

■ BLACK PEPPER

■ Sep 21, 2007

SPOT MARKETS

Domestic pepper markets were steady amidst zero arrivals and offtakes. Prices were quoted at the same levels as the previous session. Market is expected to firm up eyeing the festive demand ahead of the upcoming festival season. Export of pepper from India in the first semester of 2007 has increased by 56%. From January-June 2007, India shipped 14,776 tonnes against 9,448 tonnes exported for the same period last year. Total value of pepper exported for the same period reached Rs. 1.88 billion, 141% up the value exported last year. Global demand for black pepper has weakened on adequate stocks with the importers, resulting in lower prices.

FUTURES MARKETS

Pepper futures traded range-bound with upward bias. The most active October contract opened weak at Rs. 12114/qtl, Rs. 58 down the previous settlement and traded down initially to test an intraday low of Rs. 11988/qtl. The prices improved thereafter on increased buying interest to test an intraday high of Rs. 12290/qtl, before closing at Rs. 12237/qtl. Volume traded and open interest of the contract were lower 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 have been trading sideways in a range of 11990-12370 and an outbreak in either direction will establish a trend. MACD is flat in the negative zone, supporting the range-bound market. Prices closed below the EMAs. Stochastic is falling into the oversold region, indicating short as well as intermediate term weakness in the market. RSI is rising in the neutral region, which shows some firmness in the prices in the short term. Pepper is likely to trade sideways in the next session with a bearish tone.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11654	11839	12237	12675	13108

TRADE RECOMMENDATION

Sell NCDEX October Black Pepper near Rs. 12250, with a target of Rs. 12100, then at Rs. 12050, with a strict stop loss of Rs. 12325. Trade with intraday outlook.

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

■ CARDAMOM

■ Sept 21, 2007

SPOT MARKETS

Domestic markets of cardamom were firm with arrivals of 10,037 kg. Good quality cardamom was quoted higher by Rs. 10 as compared to the previous day. Festive demand is seen emerging from different states of the country ahead of the upcoming festivals of diwali, durgapuja and ramzan. Export demand is also likely to emerge by the end of September to early October. Acreage under cardamom is seen lower and India's output is likely to fall from around 11,000 tonnes in 2006/07 to 8,500 tonnes in 2007/08. Lower production estimates are seen strengthening the cardamom prices in the medium to long term.

FUTURES MARKETS

Cardamom futures traded firm at MCX. The most active October contract opened at the previous settlement levels of Rs. 504.50/kg and traded steadily up to test an intraday high of Rs. 510/kg. The prices slumped thereafter on increased selling activity at higher levels and the contract settled at the opening levels of Rs. 508.50/kg. Volume traded and open interest dipped 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 short hollow candle is formed in the charts. Prices remain below the EMAs, indicating short as well as intermediate term weakness in the prices. All the other indicators are flat and fail to give any clue about the future direction of the market. MACD is about to make a bearish crossover in the negative zone, while Stochastic is about to make a bullish crossover in the oversold region. Cardamom is likely to trade firm in the next trading session with some late downward movement.

CARDAMOM 0710(MXCAMV7)2007/09/20 - Daily B:508.50 A:509.50
O 504.50 H 510.00 L 504.50 C 508.50 V 174 T 44,208 I 521 +4
EMA(9) 512.96 (18) 522.25



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	485	495	508.5	526	534

TRADE RECOMMENDATION

Buy MCX October Cardamom near Rs. 507.5 with a target of Rs. 512.5 and then 515 with a strict stop loss of Rs. 504. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

480

10,037

CUMIN

Sep 21, 2007

SPOT MARKETS

Domestic jeera prices at the benchmark Unjha markets remained extended the previous day's steady trend. Arrivals were steady at 2500 bags and offtake gained marginally to 5500 bags as against previous trade. 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 is also 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 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 October futures at NCDEX opened weak at Rs.10231 as against previous settlement. The futures during the early hours witnessed a fresh intraday low at Rs.10102 and during the closing session rallied up to Rs.10509 on buying coming in. The open interest dropped amidst gain in volumes. The gain in close price and fall in open interest is indicating short liquidation. The contract then closed at Rs.10391 firm by 1.26 percent as compared to Wednesday'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 isolated rain is likely over Rajasthan. Heavy rainfall may limit regular trading activity.

TECHNICALS

Candlestick is indicating initial slump and thereafter active buying from the lower levels and the gain in volumes supported the upmove in prices. 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 upwards leaving scope for further upmove in prices. Jeera prices are likely to trade rangebound to firm following a steady opening and slight dip towards the closing session.

JEERA 0710(NCJEEV7)2007/09/20 - Daily B:10362.00 A:10387.00
O 10231.00 H 10509.00 L 10102.00 C 10391.00 V 10,023 I 7,011 +150



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	9861	9992	10391	10708	10904

TRADE RECOMMENDATION

Buy NCDEX October Jeera at Rs.10391-10400 or market open with a target of Rs. 10451 then at Rs.10483, with a strict stop loss at Rs.10353. 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 21, 2007

SPOT MARKETS

Domestic turmeric prices at the benchmark Nizamabad market were traded firm underpinned by fresh buying support. The prices were quoted firm by Rs.25-30 per qtl at Rs.1950-1975 per qtl amidst steady arrivals and offtake. 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. Higher stock level at around 22-23 lakh bags is supportive to the weakness in market. 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 weak at Rs.2046 as against previous close price. During the early hours the futures witnessed an intraday high at Rs.2066 and witnessed a low at Rs.2036 towards the later session. Both, volumes and open interest gained supportive to the marginal fall in prices. The futures then closed at Rs.2048 marginally down by 0.05 percent as against Wednesday's 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 Karnataka, Andhra Pradesh, region outside Tamil Nadu, and Madhya Maharashtra. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

Candlestick is indecisive amidst gain in volumes and open interest supportive to the marginally low close. The close below the 9-day and 18-day EMAs is supportive to the weak trend. MACD is flat in the negative zone supportive to bears, while RSI is in neutral region and flat leaving scope for both way movements in prices. Turmeric is likely to trade sideways following a steady opening, initial weakness and slight upmove towards the close.

Turmeric 0710(NCTMCV7)2007/09/20 - Daily B:2048.00 A:2049.00
O 2046.00 H 2066.00 L 2036.00 C 2048.00 V 15,390 I 18,730 -1



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	1996	2010	2048	2098	2113

TRADE RECOMMENDATION

Sell NCDEX October Turmeric at Rs.2048-2050 or market open with a target of Rs.2039 and then Rs. 2028 with a strict stop loss of Rs.2055. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1950-1975	1500
	Gattah	1870-1890	
Erode	Finger	2100-2150	4000
	Gattah	2000-2050	

CHILLI

Sept 21, 2007

SPOT MARKET

Domestic chilli prices at Guntur market remained unchanged at Rs.3900-4400 per qtl. The arrivals and offtake were low at 20,000 bags and 12,000-13,000 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 32-33 lakh bags and is higher as against last year's stock level around 20 lakh bags. Prices for the commodity 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 weak by 0.66 percent at Rs.4627 as against previous close price. The contract opened weak at Rs.4635 and during early hours witnessed a high at Rs.4644 and thereafter slumped to Rs.4581. Open interest dropped amidst low volumes not supportive to the fall in prices. The fall in close price and open interest is indicating long liquidation.

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 are likely over Karnataka and Andhra Pradesh. Rainfall during the growing stage is beneficial for the crop.

TECHNICALS

Candlestick is indecisive amidst low volumes not supportive to the fall in close price. The close marginally above the 9-day EMA is supportive to the firm trend. 9-day RSI is neutral leaving scope for both way movements 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)2007/09/20 - Daily B:4627.00 A:4629.00
O 4635.00 H 4644.00 L 4581.00 C 4627.00 V 2,290 I 5,275 -23

EMA(9) 4602.2 (14) 4569.7



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4473	4514	4627	4793	4845

TRADE RECOMMENDATION

Buy NCDEX October Chilli at Rs. 4630-4638 or market open with a target of Rs. 4696 and then Rs.4719 with a strict loss of Rs. 4602. 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

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