

## ■ BLACK PEPPER

■ July 11, 2007

### SPOT MARKETS

Black pepper markets extended previous weakness further during Tuesday's trade. It was quoted lower by Rs. 200 per quintal in Kochi markets amid no arrivals as well as offtake. The decline in prices is attributable to talks that Vietnam is reducing price tag in order to clear its stock ahead of the entry of Indonesian and Brazilian crop in the global market during late July and August, respectively. According to Vietnam Pepper Association, pepper production in Vietnam is estimated lower by 20 per cent at 80,000-90,000 tonnes this year. Lower supplies have in turn reduced export by around 38 per cent from the country at 53,000 tonnes during January-June 2007.

### 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. 14735 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures traded sharply downwards to test an intraday low of Rs. 14135. The futures finished with hefty losses in final action. Most active August contract traded in the range of Rs. 14135-14735 on Tuesday.

### 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 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. MACD is moving downwards in positive territory, supporting the weakness. 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)2007/07/10 - Daily B:14269.00 A:14270.00  
O 14725.00 H 14725.00 L 14136.00 C 14270.00 V 18,615 I 14,025 -400

EMA(9) 15045 (18) 15123



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	13790	14000	14270	14573	14802

### TRADE RECOMMENDATION

Sell NCDEX August Pepper near Rs. 14300 with a target at Rs. 14150 and then Rs. 14100 with a strict stop loss at Rs. 14400. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14200	-
	Ungarbled	13600	

### SPOT MARKETS

Domestic jeera markets witnessed a lacklustre trade during Tuesday's trade. Rainfall over major trading centres in Gujarat continues to hinder regular trading activity. According to a latest circular by NCDEX, 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 the grades of Jeera starting with the prefix as 'JRI' will also be deliverable, as per the contract specifications of August 2007 expiry Jeera contract.

### FUTURES MARKETS

Jeera futures at NCDEX opened higher than previous settlement and most active August contract tested an intraday high of Rs. 12540 at the early hours of trade. The futures traded sharply downwards thereafter to test an intraday low of Rs. 12240 during late hours of trade. The futures finished lower after paring some of the losses in final action. Most active August contract traded in the range of Rs. 12240-12540 during Tuesday's trade.

### 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 most places over Gujarat Region and East Rajasthan and at many places over West Rajasthan during next 36 hrs. and decrease thereafter. 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 downwards in negative territory, supporting the weakness in the market. 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)2007/07/10 - Daily B:12340.00 A:12350.00  
O 12520.00 H 12539.00 L 12240.00 C 12340.00 V 16,068 I 12,054 -167  
EMA(9) 12672 (18) 12802



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	12000	12140	12340	12500	12640

### TRADE RECOMMENDATION

Sell NCDEX August Jeera near 12375 with a target of Rs. 12275 and then Rs. 12250 with a strict stop loss of Rs. 12435. 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	

## CHILLI

July 11, 2007

### SPOT MARKETS

Chilli spot prices at the Guntur market witnessed a slump of Rs. 100 per quintal. Daily arrivals gained amidst very low offtake of 15000 bags as compared to Monday's trading session. 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% 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.4279 and did not breach the opening level to make a high. The contract there after slipped and made an intraday low at Rs.4156. Open interest gained amidst significant gain in the volumes. Fall in the prices and gain in open interest indicating short accumulation. The contract then closed at Rs.4215 down by 1.64% as against Monday'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 at most places outside south Tamil Nadu and Andhra Pradesh it is likely at these places. 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 gained significantly and supported the price movement. Prices closed below the 9-day and 18-day EMA, indicating weak trend in the market leaving scope for further fall in prices. MACD witnessed a bearish crossover in negative territory. 14-day RSI is bearish and moving downwards. 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)2007/07/10 - Daily B:4215.00 A:4219.00

O 4279.00 H 4279.00 L 4156.00 C 4215.00 V 8,160 I 7,165 -76

EMA(9) 4410.8 (14) 4469.5



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	4005	4076	4215	4405	4510

### TRADE RECOMMENDATION

Sell NCDEX August Chilli at Rs. 4215-4220 with a target of Rs. 4145 and then Rs. 4103 with a strict stop loss of Rs. 4275. 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 11, 2007

### SPOT MARKETS

Turmeric prices at the major spot market at Nizamabad and Erode were traded steady. No major changes in the prices were witnessed where as the daily arrivals gained slightly at these centres. The demand remained steady amidst good arrivals. The prices at Sangli one on the major trading centre remained unchanged amidst steady arrivals. Sowing has been initiated at Nizamabad region in Andhra Pradesh and so far there is no major fall in the acreage.

### FUTURES MARKETS

Turmeric most active August futures at NCDEX closed steady as that of previous close price. The contract opened a Re. weak at Rs.2211. The futures witnessed an initial slump at Rs.2192 on selling pressure. However during the later trading session the contract surged and made an intraday high at Rs.2220 and witnessed fresh buying coming in. 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 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

Candlestick is indicating steady opening and close along with active bears in the market. Significant gain in the volumes 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 downwards. Turmeric futures are likely to trade firm with slight slump in the prices as a positive correction is anticipated.

Turmeric 0708(NCTMCQ7)2007/07/10 - Daily B:2206.00 A:2213.00  
O 2211.00 H 2220.00 L 2192.00 C 2212.00 V 17,770 I 26,730 0  
EMA(9) 2234.9 (14) 2234.8



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	2164	2178	2212	2242	2258

### TRADE RECOMMENDATION

Buy NCDEX August Turmeric at Rs. 2212-2210 or at the market open price with a target of Rs. 2218 and then Rs. 2225 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	1925-1950	700-800
	Gattah	1825-1850	
Erode	Finger	2050-2150	5000
	Gattah	2000-2050	



## ■ CARDAMOM

■ July 11, 2007

### SPOT MARKETS

Cardamom auction is likely to take place on Wednesday. However the date for the regular auction is still not declared. 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 red zone after opening weak. The futures contract opened at Rs.503.5. After gaining marginally during the mid trading session up to Rs.504.6 the contract made an intraday low at Rs.499.1. The open interest gained significantly amidst very high volumes for the contract. The change in close and open interest is indicating short accumulation. The contract closed down by 0.46% at Rs.502.1 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 where it is likely at many places. This would be beneficial for the crop.

### TECHNICALS

Candlestick is indicating weak opening and thereafter selling pressure in the market. The volumes surged and were at its highest levels for the contract. Prices closed below the 18-day EMA, indicating that the trend favours the bears 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)2007/07/10 - Daily B:502.10 A:502.40  
O 503.50 H 504.60 L 499.10 C 502.10 V 1,495 T 64,049 I 1,384 -2.3  
EMA(9) 504.17 (18) 502.95



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	491.3	493.6	502.1	513.0	517.6

### TRADE RECOMMENDATION

Sell MCX August Cardamom near Rs. 502.1-502.5 or market open price with a target of Rs. 497.4 with a strict stop loss of Rs. 504.5 Trade cautiously with intraday outlook.

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

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