

■ BLACK PEPPER

■ Sep 29, 2007

SPOT MARKETS

Domestic black pepper markets were weak amidst inactivity and prices were quoted lower than the previous settlement by Rs. 100. Contrary to expectations, physical markets remain sluggish, despite the ensuing festival season and winter. Heavy and untimely rains in south India is likely to see a fall in production. The short fall in Wynad district, Kerala has been reported to be around 20%. Improved domestic and overseas demand amidst lower supply situation is likely to maintain the market buoyant. Spices Board data show that pepper exports during April-August 2007 stood at 12,900 tonnes valued at Rs. 183.40 crores, up 31% on year in quantity and 124% in value terms.

FUTURES MARKETS

Pepper futures traded weak at NCDEX to emerge from the recent trading range. The most active November contract opened weak at Rs. 12061/qrtl and traded firm during the initially to test an intraday high of Rs. 12170/qrtl. The contract slipped thereafter on increased selling activity to test an intraday low of Rs. 11838/qrtl. Prices improved slightly towards the close of the trading session to close at Rs. 11910/qrtl. Open interest dipped marginally, amid larger volumes traded as compared to the previous day, indicating some long liquidation.

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

Prices closed below the recent trading range with supporting volumes, resulting in a breakout. Prices remain below the EMAs, indicating short to intermediate term weakness in the market. RSI is falling in the neutral zone, while Stochastic is also falling after a bearish crossover, supporting the weak trend. MACD is flat to weak and about to make a bearish crossover, indicating medium term weakness in the prices. Pepper is likely to trade weak during the next trading session, with probability of some late upward movement. A technical correction is also expected.

Pepper 0711(NCPEPX7)2007/09/28 - Daily B:11905.00 A:11910.00
O:12061.00 H:12170.00 L:11842.00 C:11910.00 V:9,190 I:7,727 -205



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	11650	11750	11910	12565	12812

TRADE RECOMMENDATION

Sell NCDEX November Black Pepper near Rs. 12000-12025, with a target of Rs. 11900, then at Rs. 11850, with a strict stop loss of Rs. 12075. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	12,300	-
	Ungarbled	11,700	

SPOT MARKETS

Domestic auctions of cardamom showed mixed trend. The good quality colored variety was quoted dearer by Rs. 10, while the discolored capsules were quoted lower by Rs. 40. Festive demand ahead of the ensuing Diwali and Navratri is keeping the market firm, amidst lower arrivals in the physical market owing to late picking and lower production. The production estimates are further revised down to 40% due to the havoc wrecked by the untimely heavy rains in the cardamom growing tracts. Improved domestic and overseas demand, amidst lower production is likely to maintain the market firm.

FUTURES MARKETS

Cardamom futures traded volatile at MCX. The most active October contract opened weak at Rs. 564/kg, Rs. 2 down the previous close and traded steadily up to test an intraday high of Rs. 575/kg. Active selling at higher levels pressurized the market and prices slumped to test an intraday low of Rs. 555.50/kg, before closing at Rs. 562/kg. Open interest and volume improved as compared to the previous day, indicating some short accumulation.

PRICE DRIVERS

Bearish:

1. Weak domestic and overseas demand

Bullish:

1. Domestic production estimated lower

WEATHER

Adequate moisture and sunshine in Kerala is facilitating picking of capsules.

TECHNICALS

A long hollow candle is formed in the charts. Prices remain well above the EMAs. MACD is rising to emerge into the positive territory. RSI and Stochastic are also rising into the overbought region. Overall, technicals indicate a firm trend in the short to medium term. However, a strong resistance is seen around 580 levels. Cardamom is likely to trade firm in the next trading session with some downward movement towards the close of the day.

CARDAMOM 0710(MXCAMV7)2007/09/28 - Daily B:561.50 A:563.50
O 564.00 H 575.00 L 555.50 C 562.00 V 649 T 183,706 I 1,118 -4



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	526	535	562	580	605

TRADE RECOMMENDATION

Buy MCX October Cardamom near Rs. 558 with a target of Rs. 564 and then 566 with a strict stop loss of Rs. 554. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Vandanmedu

500

12,600

SPOT MARKETS

Jeera prices at the benchmark Unjha market declined slightly as compared to previous trading session. Prices were quoted weak by Rs.20 per 20kg amidst slight gain in arrivals and offtake at 2500 and 4500 bags respectively. Domestic buyers remained subdued in the market inspite of festive season. However there are unconfirmed reports of low quality of jeera in the market this also restricting the buyers to buy the commodity. Overseas demand from European countries, Bangladesh and Singapore lacked luster. Prices for the commodity in the medium term is likely to trade rangebound slightly weak amidst subdued domestic as well as export demand.

FUTURES MARKETS

NCDEX Jeera most active November futures opened weak at Rs.9835. The futures during the early hours surged to witness an intraday high at Rs.9850 and thereafter slumped to test fresh lows at Rs.9650 on short accumulation. The open interest gained amidst marginally low volumes not supportive to the marginal surge in close. The contract then closed negative by 1.14 percent at Rs.9744 as compared to Thursday's close price.

PRICE DRIVERS

Bullish:

1. Lower domestic and global production

Bearish:

1. Export down 16.35% in quantity during August 2007 as against August 2006
2. Subdued domestic and overseas demand inspite of festive season.

WEATHER

Rain/thundershowers are likely south Gujarat, and over rest region outside east Rajasthan and north Gujarat. Heavy rainfall may limit regular trading activity.

TECHNICALS

Medium sized lower shadow is indicating slight buying coming in towards the closing session amidst low volumes not supportive to the price movement. MACD is negative and RSI is oversold supportive to the weakness in the prices. Open interest gained marginally to support the weakness. The close below the EMA's is supportive to the bears. Jeera is likely to trade rangebound to weak following a steady opening. However a technical correction is expected very soon.

JEERA 0711(NCJEE7)2007/09/28 - Daily B:9740.00 A:9748.00
O 9835.00 H 9850.00 L 9650.00 C 9744.00 V 9,549 18,340 -122
EMA(9) 10160 (18) 10462



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	9346	9450	9744	10095	10249

TRADE RECOMMENDATION

Sell NCDEX November Jeera at Rs.9744-9740 or market open with a target of Rs. 9701 then at Rs.9673 with a strict stop loss at Rs.9763. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2150-2230	
	Ganesh	2350-2390	2500
	Machine Cleaned	2430-2550	

TURMERIC

Sept 29, 2007

SPOT MARKETS

Domestic turmeric prices at the benchmark Nizamabad market declined whereas at other centers the prices were steady. At Nizamabad the prices declined by Rs.20 per quintal at Rs.1940-1950 amidst marginal gain in arrivals and offtake to 1600 bags. At Erode the prices were steady at Rs.2100-2150 per quintal. As per trade sources festive demand for the commodity is likely to gain its pace during the days ahead as Dushera and Diwali is coming soon. Overseas advices from the traditional buyers like Gulf and Japan is active. Prices for the commodity is likely to trade rangebound for the medium inspite of festive demand amidst ample of stock in the market.

FUTURES MARKETS

NCDEX turmeric October futures closed down at Rs.1972 or by 1.40 percent as against previous settlement. The futures opened slightly firm at Rs.1998 and did not surge further and tested fresh lows at Rs.1972. The open dipped slightly amidst low volumes not supportive to the weakness in prices. 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, Andhra Pradesh and Tamil Nadu. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

A bearish marubazu is indicating selling pressure in the market amidst low volumes not supportive to the fall in prices. RSI is in oversold region leaving scope for further fall in prices. The close below the EMA's and MACD is supporting the weakness in prices. Turmeric is likely to trade weak following a steady opening and initial uptrend. However a technical correction is due very soon.

Turmeric 0710(NCTMCV7)2007/09/28 - Daily B:1973.00 A:1977.00
O 1998.00 H 1998.00 L 1972.00 C 1972.00 V 6,180 114,640 -23



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	1927	1939	1972	2033	2049

TRADE RECOMMENDATION

Sell NCDEX October Turmeric at Rs.1974-1976 or market open with a target of Rs.1963 and then Rs. 1955 with a strict stop loss of Rs.1980. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1925-1970	1500
	Gattah	1850-1890	
Erode	Finger	2100-2150	4000
	Gattah	2000-2050	

■ CHILLI

■ Sept 29, 2007

SPOT MARKET

Domestic chilli prices at Guntur market extended the sluggish trade. Prices remained unchanged at Rs.3900-4400 per quintal. Arrivals and offtake were steady at 30000 bags and offtake was steady at 15000 bags. Domestic demand is reported to be weak due to lack of buying interest among the trader's. 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 October futures at NCDEX opened firm as compared to previous settlement at Rs.4660. The futures did not slip after firm opening and surged to witness a high at Rs.4764 since last 3 months. Volumes gained significantly amidst fall in open interest. The futures then closed firm by 2.63 percent at Rs.4759 as against Thursdays close price.

PRICE DRIVERS

Bullish:

1. Export up by 34.23% during August 2007 as against August 2006

Bearish:

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

WEATHER

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

TECHNICALS

A bullish marubazu is indicating active buying amidst gain in volumes supportive to the upmove in the prices. The close above the EMA is favouring the firmness in prices. RSI is in neutral region and rising. MACD is positive and supportive to further upmove in prices. Chilli prices are likely to trade firm following a steady to firm opening.

CHLL334GTR 0710(NCGTRV7)2007/09/28 - Daily B:4745.00 A:4760.00
O 4660.00 H 4764.00 L 4660.00 C 4759.00 V 4,700 I 5,925 +104

EMA(9) 4671.2 (18) 4620.3



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4555	4625	4759	4901	4965

TRADE RECOMMENDATION

Buy NCDEX October Chilli near Rs. 4750 or above with a target of Rs. 4791 and then Rs.4825 with a strict stop loss of Rs. 4721. 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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