

■ BLACK PEPPER

■ Sep 20, 2007

SPOT MARKETS

Domestic pepper markets traded weak amidst zero arrivals and offtake. Prices at the benchmark Kochi markets were quoted lower by Rs. 100 as compared to the previous settlement. Sellers are not active at lower price levels. Festive demand ahead of the upcoming Diwali, Durgapuja and Ramzan is expected to support the market in the short term. Meanwhile, pepper traders and farmers have approached the Spices Board to ban futures trading in pepper. Global demand for black pepper has weakened in the last couple of weeks as the US and the European buyers have adequate stock, resulting in dampening of pepper prices.

FUTURES MARKETS

Pepper futures traded weak at NCDEX with a downward bias. The most active October contract opened firm at Rs. 12394/qrtl, Rs. 55 above the previous settlement and traded up during the opening session to test an intraday high of Rs. 12419/qrtl. The prices slumped thereafter on increased selling activity at higher levels and the contract tested an intraday low of Rs. 12111/qrtl, before settling at Rs. 12130/qrtl. Open interest of the contract dipped amidst improved volume of trade, indicating 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

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

A dark candle is formed in the charts with prices closing below the EMAs. RSI is falling in the neutral region, while Stochastic is also falling into the oversold region after making a bearish crossover. Overall, technicals indicate short to intermediate term weakness in the market. MACD is flat below the zero line, leaving scope for movement in either side in the medium term. Pepper is likely to trade weak in the next trading session after opening firm with likelihood of some late upward movement.

Pepper 0710(NCPEPV7)2007/09/19 - Daily B:12130.00 A:12137.00
O 12394.00 H 12419.00 L 12120.00 C 12130.00 V 10,623 I 10,192 -250



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11654	11839	12130	12629	12891

TRADE RECOMMENDATION

Sell NCDEX October Black Pepper near Rs. 12200, with a target of Rs. 12080, then at Rs. 12030, with a strict stop loss of Rs. 12290. Trade with intraday outlook.

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

■ CARDAMOM

■ Sept 20, 2007

SPOT MARKETS

Domestic markets were active with arrivals of 34,000 kg, which matched the offtake. Good quality colored cardamom was dearer today by Rs. 10, while the discolored capsules were quoted lower by Rs. 5. The upcoming festive season is likely to firm up the domestic markets. The higher prices of Indian cardamom as compared to Guatemalan cardamom are limiting export queries. Overseas demand is expected to emerge if Indian capsules are quoted lower by \$1-2. 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

MCX Cardamom futures traded firm. The most active October contract opened firm at Rs. 498/kg and traded sharply up to test an intraday high of Rs. 506/kg. The contract was pushed down slightly thereafter on profit booking at higher levels before settling at Rs. 504.5/kg. Volume traded and open interest dipped as compared to the previous trading session.

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 hollow candle is formed for the session. Prices closed well below the EMAs, indicating short as well as intermediate term weakness in the market. RSI is rising and has emerged from the oversold region, showing some short term firmness in the prices. Stochastic is flat in the oversold region and is about to make a bullish crossover. MACD is falling slowly in the negative region, indicating a weak market in the medium term. The lower volumes traded are not supporting the improvement in prices. Cardamom is expected to trade weak during the next session after opening firm.

CARDAMOM 0710(MXCAMV7)2007/09/19 - Daily B:502.00 A:505.00
O 498.00 H 506.00 L 498.00 C 504.50 V 205 T 51,518 I 529 +7.5
EMA(9) 514.07 (18) 523.87



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	480	490	504.5	512	522

TRADE RECOMMENDATION

Sell MCX October Cardamom near Rs. 505 with a target of Rs. 500 and then 497.5 with a strict stop loss of Rs. 508. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Kumily

470

34,000

CUMIN

Sep 20, 2007

SPOT MARKETS

Jeera prices at the domestic benchmark Unjha market have maintained its steady upmove in prices for the second day. The prices gained marginally by Rs.20 per 20 kg. The arrivals were steady amidst slight decline in offtake at 2500 bags and 5000 bags respectively. Domestic demand was reported to be improved marginally from Eastern states of the country on the eve of *Durga pooja*. Slight improvement is reported to be seen for overseas demand from European countries, Bangladesh and Singapore. 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 at 7-9 lakh bags as compared 15 lakh bags during last year same time.

FUTURES MARKETS

Jeera October futures at NCDEX opened weak at Rs.10340 as against previous settlement. The futures during the early hours witnessed an intraday high at Rs.10428 and during the closing session witnessed a slump at Rs.10221 on selling pressure. The open interest dropped amidst marginally low volumes. The fall in close price and open interest is indicating long liquidation. The contract then closed at Rs.10241 down by 0.71 percent as compared to Tuesday'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 and thunder showers are likely over Rajasthan. Heavy rainfall may limit regular trading activity.

TECHNICALS

Candlestick is indicating weak opening initial upmove and thereafter selling pressure from higher levels amidst fall in open interest and low volumes not supportive to the price movement. 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 downwards leaving scope for further fall in prices. Jeera prices are likely to trade weak following a steady opening and slight upmove towards the closing session.

JEERA 0710(NCJEEV7)2007/09/19 - Daily B:10232.00 A:10250.00
O 10340.00 H 10428.00 L 10221.00 C 10241.00 V 6,702 I 8,286 -129



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	9988	10083	10241	10469	10555

TRADE RECOMMENDATION

Sell NCDEX October Jeera at Rs.10245-10255, with a target of Rs. 10201 then at Rs.10188, with a strict stop loss at Rs.10279. 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 20, 2007

SPOT MARKETS

Domestic turmeric prices at all the major spot markets traded steady to weak by Rs.30 per qtl. At Nizamabad, prices were weak by Rs.30 at Rs.1920 per qtl due to quality issues and arrivals of 1500 bags were sold completely. The prices at the Erode markets remained unchanged at Rs.2100-2150 per qtl amidst 70 % sale of improved arrivals of 4000 bags. 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.2032 as against previous close price. During the early hours the futures slumped to witness an intraday low at Rs.2026 and thereafter witnessed an intraday high at Rs.2058. Both, volumes and open interest gained supportive to the upmove in prices. The futures then closed at Rs.2049 firm by 0.71 percent as against Tuesday'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, coastal Andhra Pradesh, outside Tamil Nadu, and Madhya Maharashtra. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

Candlestick is indicating steady to weak opening and thereafter active buying at lower levels amidst good volumes and open interest supportive to the upmove in prices. 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 moving upwards leaving scope for further upmove in prices. Turmeric is likely to trade sideways following a steady opening, initial firmness and slight dip towards the close.

Turmeric 0710(NCTMCV7)2007/09/19 - Daily B:2045.00 A:2049.00
O 2032.00 H 2058.00 L 2026.00 C 2049.00 V 11,810 I 18,630 +15



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	2002	2013	2049	2083	2096

TRADE RECOMMENDATION

Buy NCDEX October Turmeric at Rs.2047-2049 or market open with a target of Rs.2058 and then Rs. 2066 with a strict stop loss of Rs.2041. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1920	1500
	Gattah	1860-1870	
Erode	Finger	2100-2150	4000
	Gattah	2000-2050	

SPOT MARKET

Domestic chilli prices at Guntur market continued its steady trend. The prices remained unchanged at Rs.3900-4400 per qtl. The arrivals and offtake were steady at 30,000 bags and 15,000-20,000 bags respectively. 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 is likely to trade weak due to lack luster domestic demand and steady export demand. The long term trend for the commodity is likely to remain bearish due to ample of stock and increase in acreage.

FUTURES MARKETS

Red chillies most active October futures settled firm by 0.68 percent at Rs.4650 as against previous close price. The contract opened weak at Rs.4635 and during early hours witnessed a low at Rs.4615 and thereafter surged to Rs.4686. Open interest dropped amidst gain in volumes supportive to the gain in prices. The gain in close price and fall in open interest is indicating short 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 coastal Andhra Pradesh. Rainfall during the growing stage is beneficial for the crop.

TECHNICALS

Candlestick is indicating weak opening initial weakness and thereafter active buying at lower levels amidst gain in volumes supportive to the price move. The close marginally below 9-day EMA is supportive to the firm trend. 9-day RSI is neutral and moving slightly upwards leaving scope for further upmove 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)2007/09/19 - Daily B:4645.00 A:4655.00
O 4635.00 H 4686.00 L 4615.00 C 4650.00 V 3,320 I 5,350 +10
EMA(9) 4596.0 (14) 4561.0



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4496	4556	4650	4793	4845

TRADE RECOMMENDATION

Buy NCDEX October Chilli at Rs. 4650-4655 or market open with a target of Rs. 4693 and then Rs.4709 with a strict stop loss of Rs. 4622. 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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>