

■ BLACK PEPPER

■ July 07, 2007

SPOT MARKETS

Black pepper garbled grade traded weak in the domestic markets on weak demand, while ungarbled grade was firm. There were no arrivals or offtakes at Kochi market. 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. are supporting the market. Indian pepper is priced lower as compared to that from Brazil and Vietnam. Pepper prices are expected to remain firm in the long term.

FUTURES MARKETS

Black pepper futures traded bearish at NCDEX. The most active August contract opened weak at Rs. 15500/qrtl and traded up initially to touch an intraday high of Rs. 15530/qrtl. The prices were pushed down thereafter on increased selling pressure to test a low of Rs. 14960/qrtl before settling at Rs. 15036/qrtl. Volume traded improved, while open interest declined as compared to the previous day, indicating long liquidation.

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 long bearish candle with some buying support at lower levels is formed, with prices closing below the EMAs. MACD is almost flat in the positive zone, leaving scope for movement in either direction. RSI and Stochastic are dipping in neutral region, giving a bearish cue. Pepper is expected to trade weak in the short term with prices closing lower.

Pepper 0708(NCPEPQ7)2007/07/06 - Daily B:15036.00 A:15040.00
O 15500.00 H 15530.00 L 14960.00 C 15036.00 V 16,129 I 14,545 -470
EMA(9) 15429 (18) 15301



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	14685	14836	15036	15778	15910

TRADE RECOMMENDATION

Sell NCDEX August Pepper below Rs. 15107 with a target at Rs. 14957 and then Rs. 14937 with a strict stop loss at Rs. 15182. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14600	—
	Ungarbled	14200	

SPOT MARKETS

Domestic jeera traded flat at the domestic markets on limited arrivals and offtakes. Rains in Gujarat have dampened the trade of jeera at Unjha. 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. Rising exports demand and lower output estimates are expected to support the jeera market. Rains in Gulf countries have damaged the cumin crop, tightening the supply condition globally. Hence, jeera is expected to trade firm in the long term.

FUTURES MARKETS

Jeera traded bearish at NCDEX with the most active August contract opening firm at Rs. 12895. The contract traded up initially to test a high of Rs. 12944. Sellers emerging at higher levels pushed the prices down to test a low of 12521. Prices improved on some buying interest at lower levels and the contract closed at Rs. 12611. Volume and open interest improved, which indicates short accumulation.

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 long bearish candle with some buying support below and selling pressure above is formed for the day. Prices closed below the EMA's. MACD is flat in the negative zone, while RSI and Stochastic are falling in the neutral region. An improvement in volume and open interest indicate short accumulation. Technicals indicate that jeera will trade down after opening firm in the short term.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	12298	12380	12611	12950	13037

TRADE RECOMMENDATION

Sell NCDEX August Jeera near 12650-12655 with a target of Rs. 12570 and then Rs. 12530 with a strict stop loss of Rs. 12690. 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	

CHILLI

July 07, 2007

SPOT MARKETS

Chilli spot price quotes remained unchanged on Friday. 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 by Rs.13 at Rs.4507. The contract during the initial trading session gained marginally up to Rs.4523. However later failed to sustain the initial gains and made an intraday low at Rs.4423 on selling pressure. The volumes were slightly low to breach previous level. The contract then closed at Rs.4437 down by 1.27% as against 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 active bears in the market. The volumes were marginally low as compared to previous close price. Prices closed below the 9-day and 18-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)2007/07/06 - Daily B:4432.00 A:4440.00

O 4507.00 H 4523.00 L 4423.00 C 4437.00 V 4,555 16,970 -83



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	4301	4345	4437	4597	4652

TRADE RECOMMENDATION

Sell NCDEX August Chilli at Rs. 4437-4450 with a target of Rs. 4392 and then Rs. 4352 with a strict stop loss of Rs. 4585. 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 07, 2007

SPOT MARKETS

Turmeric prices at the major auctions were traded steady as that of Thursday's trading session. The prices at the Erode auctions were quoted unchanged amidst steady arrivals. At Nizamabad, prices were steady amidst slight gain in the arrivals and 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 steady at Rs.2268. The futures during the initial trading session witnessed firmness at Rs. 2274 on buying support. However later on the contract made a steep fall on selling pressure and made a low at Rs.2235. The volumes gained significantly as against previous trading session. The change in close price and open interest is indicating long liquidation. The contract then closed at Rs.2243 down by 1.16% 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

Long dark candlesticks is indicating active bears in the markets and selling pressure. The volumes gained 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 and supporting the uptrend in the market. 14-day RSI is in the neutral 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)2007/07/06 - Daily B:2242.00 A:2244.00

O:2268.00 H:2274.00 L:2235.00 C:2243.00 V:15,820 I:26,050 -25

EMA(9):2251.6 (14):2243.9



RSI(9,MA(6)):50.7791

MAV(9,26,12):12.3432 MACD:-0.627637



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	2210	2222	2243	2289	2301

TRADE RECOMMENDATION

Sell NCDEX August Turmeric at Rs. 2243-2248 or at the market open price with a target of Rs. 2236 and then Rs. 2228 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	1200
	Gattah	1850-1870	
Erode	Finger	2125-2175	4800
	Gattah	2000-2075	



■ CARDAMOM

■ July 07, 2007

SPOT MARKETS

Cardamom auction at Vandanmedu witnessed low arrivals all the arrivals were sold amidst good demand by the domestic dealers. Cardamom production is likely to be short around 9000-11000 for the year 2007-08 due to the unfavorable weather climatic conditions. Currently there is negligible export demand and however expected during late in August or early September.

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.502.1 during the initial trading session. Thereafter the contract made an intraday high at Rs.505 during the later part of the trading session. The open interest gained and firmness in the prices is indicating fresh buying during the later trading session. The contract closed slightly up by 0.18% at Rs.504.5 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 steady to weak opening and indecisive trend in the market as a spinning top is formed amidst marginally weak volumes. 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 upwards 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.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	498.8	500.1	504.5	515.6	518.6

TRADE RECOMMENDATION

Buy MCX August Cardamom near Rs. 504.1-504.6 or market open price with a target of Rs. 509.4 with a strict stop loss of Rs. 499.5 Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Kumily	475-490	6200

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.