

■ BLACK PEPPER

■ Sep 22, 2007

SPOT MARKETS

Domestic black pepper markets were flat to slightly weak on zero arrivals and offtakes. Sellers are not active at the lower price levels and this has resulted in prices hovering in a narrow range. Market is expected to firm up eyeing the festive demand ahead of the upcoming festival season. Spices Board of India has reported pepper exports of 14,776 tonnes during the first semester of 2007, up 56% on year. Internationally, the actual production in Brazil has been reported lower by 10,000 tonnes than the estimated 38,000 tonnes this season. The anticipated festive demand amidst the current supply crunch is expected to firm up the market.

FUTURES MARKETS

Pepper futures traded range-bound at NCDEX. The most active October contract opened firm at Rs. 12240/qtl, Rs. 2 above the previous settlement and traded down initially to test an intraday low of Rs. 12139/qtl. The contract then traded up on some buying interest to test an intraday high of Rs. 12240/qtl, before settling at Rs. 12179/qtl. Pepper is in a phase of consolidation. Open interest dipped amidst very low volumes traded as compared to the previous day.

PRICE DRIVERS

Bullish:

1. Global supply shortage is estimated at 60,000 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 at many places over the growing region. It would be beneficial for the growth of newly planted and old vines.

TECHNICALS

A short indecisive candle is formed within the recent trading range. Prices closed below the EMAs, indicating some short as well as intermediate term weakness in the market. All the other technicals are flat and directionless. A break out in either direction will establish a trend. A sustained close below 12030 will establish a downtrend, while a close above 12730 will lead to an uptrend. Pepper futures are likely to trade sideways with a downward inclination.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11654	11839	12179	12675	13108

TRADE RECOMMENDATION

Sell NCDEX October Black Pepper near Rs. 12330, with a target of Rs. 12180, then at Rs. 12130, with a strict stop loss of Rs. 12410. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	12400	-
	Ungarbled	11800	

SPOT MARKETS

Cardamom was quoted lower at the auction at Vandanmedu on weak demand amidst normal supplies. Demand is expected to emerge from North India on account of the ensuing festivals like Diwali, Durgapuja and Ramzan. India's cardamom output is expected to fall from 11,000 tonnes in 2006-07 to 8,500 in 2007-08 on account of bad weather and lower acreage under cardamom. These are leading to an increase in the price of the spice. The higher price of Indian cardamom as compared to the Guatemalan capsules is limiting export queries. Meanwhile, Spices Board has insisted on e-auctions to be mandated in all the auction centres by December 2007.

FUTURES MARKETS

Cardamom futures were volatile at MCX. The most active October contract opened firm at Rs. 509.50, Rs. 1.50 above the previous close and traded up initially to test an intraday high of Rs. 512. The contract slipped thereafter on increased selling activity to test an intraday low of Rs. 501.50. It surged later on some buying interest to close at Rs. 508. Open interest dipped, while volumes surged as compared to the previous day.

PRICE DRIVERS

Bearish:

1. Weak domestic and overseas demand

Bullish:

1. Domestic production estimated lower

WEATHER

Rain/thundershowers are likely at many places over the growing region. Heavy rains may damage the crop.

TECHNICALS

A doji pattern with some active buying is formed in the charts. Prices remain below the EMAs, indicating some short and intermediate term weakness in the market. MACD is flat in the negative zone, while RSI is flat in the neutral region, supporting indecision in the market. Stochastic is rising to emerge from the oversold region showing some firmness in the prices in the short term. Cardamom is expected to trade firm in the next trading session with active buying at lower levels.

CARDAMOM 0710(MX/CAMV7)2007/09/21 - Daily B:505.00 A:511.00

O 509.50 H 512.00 L 501.50 C 508.00 V 253 T 64,229 I 481 0

EMA(9) 511.88 (18) 520.70



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	485	492.5	508.5	527	532.5

TRADE RECOMMENDATION

Sell MCX October Cardamom near Rs. 510 with a target of Rs. 505 and then 503 with a strict stop loss of Rs. 512.5. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Vandanmedu

465-470

10,000

CUMIN

Sep 22, 2007

SPOT MARKETS

Domestic jeera Unjha market witnessed a stable trend in the prices on third consecutive day. Arrivals and offtake were steady at 2500 bags and 5500 bags. Domestic demand was reported to be steady from Eastern states of the country on the eve of *Durga pooja* as well as demand from other centers from all over India was reported to be started however it is likely to gain its pace gradually on the onset of festive season. Overseas demand from European countries, Bangladesh and Singapore was steady. However, the prices for the commodity in the medium term is likely to trade rangebound to firm in anticipation of good festive demand in the domestic market amidst low stock level as compared to last year same time.

FUTURES MARKETS

Jeera November futures at NCDEX opened firm at Rs.10656 as against previous settlement. The futures during the early hours witnessed a high at Rs.10708 and later on witnessed a low at Rs.10505 on selling pressure. The open interest gained amidst low volumes. The fall in close price and gain in open interest is indicating short accumulation. The contract then closed at Rs.10535 weak by 1.02 percent as compared to Thursday's close price.

PRICE DRIVERS

Bullish:

1. Lower domestic and global production
2. Good domestic and overseas demand.

Bearish:

1. Export down 52% in quantity during April-July 2007

WEATHER

Rain/thundershower is likely over north and south Gujarat region and increase thereafter whereas isolated rain is likely over Rajasthan. Heavy rainfall may limit regular trading activity.

TECHNICALS

Candlestick is indicating initial firmness and thereafter selling coming in from higher levels amidst low volumes not supportive the fall in prices. Open interest gained and supported the fall in close price as against previous trade. The close below the 09- day and 18- day EMA is supportive to the weak trend for a medium term. 09-day RSI is in neutral region and moving slightly downwards leaving scope for further fall in prices. Jeera prices are likely to trade rangebound to weak following a steady opening initial weakness and slight upmove towards the close.

JEERA 0711(NCJEE7)2007/09/21 - Daily B:10520.00 A:10530.00
O 10656.00 H 10708.00 L 10509.00 C 10535.00 V 4,107 I 7,425 -95



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	10277	10381	10535	10918	11022

TRADE RECOMMENDATION

Sell NCDEX November Jeera at Rs.10530-10540 or market open with a target of Rs. 10481 then at Rs.10468, with a strict stop loss at Rs.10572. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2130-2150	
	Ganesh	2330-2370	2500
	Machine Cleaned	2410-2530	

TURMERIC

Sept 22, 2007

SPOT MARKETS

Domestic turmeric prices at the benchmark Nizamabad market were traded steady as against previous trade. The prices remained unchanged at Rs.1950-1975 per qtl amidst low arrivals and offtake at 800 bags due to rain disrupting the transportation of commodity. At Erode market the prices were steady at Rs.2100-2150 and out of total arrivals of 4000 bags around 75 % were sold. Domestic demand is reported to be improved slightly due to festive demand as well as retail buying. However, slight firmness on festive demand is anticipated at the lower price levels during the days ahead. Export advices are reported to be improved from Gulf and Japan. Prices are likely to remain rangebound for the days ahead during the week.

FUTURES MARKETS

NCDEX turmeric October contract opened a Re. up at Rs.2049 as against previous close price. The futures did not slip beyond the opening levels and surged up to Rs.2049 on fresh buying support. Both, volumes and open interest were low and did not support the upmove in prices. The futures then closed at Rs.2066 up by 1.08 percent as against Thursday's close price. The gain in close price and fall in open interest is suggesting short covering in the market.

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, north and south Andhra Pradesh, Tamil Nadu, and Madhya Maharashtra. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

Candlestick is indicating firm opening and active buying in the market. Low volumes and fall in open interest did not support the upmove in prices. The close marginally above the 9-day EMAs is supportive to the firm trend. MACD is flat in the negative zone supportive to bears, while RSI is in neutral region and moving slightly upwards leaving scope for further upmove in prices. Turmeric is likely to trade steady to firm following a steady opening, initial firmness and slight dip towards the close.

Turmeric 0710(NCTMCV7)2007/09/21 - Daily B:2065.00 A:2068.00
O 2049.00 H 2068.00 L 2049.00 C 2066.00 V 8,990 I 18,260 +18



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	2009	2026	2066	2106	2128

TRADE RECOMMENDATION

Buy NCDEX October Turmeric at Rs.2064-2066 or market open with a target of Rs.2075 and then Rs. 2087 with a strict stop loss of Rs.2059. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1950-1975	800
	Gattah	1870-1890	
Erode	Finger	2100-2150	4000
	Gattah	2000-2050	

SPOT MARKET

Domestic chilli prices at Guntur market remained unchanged at Rs.3900-4400 per qtl. The arrivals and offtake improved marginally at 20,000-25000 bags and 15,000 bags respectively. The low arrivals were due to heavy rainfall affecting the smooth transportation of the commodity. As per trade sources prices the low priced chilli variety were unavailable and surge in price is unlikely to sustain. The current inventory level at Andhra Pradesh is at 31-32 lakh bags and is higher as against last year's stock level around 20 lakh bags. Chilli prices for a medium term is likely to trade steady to weak due to lack luster domestic demand and steady export demand.

FUTURES MARKETS

Red chillies most active October futures settled firm by 1.41 percent at Rs.4687 as against previous close price. The contract opened firm at Rs.4639 and during initial session witnessed a low at Rs.4629 and thereafter surged to Rs.4721. Both the volumes and open interest gained supportive to the upmove in the prices. The gain in close price and open interest is indicating long accumulation.

PRICE DRIVERS

Bullish:

- Export up by 102% during April-July 2007

Bearish:

- Chilli acreage and output at Andhra Pradesh is likely to go up.

WEATHER

Rain/thundershower is likely over coastal Karnataka and north and south AP. Rainfall during the growing stage is beneficial for the crop.

TECHNICALS

Candlestick is indicating firm opening and active bulls in the market. The close above the 9-day EMA is supportive to the firm trend. 9-day RSI is neutral and moving slightly upwards leaving scope for further upmove in prices. MACD is steady in positive territory supporting the firm trend. Red chillies futures are likely to trade firm following a steady opening and slight dip towards the close.

CHLL334GTR 0710(NCGTRV7)2007/09/21 - Daily B:4687.00 A:4696.00
C 4639.00 H 4721.00 L 4629.00 C 4687.00 V 3,070 I 5,625 +60
EMA(9) 4619.2 (14) 4585.4



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4493	4576	4687	4772	4855

TRADE RECOMMENDATION

Buy NCDEX October Chilli at Rs. 4680-4688 or market open with a target of Rs. 4722 and then Rs.4749 with a strict stop loss of Rs. 4663. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3900-4400	20,000-25000

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