

■ BLACK PEPPER

■ Aug 28, 2007

SPOT MARKETS

Black pepper markets in Kochi remain closed due to celebration of "Onam" festival. Black pepper prices have declined considerable in the recent past as demand, both domestic as well as overseas, continue to remain weak. Spillover weakness from pepper futures market has also pressurised the physical market price trend. In a recent report the International Pepper Community mentioned that the continuous price decline in India seemed to have influenced prices at other origins. Due to quantity limitations, Indian exporters were uncommitted. On the other side, international buyers were waiting and watching for further developments with interest to cover at bid prices, according to the report.

FUTURES MARKETS

Black pepper futures at NCDEX opened lower than previous settlement and most active October contract tested an intraday high of Rs. 12445 at the early hours of trade. The futures traded sharply downwards thereafter on increased selling interest and October contract slide to test a fresh contract month low of Rs. 11965. Most active October contract finished lower by Rs. 302 or 2.27 per cent after trading in the range of Rs. 11965-12445 on Monday.

PRICE DRIVERS

Bullish:

1. Global supply shortage is estimated at 47,500 tonnes in 2007
2. Vietnam pepper output estimated lower by 10-20 per cent in 2007

Bearish:

1. Sellers active at higher price levels
2. Reported decline in global prices

WEATHER

Rain/thundershowers are likely over some places in growing region. It would be beneficial for the growth of newly planted and 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 that the trend remains bearish in the market. MACD is moving downwards in negative territory, supporting the weakness in the market. 14-day RSI is moving downwards in oversold region, 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 0710(NCPEPV7)2007/08/27 - Daily B:12110.00 A:12130.00
O 12340.00 H 12445.00 L 11970.00 C 12110.00 V 12,362 I 10,371 -285
EMA(9) 12723 (18) 13156



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11700	11875	12110	12380	12550

TRADE RECOMMENDATION

Sell NCDEX October Black Pepper near Rs. 12200-12250, with a target of Rs. 12050, then at Rs. 11975, with a strict stop loss of Rs. 12375. Trade with intraday outlook.

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

SPOT MARKETS

Domestic jeera markets remain mostly bearish at the start of this week. It was offered in a lower price range in benchmark Unjha market owing to reduced offtake amid mostly steady arrivals. Lack of buying support along with steady arrivals in the market was attributed to the sharp decline in the jeera prices recently. Moreover, sharp decline in jeera futures counter has also added to the bearish trend. Though the long-term fundamentals for jeera remain firm with the supply shortage, both domestically as well as globally, the near-term outlook seems bearish until demand improves. Traders are expecting domestic demand to improve only ahead of the festival season in October.

FUTURES MARKETS

Jeera futures at NCDEX opened lower as compared to previous settlement and most active October contract tested an intraday high of Rs. 11160 at the early hours of trade. The futures traded sharply downwards thereafter and the October contract tested a fresh low of Rs. 10736. Most active October contract finished lower by Rs. 140 or 1.12 per cent after trading in the range of Rs. 10736-11160 on Monday.

PRICE DRIVERS

Bullish:

1. Lower domestic and global production

Bearish:

1. Export down 51% in quantity and 24% in value during April-June 2007
2. Lack of buying support in the market

WEATHER

Rain/thundershowers are likely at many places over Gujarat Region. Rain/thundershowers are likely at a few places over East Rajasthan and isolated over West Rajasthan during next 48 hours and increase thereafter. Heavy rainfall may limit regular trading activity.

TECHNICALS

Candlesticks pattern indicates steady to weak opening and initial downtrend. Prices closed far below the 9-day as well as 18-day EMA, indicating a bearish trend in the market. 14-day RSI is highly oversold, leaving scope for further downtrend. However, it warrants some caution for the jeera bears and would support any reversal action if so occurs. MACD is moving downwards in negative territory, supporting the weakness. 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 0710(NCJEEV7)2007/08/27 - Daily B:10939.00 A:10945.00
O 11037.00 H 11160.00 L 10736.00 C 10944.00 V 12,054 I 10,023 -122
EMA(9) 11496 (18) 11861



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	10578	10733	10944	11212	11370

TRADE RECOMMENDATION

Sell NCDEX October Jeera at Rs. 11025-11050, with a target of Rs. 10900, then at Rs. 10850, with a strict stop loss at Rs. 11150. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2200-2280	
	Ganesh	2340-2410	2500
	Machine Cleaned	2500-2610	

CHILLI

Aug 28, 2007

SPOT MARKETS

Domestic chilli trade at Guntur during the beginning of the week witnessed a sluggish trade. The spot prices remained unchanged at Rs4000-4500 per quintal. The arrivals were low at 2500 bags and offtake of 15000 bags was witnessed. Subdued domestic demand did not support the price move on either side. Export orders were steady from Bangladesh. Moreover, good stock levels at the cold storages are also keeping the price suppressed at these levels. However, the prices for chilli are likely to remain rangebound to weak during the week ahead due to lackluster buying interest in the market.

FUTURES MARKETS

Red chillies most active September futures closed marginally weak by 0.22 percent at Rs.4625 as compared to Saturday's close price. The contract opened slightly weak at Rs.4655 and during the early trading hours the contract witnessed a high at Rs.4665 and there after witnessed selling coming in from higher levels. The contract during the later trading session witnessed a slump at Rs.4552. The open interest gained marginally amidst good volumes. The fall in close price and gain in open interest is indicating short accumulation.

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 / thundershower are likely at Andhra Pradesh and Coastal Karnataka. Rainfall during the initial growing stage is beneficial for the crop.

TECHNICALS

Candlestick pattern indicates initial slump and thereafter buying coming in towards the end. Good volumes supported the price movement. 9-day RSI is neutral and weak leaving scope for fall in prices. Prices closed above 14- day parabolic supporting the firm trend for medium term. MACD remains indecisive in positive territory supporting the firm trend. Red chillies futures are likely to trade firm during the next trading session with a slight dip in prices on profit booking.

CHLL334GTR 0709(NCGTRU7)2007/08/27 - Daily B:4625.00 A:4635.00
O 4655.00 H 4665.00 L 4552.00 C 4625.00 V 6,425 17,155 -35



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Sept	4317	4427	4625	4876	4965

TRADE RECOMMENDATION

Buy NCDEX September Chilli at Rs. 4620 or above with a target of Rs. 4684 and then Rs.4723 with a strict stop loss of Rs. 4588. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	Closed	20000

TURMERIC

Aug 28, 2007

SPOT MARKETS

Turmeric trade during the beginning of the week remained suppressed. Turmeric spot markets at Andhra Pradesh remained closed. At Erode the arrivals were low on the first day of week due to low participation of traders. The prices for the commodity remained steady at Rs.2050-2100 for fingers. Weak domestic demand as well as fall in prices at the futures market has kept the prices subdued in spot markets. Where as the export order from Gulf and Japan is reported to be active. Prices are likely to trade range bound to weak for the days ahead during the week due to lack of buying interest among local buyers.

FUTURES MARKETS

Turmeric most active September futures at NCDEX opened steady at Rs.2045 as compared to previous close price. The futures after opening steady did not surge to make a high. The contract tested fresh lows at Rs.1197 on selling pressure. The open interest dropped significantly amidst very good volumes. The fall in close price and fall in open interest indicates long liquidation. The futures then closed at Rs.2011 down by 1.85 percent as against Saturdays close price.

PRICE DRIVERS

Bearish:

1. Good stock level for the season.
2. Weak domestic demand

Bullish

1. Low acreage is likely due to fall in prices last year
2. Good export demand in the market.

WEATHER

Rain / Thundershower are likely at coastal Karnataka, Andhra Pradesh, Telangana, Tamil Nadu and Madhya Maharashtra. Rains at present are beneficial for the crop.

TECHNICALS

Candlestick is indicating selling pressure and active bears in the market. Good volumes supported the fall in prices. Prices closed below the 9-day and 18-day EMAs supportive to bears in the market. MACD is falling slowly in the negative zone, while RSI is falling in the oversold zone leaving scope for further fall in prices. Turmeric is expected to trade slightly weak as well as witness some profit booking and technical correction in prices.

Turmeric 0709(NCTMCU7)2007/08/27 - Daily B:2010.00 A:2013.00
O 2045.00 H 2045.00 L 1997.00 C 2011.00 V 19,940 I 25,940 -34



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX September	1943	1969	2011	2131	2168

TRADE RECOMMENDATION

Sell NCDEX September Turmeric at Rs.2012-2015 or above with a target of Rs.2001 and then Rs. 1990 with a strict stop loss of Rs.2022. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	Closed	-
	Gattah	-	-
Erode	Finger	2050-2100	3000
	Gattah	2000-2050	-



■ CARDAMOM

■ Aug 28, 2007

SPOT MARKETS

Domestic cardamom weekly auction at Bodinayakanur was cancelled and will be held on Thursday. Domestic demand for the commodity is likely to remain weak amidst lack of buying interest among the local buyers. The prices are likely to remain weak for a short term and firm for the long term due to festive season ahead as well as fall in production by 20-30 percent for the season as compared to last crop season.

FUTURES MARKETS

MCX Cardamom most active August futures closed at negative territory down by 1.06 percent at Rs.514 as against Saturday's close price. The futures opened firm at Rs.521.5, the futures during the early trading hours fell to make an intraday low at Rs.511.5 and did not make any high for the day. Open interest gained marginally amidst good volumes. The fall in close price and gain in open interest is indicating short accumulation.

PRICE DRIVERS

Bearish:

1. Weak domestic demand.

Bullish:

1. Domestic production estimated lower

WEATHER

Rain/thundershowers are likely at most places at Kerala and north Tamil Nadu. Heavy rains during the picking period may damage the crop.

TECHNICALS

Candlestick is indicating firm opening and thereafter active bears in the market. Prices closed below the 9-day and 18-day EMA, indicating that the trend favours the bears for the short term. 9-day RSI is in oversold region leaving scope for further fall in prices. Cardamom futures are likely to trade range bound to weak during initial and thereafter witness slight profit booking in the market.

CARDAMOM 0709(MXCAMU7)2007/08/27 - Daily B:512.00 A:514.00
O 521.50 H 521.50 L 511.50 C 514.00 V 273 T 64,305 I 518 -5.5
EMA(9) 525.34 (18) 532.45



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	496.5	502	514	534.5	542

TRADE RECOMMENDATION

Sell MCX September Cardamom near Rs.514.5 or above level with a target of Rs.510.5 and then 506.5 with a strict stop loss of Rs. 519 Trade with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

Closed

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