

■ BLACK PEPPER

■ Sep 04, 2007

SPOT MARKETS

Black pepper markets extended previous weakness further at the start of this week. It was quoted lower by Rs. 100 per quintal in benchmark Kochi market amid no arrivals as well as offtake. Traders reported weak demand as the major reason behind the decline in pepper prices at physical markets. Moreover, weakness in pepper futures counter has also weighed down on the physical markets. Despite a global supply shortage, global pepper prices have declined considerably eyeing the new harvest of Indonesia and Brazil. However, some reports suggest that almost half of the Indonesian crop has already been harvested and sold to local stockists, exporters. This may in turn result into complete harvesting within a short period of time, thus capping the recent downtrend in global pepper prices.

FUTURES MARKETS

Black pepper futures at NCDEX opened lower than previous settlement and most active October contract traded upwards initially to test an intraday high of Rs. 12370. The futures traded downwards thereafter and October contract tested an intraday low of Rs. 11955. Most active October contract finished lower by Rs. 81 or 0.64 per cent after trading in the range of Rs. 11955-12370 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. Weak domestic and overseas demand

WEATHER

Rain/thundershowers are likely over few 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. Close below the 9-day as well as 18-day EMA is suggesting a bearish trend in the market. 14-day RSI is in neutral regions, leaving scope for further downtrend. MACD is moving upwards in negative territory. Volume as well as 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 some upward movements later in the session.

Pepper 0710(NCPEPV7)2007/09/03 - Daily B:12087.00 A:12100.00
O 12099.00 H 12369.00 L 11955.00 C 12100.00 V 18,674 I 10,731 O
EMA(9) 12276 (18) 12639



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11600	11825	12100	12445	12645

TRADE RECOMMENDATION

Sell NCDEX October Black Pepper near Rs. 12200-12250, with a target of Rs. 12000, then at Rs. 11950, with a strict stop loss of Rs. 12400. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	12500	
	Ungarbled	11900	

SPOT MARKETS

Domestic jeera markets remain on an average stable during Monday's trade. It was offered in a mostly unchanged price range in benchmark Unjha markets amid steady arrivals as well as offtake. Traders reported presence of some demand at lower price levels as a major supportive feature for the market. Spillover weakness from jeera futures counter has pressurised the physical market prices. Though the long-term fundamentals for jeera remain firm with the supply shortage, both domestically as well as globally, the near-term outlook seems gloomy until demand improves considerably. Traders are now eyeing the coming festival season for any improvement in demand.

FUTURES MARKETS

Jeera futures at NCDEX opened marginally lower as compared to previous settlement and most active October contract tested an intraday high of Rs. 10990 at the early hours of trade. The futures traded downwards thereafter and the October contract tested an intraday low of Rs. 10775 during late hours of trading. Most active October contract finished lower by Rs. 86 or 0.77 per cent after trading in the range of Rs. 10775-10990 during Monday's trade.

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. Moderate domestic, overseas demand

WEATHER

Rain/thundershowers are likely at many places over South Gujarat. Rain/thundershowers are likely at a few places over the rest region outside West Rajasthan where it may be isolated. Heavy rainfall may 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 moving downwards in the oversold region again, leaving scope for further downtrend. Volume has declined, while 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)2007/09/03 - Daily B:10800.00 A:10815.00
O 10900.00 H 10990.00 L 10775.00 C 10815.00 V 10,731 I 10,206 -85
EMA(9) 11020 (18) 11364



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	10500	10642	10815	11042	11169

TRADE RECOMMENDATION

Sell NCDEX October Jeera at Rs. 10890-10925, with a target of Rs. 10760, then at Rs. 10725, with a strict stop loss at Rs. 11025. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2120-2200	
	Ganesh	2320-2360	2500
	Machine Cleaned	2400-2520	

SPOT MARKETS

Domestic chilli prices at the major spot market continued the steady movement as that of previous week. Prices were traded between the range of Rs.4000-4500 per quintal. Out of total arrivals of 30000 bags around 15000 bags were sold. Local demand is steady and is likely to remain same for the days ahead. Regular demand from Bangladesh, Malaysia and Singapore is active. Out of the total arrivals around 4000-6000 bags comprised of export demand. Crop from Madhya Pradesh is likely to hit the market from mid October. Prices are likely to trade rangebound to slightly firm in anticipation of good buying at lower levels.

FUTURES MARKETS

Red chillies most active October futures settled positive zone firm by 1.35 percent at Rs.4420 as compared to Saturday's close price. The contract opened firm at Rs.4368 and thereafter during the initial trading session witnessed a low at Rs.4355. However during the later trading session the contract surged to witness an intraday high at Rs.4420 on short covering. The open interest is low amidst low volumes. The fall in the close price and gain in open interest indicates short covering.

PRICE DRIVERS

Bullish:

1. Good export demand from Bangladesh

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 firm opening, and thereafter active buying coming in. Poor volumes did not support the upmove in prices. 9-day RSI is neutral and moving upwards leaving scope for upmove in prices. MACD remains indecisive in positive territory supporting the firm trend. Red chillies futures are likely to open firm followed by upmove in prices and thereafter slight weakness on profit booking towards the closing session.

CHLL334GTR 0710(NCGTRV7)2007/09/03 - Daily B:4410.00 A:4417.00

O 4368.00 H 4420.00 L 4355.00 C 4420.00 V 84013,245 +68

EMA(9) 4340.1 (14) 4319.1



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4127	4228	4420	4544	4620

TRADE RECOMMENDATION

Buy NCDEX October Chilli at Rs. 4420- 4430 or above with a target of Rs. 4468 and then Rs.4493 with a strict stop loss of Rs. 4391. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	4000-4500	30000

TURMERIC

Sept 04, 2007

SPOT MARKETS

Turmeric prices at the domestic spot market were quoted steady to marginally firm by Rs.25 per quintal at the major spot markets. At Nizamabad the prices were traded up at Rs.2025 per quintal amidst steady arrival and offtake. At Erode the price remained unchanged at Rs. 2050-2100 amidst marginally low arrivals. Domestic demand for the commodity is likely gain its momentum after *Janmashtami* from next week onwards. Export demand is steady for Desi Cudappa variety from Japan as well Gulf demand is active for Nizamabad variety. Prices for the commodity is likely to gain marginally and trade range bound to marginally firm for the days ahead.

FUTURES MARKETS

Turmeric most active October futures at NCDEX opened firm with a gap of Rs.21 at Rs.2133. The futures after opening with a gap did not surge further to make any high for the day and made a steep fall at Rs.2113 on selling pressure. Open interest gained amidst low volumes not supportive to the price movement. The fall in price and gain in open interest is indicating short accumulation. The contract then closed marginally up by 0.25 percent at Rs.2118 as compared to Saturdays close price.

PRICE DRIVERS

Bearish:

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

Bullish

1. Good export demand in the market.

WEATHER

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

TECHNICALS

Candlestick is indicating firm opening and thereafter selling pressure in the market. Low volumes did support the fall in the prices. Prices closed below the 9-day and 18-day EMAs supportive to bears in the market. MACD is falling in the negative zone supportive to the weak trend, while RSI is in the neutral region and moving slightly upwards. Turmeric is expected to open weak followed by a weakness initially and thereafter a small upmove towards the close.

Turmeric 0710(NCTMCV7)2007/09/03 - Daily B:2117.00 A:2118.00

O 2133.00 H 2133.00 L 2113.00 C 2118.00 V 3,880 I 16,730 +6

EMA(9) 2129.6 (14) 2148.1



RSI(9,MA(6)) 32.6384



MAV(9, 26, 12) -53.1185 MACD -44.7213



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	2076	2094	2118	2149	2165

TRADE RECOMMENDATION

Sell NCDEX October Turmeric at Rs.2120-2122 or below with a target of Rs.2111 and then Rs. 2104 with a strict stop loss of Rs.2128. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	2025	1500
	Gattah	1950	
Erode	Finger	2050-2100	2700
	Gattah	2000-2025	



■ CARDAMOM

■ Sept 04, 2007

SPOT MARKETS

Domestic cardamom prices at weekly auction at Bodinayakanur quoted firm by Rs.10 at Rs.490 per kg for 7 mm good colour variety as compared to previous day's auction at Pulianmalai. The daily arrivals were poor at 1700 kg and were sold completely at the auction. Domestic demand was steady with lack of buying interest. Prices are likely to trade range bound to slightly firm on expected domestic demand for the days ahead as well as anticipation of low output for the season.

FUTURES MARKETS

MCX Cardamom most active September futures closed in positive territory up by 1.37 percent at Rs.517 as against Saturday's close price. The futures opened firm at Rs.512 as compared to previous close price; the futures did not witness any low and surged to Rs.522 on fresh buying. The open interest gained marginally amidst very good volumes as compared to previous trading session. The gain in close price and open interest indicates long 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 Tamil Nadu. Heavy rains during the picking period may damage the crop.

TECHNICALS

Candlestick is indicating firm opening and initial uptrend in the market. Good volumes supported the upmove in prices. Prices closed marginally above the 9-day EMA, indicating slight firmness for the short term. 9-day RSI is neutral and moving upwards leaving scope for further upmove in prices. MACD is in negative region and supportive to the bears. Cardamom futures are likely to open steady and followed by upmove in prices thereafter.

CARDAMOM 0709(MXCAMU7)2007/09/03 - Daily B:515.50 A:518.00
O 512.00 H 522.00 L 512.00 C 517.00 V 307 T 64,249 I 546 +7

EMA(9) 516.53 (18) 522.97



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX Sept	501	506	517	531	534.5

TRADE RECOMMENDATION

Buy MCX September Cardamom near Rs.515.5-517 or above level with a target of Rs.521 and then 526.5 with a strict stop loss of Rs. 512.5 Trade with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Bodinayakanur	490	1700

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