

■ BLACK PEPPER

■ Sep 25, 2007

SPOT MARKETS

Domestic black pepper markets traded firm by Rs. 100/qtl at the benchmark Kochi markets. Ensuing festival season and onset of winter have resulted in improved domestic demand. Availability in the world markets continues to remain tight on lower production in the major pepper growing regions. 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. Internationally, Vietnam was reportedly short of stock and too early for new crops while Brazil was just into harvest.

FUTURES MARKETS

NCDEX Pepper futures traded firm in the recent trading range. The most active October contract opened firm at Rs. 12110/qtl, Rs. 5 above the previous settlement and traded down initially to test an intraday low of Rs. 12079/qtl. The prices surged thereafter on improved buying interest to test an intraday high of Rs. 12380/qtl, before closing at Rs. 12379/qtl. Open interest dipped amid very improved volumes traded as compared to the previous trading session, indicating fresh buying.

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

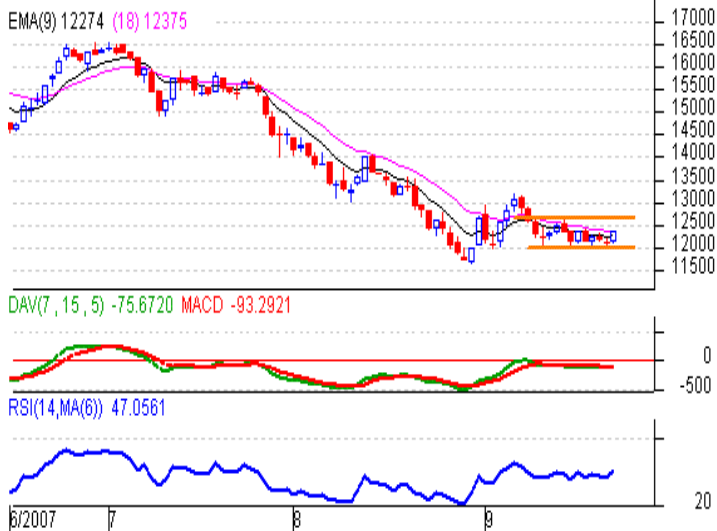
WEATHER

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

TECHNICALS

A bullish candle is formed in the recent trading range. MACD is flat below the zero line, leaving scope for movement in either direction in the medium term. A sharply rising RSI and close above the EMAs indicate some short to intermediate term firmness in the market. However, a breakout in either direction will establish a trend. A sustained close below 11990 or above 12675 will lead to a downtrend or uptrend, respectively.

Pepper 0710(NCPEPV7)2007/09/24 - Daily B:12350.00 A:12379.00
O 12110.00 H 12380.00 L 12080.00 C 12379.00 V 3,357 I 8,315 +279



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11654	11839	12379	12675	13108

TRADE RECOMMENDATION

Buy NCDEX October Black Pepper near Rs. 12350, with a target of Rs. 12450, then at Rs. 12500, with a strict stop loss of Rs. 12300. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	12500	-
	Ungarbled	11900	

SPOT MARKETS

Cardamom spot markets are seen firming up on festive demand. Prices were quoted dearer by Rs. 20/kg for the supreme quality capsules, while the average quality lot fetched Rs. 10/kg more than the previous day. Heavy rains in the cardamom growing regions are likely to cause the spread of rotting. 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. Overseas demand is also likely to pick pace in 15-20 days, which will firm up the market in the short term.

FUTURES MARKETS

Cardamom futures surged at MCX. The most active October contract opened firm at Rs. 507/kg, Re. 1 above the previous close and traded sharply up on fresh buying to test an intraday high of Rs. 530/kg, before closing at Rs. 529/kg. Volume traded and open interest improved significantly, indicating long accumulation.

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

A long hollow candle is formed in the charts. Price closed well above the EMAs. RSI and Stochastic are rising sharply in the neutral region, while MACD is rising below the zero line, after making a bullish crossover. Overall, technicals indicate a firm market in the short term. Cardamom futures are expected to trade firm in the next session. 540 level is seen providing a good resistance to the prices in the short term.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	492	497	529	540	548

TRADE RECOMMENDATION

Buy MCX October Cardamom near Rs. 525 with a target of Rs. 533 and then 537 with a strict stop loss of Rs. 520. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodiyayanayakanur

500

4,500

SPOT MARKETS

Domestic Jeera prices at the benchmark Unjha markets for the beginning of the week were quoted firm by Rs.20/20kg on festive demand. The arrivals were low at 2000 bags as the sellers were anticipating higher prices and the offtake were also low at 4500 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 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 well as low domestic output.

FUTURES MARKETS

Jeera November futures at NCDEX opened weak at Rs.10461 as against previous settlement. The futures during the early hours witnessed a high at Rs.10487 and later on slumped to test fresh lows at Rs.10270 on selling pressure. The open interest gained marginally amidst very good volumes. The fall in close price and gain in open interest is indicating short accumulation. The contract then closed at Rs.10400 weak by 0.76 percent as compared to Saturday'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, Saurashtra whereas isolated rain/thundershowers are likely over Rajasthan. Heavy rainfall may limit regular trading activity.

TECHNICALS

Candlesticks are indicating rangebound to slight weakness in the prices amidst good volumes supportive to the fall in prices. RSI is struggling to move towards the oversold region and the close below the EMA's is supportive to the weakness in prices. MACD is negative and favouring the bears. Jeera prices are likely to trade weak during the and following a steady to weak opening. However a slight upmove in prices are likely towards the market close.

JEERA 0711(NCJEE7)2007/09/24 - Daily B:10386.00 A:10409.00
O 10461.00 H 10487.00 L 10275.00 C 10400.00 V 5,535 I 7,686 -80



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	10063	10196	10400	10727	10860

TRADE RECOMMENDATION

Sell NCDEX November Jeera at Rs.10390-10400 or market open with a target of Rs. 10338 then at Rs.10291, with a strict stop loss at Rs.10438. 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 25, 2007

SPOT MARKETS

Domestic Turmeric prices at the benchmark Nizamabad markets were traded steady at Rs.1950-1975 per qtl. The arrivals were nil where as the offtake was higher at 2100 bags as compared to regular sale. At Erode, prices remained unchanged at Rs.2100-2150 amidst low arrivals and offtake at 2200 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

NCDEX turmeric October futures opened slightly firm at Rs.2088 as compared to previous settlement. The contract during the initial session surged to Rs.2103 and thereafter witnessed a low at Rs.2067 on selling pressure. Open interest dropped amidst low volumes. The futures then closed at Rs.2077 marginally down by 0.32 percent as against Saturday's close price. 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 whereas isolated over Andhra Pradesh, Tamil Nadu, and. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

Candlesticks are indicating initial upmove and thereafter selling coming in from higher levels amidst low volumes and fall in open interest. 9-day RSI is neutral and slightly falling. 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)2007/09/24 - Daily B:2076.00 A:2080.00
O 2088.00 H 2100.00 L 2067.00 C 2077.00 V 10,280 | 17,120 -8

EMA(9) 2065.6 (18) 2079.5



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	2026	2043	2077	2126	2138

TRADE RECOMMENDATION

Buy NCDEX October Turmeric at Rs.2074-2076 or market open with a target of Rs.2089 and then Rs. 2102 with a strict stop loss of Rs.2069. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1950-1975	Nil
	Gattah	1875-1890	
Erode	Finger	2100-2150	2200
	Gattah	2000-2050	

SPOT MARKET

Domestic chilli prices at Guntur market witnessed a sluggish trade during the first day of the week. Arrivals were low at 20000-25000 bags and offtake were also low at 15000 bags as compared to last week's openings. 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

Red chillies NCDEX October futures settled weak by 1.23 percent at Rs.4649 as against previous close price. The contract opened weak at Rs.4680 and traded between Rs.4721 and 4616. Gain in open interest and volumes are supportive to the fall in prices. The fall in close price and gain in open interest is indicating short accumulation.

PRICE DRIVERS

Bullish:

1. Export up by 102% during April-July 2007

Bearish:

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

WEATHER

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

TECHNICALS

Candlestick is indicating initial upmove and thereafter active bears in the market. Gain in volumes and open interest supported the fall in prices. 9 day RSI is neutral and falling favouring the weakness. Close above the EMA's and MACD in positive region is supportive to the firmness in prices. Chillies prices at NCDEX are likely to trade weak followed by steady to weak opening.

CHLL334GTR 0710(NCGTRV7)2007/09/24 - Daily B:4651.00 A:4659.00
O 4680.00 H 4721.00 L 4616.00 C 4649.00 V 3,175 16,600 -45
EMA(9) 4637.1 (18) 4580.6



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4421	4496	4649	4792	4821

TRADE RECOMMENDATION

Sell NCDEX October Chilli at Rs. 4640-4649 or market open with a target of Rs. 4601 and then Rs.4589 with a strict stop loss of Rs. 4693. 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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