

■ BLACK PEPPER

■ July 10, 2007

SPOT MARKETS

Black pepper markets witnessed a bearish trend at the start of this week. 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. However, domestic traders alleged that the Vietnamese quality is inferior to that of India's. According to news by Peppertrade Board of Brazil, Vietnam had an estimated 49,692 metric tonnes of exportable surplus after May 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. 15214 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. 14662 during final hours of trading. The futures finished near day's low in final action. Most active August contract traded in the range of Rs. 14662-15214 during Monday's trade.

PRICE DRIVERS

Bullish:

1. Total margins on futures reduced by FMC
2. Increased US demand for Indian pepper

Bearish:

1. Stocks with commodity exchange warehouses over 15,000 tonnes

WEATHER

Rain/thundershowers are likely at many places over Coastal Karnataka & Kerala and at a few places over Interior Karnataka. It would be beneficial for the growth of newly planted as well as old vines.

TECHNICALS

Candlesticks pattern indicates 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 weak opening with possibility of upward movements later in the session.

Pepper 0708(NCPEPQ7)2007/07/09 - Daily B:14660.00 A:14670.00
O 15170.00 H 15214.00 L 14670.00 C 14670.00 V 14,202 I 14,581



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	14090	14413	14670	15000	15310

TRADE RECOMMENDATION

Sell NCDEX August Pepper below Rs. 14740-14775 with a target at Rs. 14575 and then Rs. 14475 with a strict stop loss at Rs. 14925. Trade cautiously with intra day outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14400	-
	Ungarbled	13800	

SPOT MARKETS

Domestic jeera markets remain lacklustre at the start of this week as 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' e.g. JRIXXX 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. Any grades other than 'JRI' type are deliverable on the Exchange platform 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. 12769 at the early hours of trade. The futures traded sharply downwards thereafter to test an intraday low of Rs. 12420 during late hours of trade and finished lower by 1.7 per cent against previous close. Most active August contract traded in the range of Rs. 12420-12769 on Monday.

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 and East Rajasthan and at many places over the rest region during next 48 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 indecisively in negative territory. Volume as well as open interest has increased as compared to previous settlement. Jeera futures are likely to trade downwards following a steady to weak opening with possibility of some upward movements later in the session.

JEERA 0708(NCJEEQ7)2007/07/09 - Daily B:12507.00 A:12515.00
O 12749.00 H 12765.00 L 12440.00 C 12507.00 V 11,985 I 12,321
EMA(9) 12755 (18) 12857



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	12100	12259	12507	12655	12814

TRADE RECOMMENDATION

Sell NCDEX August Jeera near 12550-12565 with a target of Rs. 12460 and then Rs. 12420 with a strict stop loss of Rs. 12635. 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	2000-3000
	Machine Cleaned	2760-2840	

CHILLI

July 10, 2007

SPOT MARKETS

Chilli spot prices at the Guntur market remained unchanged on the first trading day of the week. Arrivals as well as offtake were steady at 40000 bags and 25000 bags respectively. 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 week ness to the prices. The prices are likely to witness slump due to anticipation of higher production.

FUTURES MARKETS

Red chillies most active August futures tested fresh lows for the contract after hitting 4% lower circuit. The contract opened weak wit a gap at lower side at Rs.4425 and did not breach the opening level to make a high. The contract there after slipped and made an intraday low at Rs.4271. Open interest gained amidst significant gain in the volumes. The contract then closed at Rs.4291 down by 3.87% as against Saturday's close price.

PRICE DRIVERS

Bullish:

1. Export up to 132 percent to 40,000 tonnes in April-May 2007

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 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.

CHLL334GTR 0708(NCGTRQ7)2007/07/09 - Daily B:4288.00 A:4289.00
O 4425.00 H 4425.00 L 4271.00 C 4291.00 V 6,940 I 6,790 -170

EMA(9) 4459.8 (14) 4508.7



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	4157	4200	4291	4497	4577

TRADE RECOMMENDATION

Sell NCDEX August Chilli at Rs. 4291-4300 with a target of Rs. 4245 and then Rs. 4215 with a strict stop loss of Rs. 4335. 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 10, 2007

SPOT MARKETS

Turmeric prices at the major spot market at Nizamabad and Erode witnessed a fall of around Rs.25-30 per quintal. The arrivals at Erode witnessed a slight fall where as at Nizamabad the arrivals were very low. 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 in a negative territory on sixth consecutive day. The contract opened a Re. weak at Rs.2232. The futures failed to breach the opening level after opening weak and there after made a steep fall to Rs.2206 on selling pressure. The open interest fell considerably amidst gain in the volumes. Fall in the prices along with the fall in open interest is indicating long liquidation. The contract then closed at Rs.2212 down by 0.98% 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 are indicating slightly weak opening active bears for the contract. The volumes gained significantly as against previous trading levels. 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 weak and we can expect slight firmness in the prices during the initial trading session.

Turmeric 0708(NCTMCQ7)2007/07/07 - Daily B:2232.00 A:2233.00

O 2243.00 H 2246.00 L 2221.00 C 2233.00 V 7,030 I 26,170 -9

EMA(9) 2247.7 (14) 2242.3



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX August	2180	2195	2212	2248	2265

TRADE RECOMMENDATION

Sell NCDEX August Turmeric at Rs. 2212-2215 or at the market open price with a target of Rs. 2205 and then Rs. 2198 with a strict stop loss of Rs. 2223. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1925-1950	500
	Gattah	1825-1850	
Erode	Finger	2050-2175	4300
	Gattah	2000-2050	

■ CARDAMOM

■ July 10, 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 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 closed in red zone after opening firm. The futures contract opened with a gap of Re.0.7 at Rs.507.5. After gaining marginally during the initial trading session up to Rs.508.5 the contract made an intraday low at Rs.504. The open interest gained significantly amidst very good volumes. The change in close and open interest is indicating short accumulation. The contract closed down by 0.55% at Rs.504 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 firm opening and thereafter selling pressure in the market. The volumes surged 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 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	513.0	517.6

TRADE RECOMMENDATION

Buy MCX August Cardamom near Rs. 504.-503.5 or market open price with a target of Rs. 510.4 with a strict stop loss of Rs. 501.5 Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

Closed

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