

## ■ BLACK PEPPER

■ Sep 27, 2007

### SPOT MARKETS

Domestic black pepper markets were weak and prices at Kochi markets were quoted lower by Rs. 100/qtl as compared to the previous settlement. Market is eyeing the improvement in demand ahead of the ensuing festival season and onset of winter to firm up the market. The lower price of Indian pepper in the global market and lower production estimates in the producing countries are likely to result in improved overseas demand for the spice. The declining stocks in Indonesia and Brazil have made them less aggressive sellers in the global market. Price index for black and white pepper witnessed a sharp fall in August after its steep climb in 12 months.

### FUTURES MARKETS

Pepper futures traded volatile at NCDEX to close at near opening levels. The most active October contract opened Rs. 42 down the previous settlement at Rs. 12050/qtl and traded up during the early hours of trade to test an intraday high of Rs. 12159/qtl. The prices were pressurized by active selling at higher levels to test an intraday low of Rs. 11887/qtl. Prices improved thereafter on some buying interest and the contract settled at Rs. 12005/qtl. Open interest dipped marginally, while volumes improved slightly.

### 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

Continuous heavy rains in the pepper growing tracts are likely to damage the crop.

### TECHNICALS

The lower prices were not sustained. A breakout is needed to establish a trend. MACD is flat below the zero line, leaving room for movement in either direction in medium term. RSI is falling in neutral region, indicating short term weakness, while Stochastic is rising slowly. Prices remain below EMAs, supporting short to intermediate term bearishness. Pepper is likely to trade slightly firm within the range.

Pepper 0710(NCPEPV7)2007/09/26 - Daily B:11992.00 A:12015.00  
O 12050.00 H 12159.00 L 11887.00 C 12005.00 V 4,332 I 7,951 -87



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11654	11835	12005	12445	12660

### TRADE RECOMMENDATION

Buy NCDEX October Black Pepper near Rs. 12000-12025, with a target of Rs. 12100, then at Rs. 12150, with a strict stop loss of Rs. 11950. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	12,400	-
	Ungarbled	11,800	-



## ■ CARDAMOM

■ Sept 27, 2007

### SPOT MARKETS

Cardamom prices were quoted lower at Kumily auctions by Rs. 10/kg. Heavy rains in the cardamom growing regions are likely to cause widespread damage of the crop due to fungal infection. Bacterial infection was also reported from many fields. This could lead to further lower production in the current growing season. The Indian production is estimated lower by 25-30% due to bad weather and lower acreage. Late harvesting has also resulted in lower arrivals in the market. Festive demand and overseas demand are also expected to gain momentum in the coming days. These, along with the supply concerns are seen firming up the market.

### FUTURES MARKETS

The most active October contract opened weak at Rs. 539/kg, Re. 1 down the previous settlement and traded down during the early hours of trading to test an intraday low of Rs. 533/kg. The prices then improved on increased selling buying interest at lower prices to test an intraday high of Rs. 555/kg, before closing at Rs. 553.50/kg, an improvement of 2.41% over previous close. Open interest improved, while volumes traded were lower as compared to the previous session.

### PRICE DRIVERS

#### Bearish:

1. Weak domestic and overseas demand

#### Bullish:

1. Domestic production estimated lower

### WEATHER

Continuous heavy rains in the cardamom growing regions of the country pose the threat of fungal disease.

### TECHNICALS

A long hollow candle is formed with some selling initially. The prices remain well above the EMAs. MACD is rising below the zero line, while RSI and Stochastic are rising sharply into the overbought region. Overall, technicals indicate a firm market in the short to medium term. Cardamom is expected to trade firm following a flat to firm opening with some late downward movement.

CARDAMOM 0710(MXCAMV7)2007/09/26 - Daily B:550.50 A:554.00  
O:539.00 H:554.50 L:533.00 C:553.50 V:710 T:193,175 I:970 +13  
EMA(9) 526.48 (18) 525.67



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	526	531	553.5	566	574

### TRADE RECOMMENDATION

Buy MCX October Cardamom near Rs. 550 with a target of Rs. 558 and then 560 with a strict stop loss of Rs. 546. Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
Kumily	490	43,000

### SPOT MARKETS

Jeera trade at Unjha market was reported to be sluggish. The prices remained unchanged amidst steady arrivals at 2000 bags and marginally low offtake at 3000 bags. Lack of buying interest was inspite of festive season was witnessed as traders anticipate further fall in prices with cues from the futures counter. Overseas demand from European countries, Bangladesh and Singapore lacked luster. 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 well as low domestic output.

### FUTURES MARKETS

NCDEX Jeera most active November futures opened firm at Rs.10188 and thereafter did not surge further. The futures tested fresh contract lows at Rs.9772 on selling pressure. The open interest dropped amidst very good volumes supportive to the slump in prices. The fall in close price and open interest is suggesting long liquidation. The futures then closed at Rs.9860 down by 3.06 percent as against Tuesday's trade after hitting 4 percent lower circuit.

### PRICE DRIVERS

#### Bullish:

1. Lower domestic and global production

#### Bearish:

1. Export down 52% in quantity during April-July 2007
2. Subdued domestic and overseas demand inspite of festive season.

### WEATHER

Rain/thundershowers are likely at many places over South and north Gujarat, Saurashtra and over rest region outside west Rajasthan. Heavy rainfall may limit regular trading activity.

### TECHNICALS

Candlestick is indicating firm opening and thereafter selling pressure in the market supported with very good volumes. MACD witnessed a bearish crossover while RSI is in the over sold territory supportive to the further weakness in the prices. The close below the EMA's is favouring the bears. Jeera futures are likely to trade weak and test fresh lows however a technical correction is anticipated very soon.

JEERA 0711(NCJEE7)2007/09/26 - Daily B:9860.00 A:9868.00  
O 10188.00 H 10188.00 L 9772.00 C 9860.00 V 10,770 17,971 -311



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	9415	9578	9860	10422	10558

### TRADE RECOMMENDATION

Sell NCDEX November Jeera at Rs.9910-9935 or market open with a target of Rs. 9801 then at Rs.9771 with a strict stop loss at Rs.10001. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2150-2170	
	Ganesh	2350-2390	2000
	Machine Cleaned	2430-2550	



## TURMERIC

Sept 27, 2007

### SPOT MARKETS

Turmeric prices at the all the major markets remained unchanged and amidst steady arrivals and offtake. Benchmark Nizamabad market remained closed due to Ganapati celebrations. At Erode, prices remained unchanged at Rs.2100-2150 amidst slight improvement in arrivals and offtake at 3800 bags. As per trade sources heavy rainfall at the North eastern region has limited the regular demand for Erode variety. 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 remain rangebound inspite of festive demand amidst ample of stock in the market.

### FUTURES MARKETS

NCDEX turmeric October futures closed down at Rs.2008 or by 0.94 percent as against previous settlement. The futures opened at Rs.2025 during the early hours surged marginally at Rs.2028 and thereafter tested fresh lows at Rs.1995 on selling pressure. Open interest dropped amidst marginally low volumes. The fall in close price and open interest is suggesting long liquidation.

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

### TECHNICALS

Long lower shadow is indicating selling activity during the early hours with low volumes not supportive to the fall in prices. The close below the EMA's and the bearish crossover of the MACD is favouring the weakness in prices. RSI is moving to the oversold region. Turmeric futures are likely to trade weak followed by steady opening. However a technical correction is due very soon.

Turmeric 0710(NCTMCV7)2007/09/26 - Daily B:2006.00 A:2008.00  
O 2025.00 H 2028.00 L 1995.00 C 2008.00 V 12,900 I 15,150 -19



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	1977	1984	2008	2046	2059

### TRADE RECOMMENDATION

Sell NCDEX October Turmeric at Rs.2012-14 or market open with a target of Rs.2001 and then Rs. 1994 with a strict stop loss of Rs.2019. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	Closed	-
	Gattah	-	-
Erode	Finger	2100-2150	3000
	Gattah	2000-2050	-

## CHILLI

Sept 27, 2007

### SPOT MARKET

Domestic chilli prices at Guntur market extended the sluggish trade. Prices remained unchanged at Rs.3900-4400. Arrivals improved to 30000 bags and offtake was steady at 15000 bags. Domestic demand is reported to be stable as retailers are buying in small quantity. Export demand from the traditional buyers like Bangladesh, Singapore and Sri Lanka are steady and showing no signs of immediate improvement. However traders anticipate that the exports are likely to improve slowly during the days ahead. 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 at the Guntur ware house.

### FUTURES MARKETS

Chilli futures at NCDEX opened higher than previous settlement at Rs.4700. Most active October contract did not surge further after firm opening and tested an intraday low of Rs. 4654 during the later trading session. Open interest dropped amidst marginal gain in volumes. The fall in close price and gain in open interest is suggesting short accumulation. The futures then closed at Rs.4660 marginally down by 0.32 percent.

### 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 over north coastal Andhra Pradesh. Rainfall is beneficial for the crop at present during its growing stage.

### TECHNICALS

Candlesticks pattern indicates firm opening and thereafter active bears supported with good volumes. Prices closed above the 9-day as well as 18-day EMA, indicating that the short-term trend favours the bulls. 14-day RSI is rising marginally in the neutral and likely to support further upward movement. Chilli prices are likely to trade rangebound to firm following a steady opening.

CHLL334GTR 0710(NC6TRV7)2007/09/26 - Daily B:4655.00 A:4670.00  
O 4700.00 H 4700.00 L 4654.00 C 4660.00 V 1,870 I 6,185 -15

EMA(9) 4647.7 (18) 4597.9



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4555	4595	4660	4753	4812

### TRADE RECOMMENDATION

Buy NCDEX October Chilli near Rs. 4660-4653 with a target of Rs. 4676 and then Rs.4694 with a strict stop loss of Rs. 4632. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3900-4400	30,000

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