

■ BLACK PEPPER

■ Sep 26, 2007

SPOT MARKETS

Domestic black pepper markets were steady at the benchmark Kochi markets. Ensuing festival season and onset of winter have resulted in improved domestic demand. Lower production in the pepper growing countries has led to tight supplies in the global market. Indian pepper is the cheapest in the world market. This is likely to result in improved overseas demand for the spice. Supply crunch and anticipated domestic and overseas demand are likely to support the market. Indonesia and Brazil are not aggressive sellers in the international market, leaving Indian exporters at an advantage.

FUTURES MARKETS

Pepper futures at NCDEX opened lower than previous settlement and most active October contract tested an intraday high of Rs. 12400 at the early hours of trade. Increased selling interest has pressurised the futures thereafter and the futures traded sharply downwards thereafter to test an intraday low of Rs. 12051. Most active October contract finished lower by Rs. 293 or 2.37 per cent after trading in the range of Rs. 12051-12400 during Tuesday's trade.

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 leading to heavy losses.

TECHNICALS

Candlesticks pattern indicates a weak opening and further downtrend in the market. Prices closed below the 9-day as well as 18-day EMA, indicating a bearish trend in the market. 14-day RSI is in neutral region and moving downwards, leaving scope for further downtrend. However, market still remains within the recent trading range and breakout is expected soon from the range.

Pepper 0710(NCPEPV7)2007/09/25 - Daily B:12070.00 A:12090.00
O 12372.00 H 12400.00 L 12051.00 C 12086.00 V 3,794 I 8,035 -293
EMA(9) 12236 (18) 12345



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11654	11855	12086	12445	12660

TRADE RECOMMENDATION

Sell NCDEX October Black Pepper near Rs. 12100-12125, with a target of Rs. 12025, then at Rs. 11975, with a strict stop loss of Rs. 12180. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	12,500	-
	Ungarbled	11,900	

SPOT MARKETS

Cardamom spot markets are seen firming up on festive demand. Prices remained steady as the previous auction. Heavy rains in the cardamom growing regions are posing the threat of rotting as well as quality deterioration of capsules. Incidence of pod rot has been reported in isolated plants in the Idukki district of Kerala. The production is estimated lower by 25-30% lower on year due to the bad weather conditions and lower acreage. Higher price of Indian cardamom as compared to the Guatemalan produce is restricting exporters from entering the market. Overseas demand is expected to pick pace in 15-20 days. This is seen supporting the prices in the short term.

FUTURES MARKETS

Cardamom futures at MCX opened higher than previous settlement and most active October contract tested an intraday low of Rs. 530 at the opening session of trade. The futures traded sharply upwards thereafter on increased buying interest and October contract tested an intraday high of Rs. 547.5. Most active October contract finished higher by Rs. 10.5 or 1.98 per cent after trading in the range of Rs. 530-547.5 during Tuesday's trade.

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 rotting disease and quality deterioration of capsules.

TECHNICALS

Candlesticks pattern indicates a steady to firm opening and initial uptrend in the market. Prices closed above the 9-day as well as 18-day EMA, indicating that the short-term trend remains firm. 14-day RSI is moving sharply upwards in neutral region and would support any further upward movement. Rise in open interest as well as volume along with prices suggest further uptrend in place.

CARDAMOM 0710(MXCAMV7)2007/09/25 - Daily B:541.50 A:542.50
O 536.00 H 547.50 L 530.00 C 541.00 V 778 T 192,954 I 836 +10.5
EMA(9) 519.83 (18) 522.45



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	525.5	531	541	549	553.5

TRADE RECOMMENDATION

Buy MCX October Cardamom near Rs. 538 with a target of Rs. 546 and then 548 with a strict stop loss of Rs. 533. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Nedumkandam

500

15,000

CUMIN

Sep 26, 2007

SPOT MARKETS

Jeera prices at the benchmark Unjha markets remained unchanged and traded steady amidst sluggish trading activity. The arrivals were steady at 2000 bags amidst marginally low offtake at 4000 bags. Domestic demand is reported to be steady and is likely to gain its pace from all over India as the festivals like Dusshera and Diwali is ahead. 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

Jeera futures at NCDEX opened higher than previous settlement and most active November contract tested an intraday high of Rs. 10437 amid a range bound trade. The futures traded sharply downwards towards late hours of trading and November contract tested an intraday low of Rs. 10122. Most active November contract finished lower by Rs. 226 or 2.17 per cent after trading in the range of Rs. 10122-10437 during Tuesday's trade.

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, Saurashtra whereas isolated rain/thundershowers are likely over Rajasthan. Heavy rainfall may limit regular trading activity.

TECHNICALS

Candlesticks pattern indicates a steady to weak opening and initial downtrend in the market. Prices closed below the 9-day as well as 18-day EMA, indicating that the short-term trend remains favourable for the bears. 14-day RSI is moving downwards in oversold region and would support any further downward movement. However, it warrants some caution for the bears.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	9934	10054	10174	10337	10445

TRADE RECOMMENDATION

Sell NCDEX November Jeera at Rs.10200-10225 or market open with a target of Rs. 10100 then at Rs.10075 with a strict stop loss at Rs.10285. 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 26, 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 last day of Ganpati celebrations. At Erode, prices remained unchanged at Rs.2100-2150 amidst slight improvement in arrivals and offtake at 3000 bags. The prices during the days ahead of the week are likely trade slightly firm on anticipation of improved demand in the market. 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

Turmeric futures at NCDEX opened marginally higher than previous settlement and most active October contract tested an intraday high of Rs. 2078 at open. The futures traded downwards thereafter for the rest of the session and slide to test an intraday low of Rs. 2020. Most active October contract finished lower by Rs. 48 or 2.31 after trading in the range of Rs. 2020-2078 during Tuesday's trade.

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 whereas isolated over Andhra Pradesh, Tamil Nadu. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

Candlesticks pattern indicates a weak opening and initial downtrend in the market. Prices closed far below the 9-day as well as 18-day EMA, indicating that the short-term trend remains favourable for the bears. 14-day RSI is moving sharply downwards in neutral region and would support any further downward movement if so occurs. However, the decline in open interest along with falling prices suggests weakening downtrend and warrants some caution.

Turmeric 0710(NCTMCV7)2007/09/25 - Daily B:2028.00 A:2032.00
O 2078.00 H 2078.00 L 2020.00 C 2029.00 V 13,120 I 16,200 -48
EMA(9) 2058.3 (18) 2074.2



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	1980	2000	2029	2065	2076

TRADE RECOMMENDATION

Sell NCDEX October Turmeric at Rs.2040 or market open with a target of Rs.2020 and then Rs. 2010 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	Closed	-
	Gattah	-	-
Erode	Finger	2100-2150	3000
	Gattah	2000-2050	

CHILLI

Sept 26, 2007

SPOT MARKET

Domestic chilli prices at Guntur market extended the sluggish trade during the second day of the week. Arrivals and offtake were steady at 20000-25000 bags and 12000-15000 bags respectively. 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 and most active October contract tested an intraday low of Rs. 4653 at the opening session of trade. The futures recovered back immediately and October contract tested an intraday low of Rs. 4715. The futures traded mostly range bound thereafter. Most active October contract finished higher by Rs. 36 or 0.82 per cent after trading in the range of Rs. 4653-4715 during Tuesday's trade.

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

Isolated rain / thundershowers are likely over Andhra Pradesh. Rainfall is beneficial for the crop at present during its growing stage.

TECHNICALS

Candlesticks pattern indicates a steady opening and indecision in the market. Prices closed above the 9-day as well as 18-day EMA, indicating that the short-term trend remains firm. 14-day RSI is moving upwards in neutral region and would support any further upward movement. Breach of 4721 level would lead to further upward movement.

CHLL334GTR 0710(NCGTRV7)2007/09/25 - Daily B:4676.00 A:4685.00
O 4690.00 H 4715.00 L 4653.00 C 4685.00 V 1,720 I 6,590 +36
EMA(9) 4646.7 (18) 4591.7



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4588	4631	4685	4775	4817

TRADE RECOMMENDATION

Buy NCDEX October Chilli near Rs. 4660-4670 with a target of Rs. 4721 and then Rs.4762 with a strict stop loss of Rs. 4625. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3900-4400	20,000-25,000

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