recent FMC directive, total margins on jeera have been reduced to 12.5 per cent on selling and 18.5 per cent on buying effective beginning of trade on July 6th. This is likely to increase participation in the market. However, the curb on open position limit still holds. Higher demand from Singapore and export demand are supporting the domestic market. Jeera is expected to trade firm in the domestic as well as global markets in the medium to long term.

FUTURES MARKETS

Jeera traded range-bound with bearish undertone at NCDEX. August contract opened at Rs. 12934 and traded up thereafter to test a high of Rs. 12994. Sellers emerging at the higher levels pushed the prices down to test a low of Rs. 12841. The prices improved later on some buying interest at lower levels and the contract settled at Rs. 12880. Volume and open interest of the contract declined.

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 short bearish candle is formed with buying interest below and selling pressure at higher levels. Prices closed at par with the EMAs. MACD is flat in the negative zone, while RSI is also flat in the neutral region, leaving scope for movement in either direction. Stochastic is also flat with a probability of bullish crossover. Jeera is expected to trade sideways in the short term.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	12704	12805	12880	13158	13269

TRADE RECOMMENDATION

Buy NCDEX August Jeera near 12915-12920 with a target of Rs. 12980 and then Rs. 13020 with a strict stop loss of Rs. 12885. 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	1500
	Machine Cleaned	2770-2850	

CHILLI

July 06, 2007

SPOT MARKETS

Chilli spot price quotes remained unchanged on Thursday. 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 slightly firm by Rs.3 at Rs.4495. The contract made an intraday high at Rs.4553 and low at Rs.4481. The change in close price and open interest is indicating covering of short positions. The volumes remained subdued. The contract then closed at Rs.4520 firm by 0.51% as compared to previous close price. The prices are likely to remain range bound in the next trading session.

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 slight firmness during market opening and initial uptrend. Volumes were low and failed to test yesterday's levels. 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)2007/07/05 - Daily B:4520.00 A:4530.00
O 4495.00 H 4553.00 L 4481.00 C 4520.00 V 4,735 I 6,835 +28



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	4350	4413	4520	4645	4700

TRADE RECOMMENDATION

Buy NCDEX August Chilli at Rs. 4500-4520 with a target of Rs. 4578 and then Rs. 4620 with a strict stop loss of Rs. 4465. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	4000-4500	50000

TURMERIC

July 06, 2007

SPOT MARKETS

Turmeric prices at the major auctions were traded steady to weak as against Wednesday's trading session. The prices at the Erode auctions were quoted unchanged amidst slight fall in the arrivals. At Nizamabad, arrivals as well as offtake were low as low prices were offered to the commodity. 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.2 at Rs.2270. The contract after an initial weakness at Rs.2258 made an intraday high at Rs.2279. During the later part of the trading session the contract witnessed fresh buying coming in. The open interest gained and the volumes were low. The contract then closed at Rs.2268 a Re. up as compared to 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 is indecisive and indicated active participation of both bears as well as bulls 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 and moving flat. Turmeric futures are likely to trade firm and we can expect slight dip in the prices during the initial trading session.



SUPPORT / RESISTANCES

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

TRADE RECOMMENDATION

Buy NCDEX August Turmeric at Rs. 2268-2266 or at the market open price with a target of Rs. 2276 and then Rs. 2288 with a strict stop loss of Rs. 2256. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1930-1970	500-600
	Gattah	1850-1870	
Erode	Finger	2125-2175	4800
	Gattah	2000-2075	

CARDAMOM

July 06, 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 marginally weak by Re.0.6 at Rs.503. The contract witnessed slight weakness at Rs.502 during the initial trading session. Thereafter the contract made an intraday high at Rs.506.8. The open interest gained and firmness in the prices is indicating fresh buying during the later trading session. The contract closed steady at Rs.503.6 as that of 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 where it is likely at many places. This would be beneficial for the crop.

TECHNICALS

Candlestick is indicating active bulls and initial uptrend. The volumes were down and did not support 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 flat and is neutral. Cardamom futures are likely to trade steady to firm in the next trading session with a slight slump in the prices during the mid trading session.

CARDAMOM 0708(MXCAMQ7)2007/07/05 - Daily B:504.00 A:504.70
O 503.00 H 506.80 L 502.00 C 503.60 V 159 T 8,019 I 908 0
EMA(9) 504.39 (18) 502.29



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	493.4	496.8	503.6	515.6	518.6

TRADE RECOMMENDATION

Buy MCX August Cardamom near Rs. 503.1-503.6 or market open price with a target of Rs. 508.4 with a strict stop loss of Rs. 499.5 Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Bodinayakanur	Closed	-

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