

■ BLACK PEPPER

■ Sep 11, 2007

SPOT MARKETS

Domestic black pepper remains weak at the start of this week. Prices were quoted lower by Rs. 200 per quintal in benchmark Kochi market amid no arrivals as well as offtake. Weak demand for the commodity was attributed to the decline in prices. Moreover, sharp fall in pepper futures prices has weighed down heavily on the physical market. Traders are expecting demand to improve shortly ahead of the festival season. Higher volatility in recent time has kept the buyers away from the market. Global supply shortage and price competitiveness of Indian pepper has resulted into increased shipment from the country in the past few months. Long-term fundamentals remains firm, however, in short-term prices may see further decline on weak demand for the commodity.

FUTURES MARKETS

Black pepper futures at NCDEX opened lower than previous settlement and most active October contract tested an intraday high of Rs. 12649 at the opening session of trade. Increased selling interest has pressurised the futures thereafter and the October contract slide to test an intraday low of Rs. 12230 during late hours of trade. Most active October traded in the range of Rs. 12230-12649 during Monday'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

Rain/thundershowers are likely over few places in growing region. It would be beneficial for the growth of newly planted and old vines.

TECHNICALS

Candlesticks pattern indicates weak opening and further downtrend. The close below the 9-day as well as 18-day EMA is indicating a bearish trend in the market. 14-day RSI is moving downwards in neutral region, leaving scope for further decline. MACD is about to make a bearish crossover with its EMA in negative territory, supporting the weakness in the market. Volume as well as open interest has increased as compared to previous settlement. Black pepper futures are likely to trade downwards following a weak opening with possibility of some upward movements later

Pepper 0710(NCPEPV7)2007/09/10 - Daily B:12275.00 A:12290.00
O 12599.00 H 12632.00 L 12230.00 C 12290.00 V 14,334 I 11,510 -310
EMA(9) 12560 (18) 12666



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	11717	11970	12290	12527	12775

TRADE RECOMMENDATION

Sell NCDEX October Black Pepper near Rs. 12350-12380, with a target of Rs. 12225, then at Rs. 12180, with a strict stop loss of Rs. 12475. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	12600	-
	Ungarbled	12000	

SPOT MARKETS

Cardamom auctions were quoted weak at Rs.450-430 per kg at Bodinayakanur on lower arrivals matching offtakes of 4000 kg. Good rains and adequate sunshine in Kerala are providing optimal conditions for the crop which is now in picking stage. Harvesting is lagging behind the schedule by one round in Kerala. Festive demand from North India as well as overseas demand is expected to emerge by late September. This, coupled with poor production estimates is likely to strengthen the markets in the long term. Indian production is expected to at 8500-9000 tonnes, down 25% on year.

FUTURES MARKETS

Cardamom futures at MCX opened higher than previous settlement and most active September contract tested an intraday high of Rs. 515. The futures traded downwards thereafter and the September contract tested an intraday low of Rs. 511 at close, but managed to stay in positive territory. Most active September contract finished higher by Rs. 0.50 or 0.1 per cent after trading in the range of Rs. 511-515 during Monday's trade.

PRICE DRIVERS

Bearish:

1. Weak domestic demand.

Bullish:

1. Domestic production estimated lower

WEATHER

Rain/thundershowers are likely at few places at Kerala and Tamil Nadu. Heavy rains during the picking period may damage the crop.

TECHNICALS

Candlesticks pattern indicates weak opening and further downtrend. Prices have closed below the 9-day as well as 18-day EMA, indicating a bearish trend in the market. 14-day RSI is neutral, leaving scope for both way movements. MACD remains in negative territory. Volume has increased, while open interest has declined as compared to previous settlement. Cardamom futures are likely to trade downwards following a weak opening with possibility of some upward movements later in the session.

CARDAMOM 0709(MXCAMU7)2007/09/10 - Daily B:510.00 A:513.00
O 511.50 H 515.00 L 511.00 C 511.00 V 150 T 21,028 I 473 +0.5
EMA(9) 513.57 (18) 518.48



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX Sept	503	507	511	517	521

TRADE RECOMMENDATION

Sell MCX September Cardamom near Rs.511.5-512 with a target of Rs. 510.5 and then 508.5 with a strict stop loss of Rs. 514. Trade with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Bodinayakanur	450-480	4000

CUMIN

Sep 11, 2007

SPOT MARKETS

Jeera prices at the domestic Unjha market during the first day of the week continued to remain stable as that of previous trading session. The prices remained unchanged amidst marginally low arrivals and offtake at 2500 bags and 5500 bags respectively. The domestic buyers remained subdued in the market. As per trade sources export order from European countries, Singapore and Bangladesh is active and they also reported presence of some demand at lower price levels as a major supportive feature. The long-term outlook for jeera remain firm with the supply shortage, both domestically as well as globally on reports of crop damage at Syria due to unfavourable weather. The near-term outlook seems gloomy until demand improves considerably on the onset of festive season in the country as the demand is likely to be improved.

FUTURES MARKETS

NCDEX Jeera October futures opened weak at Rs.10700 as against previous settlement. The futures after opening weak did not surge further and tested fresh lows at Rs.10315 on selling pressure. The open interest gained marginally amidst good volumes. The change in close price and open interest is indicating short accumulation. The contract then closed at Rs.10380 down by 3.27 percent after hitting lower circuit as compared previous close price.

PRICE DRIVERS

Bullish:

1. Lower domestic and global production

Bearish:

1. Export down 52% in quantity during April-July 2007
2. Moderate domestic, overseas demand

WEATHER

Isolated rainfall is likely over Rajasthan as well as isolated at Gujarat. Heavy rainfall may limit regular trading activity.

TECHNICALS

A bearish marubazu is indicating selling pressure supported with good volumes. 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 oversold region leaving scope for the further fall in price. Jeera prices are likely to trade weak and test fresh lows with a possibility of some correction in the prices.

JEERA 0710(NCJEEV7)2007/09/10 - Daily B:10381.00 A:10385.00
O 10700.00 H 10700.00 L 10315.00 C 10380.00 V 13,425 I 10,356 -369



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	10004	10130	10380	10825	10962

TRADE RECOMMENDATION

Sell NCDEX October Jeera at Rs.10370-10385, with a target of Rs. 10300 then at Rs.10243, with a strict stop loss at Rs.10421. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2120-2200	
	Ganesh	2320-2360	2500
	Machine Cleaned	2400-2520	

TURMERIC

Sept 11, 2007

SPOT MARKETS

Domestic turmeric prices on the first day of the week traded sluggish and steady at all the major spot centers amidst low arrivals and offtake. At Erode the prices were stable at Rs.2100-2150 per quintal amidst low offtake. At Nizamabad the commodity was quoted at Rs.1950-1980 amidst steady arrivals and offtake. Domestic demand for turmeric is reported to be stable with slight firmness on festive demand. Export advices for the commodity are steady from Gulf as well as Japan and are likely to gain its momentum. Prices for the commodity is like to trade rangebound to slightly subdued for the days ahead during the week.

FUTURES MARKETS

NCDEX turmeric October contract opened firm by Rs.4 at Rs.2072 as against last settlement. The futures did not surge further and tested fresh lows at Rs.2040 since contract inception on selling pressure. The open interest gained marginally amidst low volumes not supportive to the fall in price. The futures then closed at Rs.2043 down by 1.59 percent as against previous settlement. The fall in close price and gain in open interest is indicating short accumulation.

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 over south interior Karnataka, Tamil Nadu, and Madhya Maharashtra and isolated over Andhra Pradesh. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

A medium sized bearish marubazu on 3rd consecutive day is indicating selling pressure and active bears in the market however not supported by volume. The close below the 9-day and 18-day EMAs is supportive to the weak trend. MACD is falling in the negative zone supportive to bears, while RSI is in oversold region leaving scope for further fall in prices. Turmeric is likely to test fresh lows with slight upmove due to profit booking towards the later trading session. A Technical correction is also anticipated very soon.

Turmeric 0710(NCTMCV7)2007/09/10 - Daily B:2043.00 A:2045.00
O 2072.00 H 2072.00 L 2040.00 C 2043.00 V 11,550 I 16,310 -25



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	2006	2018	2043	2103	2122

TRADE RECOMMENDATION

Sell NCDEX October Turmeric at Rs.2045-2047 or market open with a target of Rs.2033 and then Rs. 2021 with a strict stop loss of Rs.2053. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1950-1980	1500
	Gattah	1850-1870	
Erode	Finger	2100-2150	3500
	Gattah	2000-2050	

CHILLI

Sept 11, 2007

SPOT MARKET

Domestic chilli prices at the bench mark Guntur market opened slightly up by Rs.50 amidst good arrivals. The arrivals gained to 50,000 bags and offtake was low at 20,000 bags. The chilli domestic demand was sluggish during the week and is likely to remain subdued due to lack of buying interest. Export advices from Bangladesh, Malaysia and Sri Lanka were steady and are likely to gain momentum once the Ramzan festival begins. Prices of the commodity are likely to remain rangebound to slightly firm on anticipation of good export orders. Long term trend is likely to remain bearish on higher production estimates.

FUTURES MARKETS

Red chillies most active October futures closed down by 0.89 percent at Rs.4588 as against previous close price. The contract opened weak at Rs.4615 and did not surge to witness any high and made a low at Rs.4565. Open interest gained marginally amidst marginally low volumes not supportive to the price movement. The fall in close and gain in open interest indicates 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

Rain / thundershower are likely over south interior Karnataka and isolated over Andhra Pradesh. Rainfall during the initial growing stage is beneficial for the crop.

TECHNICALS

Candlestick is indicating weak opening and subdued activity at higher levels. EMA's are supportive to the firm trend. 9-day RSI is neutral and moving down wards leaving scope for further fall in prices. MACD is steady in positive territory supporting the firm trend. Red chillies futures are likely to trade weak followed by weak opening and slight firmness towards the close.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4367	4456	4588	4823	4898

TRADE RECOMMENDATION

Sell NCDEX October Chilli at Rs. 4588-4580 or above with a target of Rs. 4535 and then Rs.4512 with a strict stop loss of Rs. 4603. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	4000-4500	50,000

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