

■ BLACK PEPPER

■ Sep 24, 2007

SPOT MARKETS

Domestic black pepper markets were steady on lack-lustre trade. The sellers are not active at the prevailing rates. Market is looking forward to the festive demand which is likely to emerge ahead of the upcoming festivals of diwali, durgapuja and ramzan. According to USDA, the total import of pepper into the US between Jan-June 2007 was reported to be at 30571 tonnes, valued at USD 91 million, up 78% on year in terms of value. However, the US demand has been weak in the last weeks on adequate stocks with the importers. Supply crunch and anticipated domestic and overseas demand are likely to firm up the market.

FUTURES MARKETS

NCDEX Pepper futures traded volatile in a thin range. The most active October contract opened weak at Rs. 12142/qrtl, Rs. 28 below the previous settlement and traded up in the opening session to test an intraday low of Rs. 12053/qrtl. The prices improved slightly thereafter to test an intraday high of Rs. 12194/qrtl, before settling at Rs. 12100/qrtl. Open interest dipped marginally 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

Pepper futures traded in the recent trading range. A short indecisive candlestick pattern is formed in the charts. MACD is flat below the zero line, while RSI is falling slightly in the neutral region. Stochastic is rising hesitantly after a bullish crossover. Prices closed below the EMAs. Pepper is in a phase of congestion, with declining volumes and open interest. A break out in either direction will result in a trend. It is ideally recommended to confirm the trend before initiating positions.

Pepper 0710(NCPEPV7)2007/09/22 - Daily B:12100.00 A:12109.00
O 12142.00 H 12190.00 L 12060.00 C 12100.00 V 2,176 I 8,756 -79
EMA(9) 12248 (18) 12375



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11654	11839	12100	12675	13108

TRADE RECOMMENDATION

Sell NCDEX October Black Pepper near Rs. 12200, with a target of Rs. 12100, then at Rs. 12050, with a strict stop loss of Rs. 12250. Trade with intraday outlook.

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

SPOT MARKETS

Cardamom spot markets were steady on offtakes matching arrivals of 7,000 kg. The low quality capsules were quoted dearer by Rs. 10 at Rs. 370/kg. Festive demand has started emerging from the north Indian states ahead of durgapuja, diwali and ramzan. This, coupled with the estimated lower production has resulted in higher prices for the spice. Indian cardamom is quoted higher in the international market as compared to the Guatemalan produce, thereby restricting the overseas demand. Continuous heavy rains in the growing tracts pose the risk of spread of rotting as well as deterioration in quality of capsules.

FUTURES MARKETS

Cardamom futures traded weak at MCX. The most active October contract opened firm at Rs. 508, Re. 2 above the previous settlement and traded down initially to test an intraday low of Rs. 503.50. The contract surged thereafter on increased buying interest at lower levels to test an intraday high of Rs. 509. The contract was pushed down later to close at Rs. 506. Open interest improved marginally amid larger volume traded, indicating some short accumulation.

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 bearish candlestick with active buying at lower levels is formed in the charts. Prices remain below the EMAs. MACD is rising hesitantly and is about to make a bullish crossover in the negative region. Stochastic is also rising in the neutral region, indicating some short as well as medium term firmness in the prices. RSI is flat in the neutral zone, supporting indecision in the market. Cardamom futures are likely to trade firm in the next trading session with likelihood of some downward movement later in the day.

CARDAMOM 0710(MXCAMV7)2007/09/22 - Daily B:506.00 A:506.50
O 508.00 H 509.00 L 503.50 C 506.00 V 185 T 176 I 484 -1
EMA(9) 510.60 (18) 519.10



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	485	492.5	506	517	525.5

TRADE RECOMMENDATION

Buy MCX October Cardamom near Rs. 505 with a target of Rs. 510 and then 512 with a strict stop loss of Rs. 502. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Pulianmalai

480

7,000

CUMIN

Sep 24, 2007

SPOT MARKETS

Jeera prices at the Unjha markets continued to remain steady with no major movements. 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 like *Dushera* and *Diwali* ahead. 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 against last year same time.

FUTURES MARKETS

Jeera November futures at NCDEX opened weak at Rs.10530 as against previous settlement. The futures during the early hours witnessed a high at Rs.10602 and later on witnessed a low at Rs.10452 on selling pressure. The open interest gained amidst good volumes. The fall in close price and gain in open interest is indicating short accumulation. The contract then closed at Rs.10480 weak by 0.53 percent as compared to Friday'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/thundershowers are likely at many places over South and north Gujarat and increase thereafter whereas isolated rain/thundershowers is likely over Rajasthan. Heavy rainfall may limit regular trading activity.

TECHNICALS

Candlesticks are indicating rangebound to slight weakness in the prices. Volumes were supportive to the fall in prices. RSI is neutral and falling marginally supportive to the weakness in the market. The close below the EMA's is supportive to the weakness in prices. A strong resistance is seen at 10850 levels, close beyond this level supportive with good volumes, upmove in prices is likely. Jeera prices are likely to trade slightly weak following a steady to weak opening.

JEERA 0711(NCJEE7)2007/09/22 - Daily B:10472.00 A:10484.00
O 10530.00 H 10602.00 L 10453.00 C 10480.00 V 3,999 17,629 -55



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	10245	10360	10480	10762	10962

TRADE RECOMMENDATION

Sell NCDEX November Jeera at Rs.10480-10488 or market open with a target of Rs. 10438 then at Rs.10401, with a strict stop loss at Rs.10506. 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 24, 2007

SPOT MARKETS

All the major turmeric markets remained closed due to weekly off. Prices for turmeric at the benchmark Nizamabad market improved slightly during the week on festive demand by the retail buyers. Rain is witnessed at the Andhra Pradesh, major turmeric growing region. If it continues to rain heavily for the days ahead causing water logging at the field the yield of the crop is likely to be affected. Export demand is active for the Nizamabad variety from Gulf countries as well as for Desi Cudappa variety from Japan. However, prices for the medium term is likely to trade firm on festivals like Diwali and Dushera demand is anticipated at the lower price levels during the days ahead.

FUTURES MARKETS

NCDEX turmeric October futures opened slightly weak at Rs.2064 as compared to previous settlement. The contract after opening weak did not slip and surged up to Rs.2092 underpinned by fresh buying support. Both volumes and open interest gained and supported the upmove in prices. The futures then closed at Rs.2085 firm by 1.12 percent as against Friday's close price. The gain in close price and open interest is suggesting long accumulation.

PRICE DRIVERS

Bearish:

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

Bullish

1. Good export demand in the market.

WEATHER

Rain/thundershowers are likely at most places over North Andhra Pradesh, Tamil Nadu, and Madhya Maharashtra. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

Charts are indicating slight firmness in the prices and fresh buying coming in amidst gain in open interest and volumes favouring the upmove in prices. 9-day RSI is neutral and rising as well as the close above the EMA's is supportive to the firmness in the prices. Turmeric futures are likely to trade firm following a steady opening during the next trading session.

Turmeric 0710(NCTMCV7)2007/09/22 - Daily B:2084.00 A:2085.00
O 2064.00 H 2092.00 L 2064.00 C 2085.00 V 10,640 I 18,300 +19



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	2013	2025	2085	2129	2142

TRADE RECOMMENDATION

Buy NCDEX October Turmeric at Rs.2082-2085 or market open with a target of Rs.2096 and then Rs. 2108 with a strict stop loss of Rs.2077. Trade cautiously with intraday outlook.

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

SPOT MARKET

Chilli, Guntur markets remained closed due to weekly off. The prices for the commodity during the week remained unchanged amidst sluggish domestic demand. However, overseas demand for the commodity is key supportive factor for the current price level due to demand mainly from Bangladesh and other traditional buyers like Singapore and Malaysia. 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 amidst ample of stocks.

FUTURES MARKETS

Red chillies most active October futures settled steady Rs.4694 as against previous close price. The contract opened firm at Rs.4700 and during initial session witnessed a low at Rs.4661 on profit booking and thereafter surged to Rs.4721. Both the volumes and open interest were low and did not support the price movement.

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/thundershowers are likely at most places over North Andhra Pradesh during next 48 hrs and decrease thereafter. Rainfall is beneficial for the crop at present during its growing stage.

TECHNICALS

A doji candlestick is indicating indecisiveness in the price move. Low volumes and marginal drop in open interest did not support the price movement. 9 day RSI is neutral and rising upwards supportive to firmness in price. Close above the EMA's and MACD in positive region is supportive to the firmness in prices. Chillies are likely to trade steady to firm followed by steady opening.

CHLL334GTR 0710(NCGTRV7)2007/09/22 - Daily B:4694.00 A:4700.00
O 4700.00 H 4721.00 L 4661.00 C 4694.00 V 1,230 15,595 +7
EMA(9) 4634.1 (18) 4572.6



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4535	4580	4694	4824	4895

TRADE RECOMMENDATION

Buy NCDEX October Chilli at Rs. 4690-4695 or market open with a target of Rs. 4724 and then Rs.4749 with a strict stop loss of Rs. 4678. Trade cautiously with intraday outlook.

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

Disclaimer

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