

■ BLACK PEPPER

■ Oct 11, 2007

SPOT MARKETS

Black pepper domestic markets extended the firmness further to close higher by Rs. 300/qtl on good domestic demand amidst tight supply conditions. The depletion of the carry over stock in the major producing countries is causing concerns in the global market. The new Indian crop is expected to arrive late by 8 months in January, while in Vietnam, the new crop is expected to hit the markets by March. Upcountry buyers are seen buying in the domestic markets ahead of the festival season and winter. Overseas demand is also expected to pick up in the coming weeks, resulting in firm prices till January-February.

FUTURES MARKETS

NCDEX Pepper futures traded firm on some short covering. The most active November contract opened weak at Rs. 13675/qtl, Rs. 53 down the previous close and traded down in the opening session to test an intraday low of Rs. 13575/qtl. Improved buying interest supported the market thereafter and the contract rose to test an intraday high of Rs. 14235/qtl. Prices dipped later on some profit taking and the contract settled at Rs. 14355/qtl. Open interest dipped amidst larger volumes traded, suggesting short 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
3. Good domestic and overseas demand

Bearish:

1. Sellers active at higher price levels

WEATHER

Good sunshine and occasional rains are conducive for the growth of the vines.

TECHNICALS

Candlestick pattern suggests a firm opening and an uptrend. Prices remain above the EMAs, suggesting short to intermediate term firmness in the market. MACD is rising in the positive territory, while RSI is rising into overbought region, leaving scope for a technical correction. Stochastic is also rising in the neutral region, suggesting further uptrend. Pepper is expected to trade firm in the next session with some late downward movement. 14305 level is seen providing an immediate resistance to the uptrend.

Pepper 0711(NCPEPX7)2007/10/10 - Daily B:14062.00 A:14065.00
O 13675.00 H 14235.00 L 13575.00 C 14065.00 V 22,533 I 9,418 +365
EMA(9) 13074 (18) 12772



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	11868	12209	14065	14305	14930

TRADE RECOMMENDATION

Buy NCDEX November Black Pepper near 14000-14050, with a target of Rs. 14200, then at Rs. 14250, with a strict stop loss of Rs. 13900. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13,600	-
	Ungarbled	13,000	

■ CARDAMOM

■ Oct 11, 2007

SPOT MARKETS

Cardamom markets remained steady amidst demand matching supplies at the domestic auction at Kumily. Good buying support to cover the commitments before festival season is seen propping up the domestic market. Export demand has been sluggish on account of the higher price of Indian parity as compared to the Guatemalan produce. The second round of picking is likely to start from the next week, resulting in improved arrivals of good quality capsules in the market. The prevailing weather is favouring the crop and picking of capsules.

FUTURES MARKETS

Cardamom futures are traded volatile at MCX with a downward bias. The most active October contract opened weak at Rs. 514/kg, Rs. 2 down the previous settlement and traded up in the opening session to test an intraday high of Rs. 517/kg. Sellers emerging at higher levels pressurized the market and the prices slumped to test at an intraday low of Rs. 507/kg. The contract improved slightly on some buying support to settle at Rs. 511/kg. Open interest dipped amidst very low volumes traded as compared to the previous day.

PRICE DRIVERS

Bearish:

1. Higher prices limiting export queries

Bullish:

1. Domestic and global production estimated lower
2. Improved domestic demand

WEATHER

Prevailing good weather conditions is seen favouring the picking of the capsules.

TECHNICALS

An indecisive candle is formed in the chart. A close below the EMAs and a downward bound Stochastic as well as MACD support weakness in the market. Stochastic has made a bearish crossover in the neutral region. RSI is flat in the neutral region, suggesting short term indecision in the market. Cardamom is likely to trade sideways in the next session with a weak undertone.

CARDAMOM 0710(MXCMV7)2007/10/10 - Daily B:511.50 A:513.50
O 514.00 H 517.00 L 507.00 C 511.00 V 94 T 21,255 I 262 -5
EMA(9) 529.18 (18) 534.46



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	482	492.5	511	545	554.5

TRADE RECOMMENDATION

Sell MCX October Cardamom near Rs. 510-512 with a target of Rs. 505 and then 503 with a strict stop loss of Rs. 515. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Kumily

500

54,000

CUMIN

Oct 11, 2007

SPOT MARKETS

Jeera, at the benchmark Unjha market traded firm after trading steady. The prices for jeera improved by Rs.30 per 20kg. The arrivals were steady at 2500 bags whereas the offtake improved to 8500 bags. As per trade sources the demand for the commodity improved further both in domestically as well as in the overseas markets. Overseas buyers from Gulf and European countries, Malaysia and Srilanka were active in the market. Adding to firm demand upcoming festivals like Dushera and Diwali is supportive for prices in the medium term. The current stock position in the market is reported to be low at around 5-6 lakh bags and this is likely to cause demand and supply mismatch and favour the uptrend in prices.

FUTURES MARKETS

NCDEX Jeera most active November futures Closed firm by 2.50 percent at Rs.10835 as against previous close price. The futures moved in a range of Rs.10492 and Rs.10870. The open interest declined amidst surge in volumes favouring the upmove in close. The firm close and fall in open interest is suggesting short liquidation. The near month October futures moved in a range of Rs.10140 and Rs.10465 and witnessed covering of short positions.

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

Dry weather is likely over Gujarat and elsewhere in North Western regions.

TECHNICALS

A long hollow candlestick is suggesting firm opening and thereafter fresh buying coming in supported with gain in volumes. Rising RSI and MACD in the neutral region is favouring further upmove in prices. MACD is moving towards the positive territory and the close below the EMA is a supportive feature for the upmove in price. Jeera futures are likely to trade firm following a steady to firm opening.

JEERA 0711(NCJEE7)2007/10/10 - Daily B:10832.00 A:10848.00
O 10556.00 H 10870.00 L 10492.00 C 10835.00 V 15,267 17,917 +294



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	10090	10328	10835	11311	11480

TRADE RECOMMENDATION

Buy NCDEX November Jeera at Rs.10810-10820 or market open with a target of Rs. 10896 then at Rs.10953 with a strict stop loss at Rs.10758. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2270-2250	
	Ganesh	2460-2500	2500
	Machine Cleaned	2530-2660	

TURMERIC

Oct 11, 2007

SPOT MARKETS

Domestic turmeric prices at all the major physical markets witnessed a steady to slightly weak trend. The prices at Nizamabad declined by Rs.25 per qtl and were quoted at Rs.1925 per qtl and the arrivals and offtake bounced to 1000 bags respectively. At Erode the prices remained unchanged at Rs.2100-2150 amidst 75% sale of total arrivals of 3500 bags. Domestic buying for the commodity is active on the eve of Dushera and Diwali. However the prevailing demand is not supporting any uptrend in prices due to supply glut and ample stocks for the season at around 20.5 lakh bags. Overseas buyers are active from Gulf and Japan. Prices of Turmeric are likely to trade rangebound to weak during rest of the week.

FUTURES MARKETS

NCDEX turmeric most active November futures closed slightly up at Rs.2028 or firm by 0.25 on fresh buying. The contract moved in a range of Rs.2019 and Rs.2040. Open interest gained amidst subdued volumes. The benchmark October futures witnessed short covering amidst low volumes and open interest and moved in a range of Rs.1956 and Rs.1973.

PRICE DRIVERS

Bearish:

1. Good stock level for the season.

Bullish

1. Good export demand in the market.
2. Improved domestic demand

WEATHER

Rain/thundershowers are likely at a few places over south Coastal Andhra Pradesh, Tamil Nadu and isolated over coastal Karnataka and Madhya Maharashtra. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

Candlestick is suggesting firm opening and initial slight upmove. The close below the EMA's and falling stochastic towards the oversold region is hinting further slump in prices. RSI is hesitantly moving up in the neutral region and MACD is also flat in the Negative region is favouring weakness in the trend for a medium term. Turmeric prices are likely to trade in a range following a steady to weak opening.

Turmeric 0711(NCTMCX7)2007/10/10 - Daily B:2024.00 A:2030.00
O 2019.00 H 2039.00 L 2019.00 C 2028.00 V 5,720 I 11,400 +10



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	1979	1991	2028	2068	2095

TRADE RECOMMENDATION

Sell NCDEX November Turmeric at Rs.2030-2032 or market open with a target of Rs.2019 and then Rs.2007 with a strict stop loss of Rs.2036. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1925	1000
	Gattah	1825	
Erode	Finger	2100-2150	3500
	Gattah	2000-2050	

■ CHILLI

■ Oct 11, 2007

SPOT MARKET

Domestic chilli market at Guntur remained closed due to raise property tax issues however regular trade is reported to resume from Thursday onwards. The arrivals are declining at the auction and as per trade sources fall in arrivals and offtake is mainly due to weak demand locally as well as subdued overseas demand for the medium term. However they anticipate overseas demand to gain pace after Ramzan and slight improvement is likely on the domestic front after Dushera. Chilli prices in the medium term is likely to trade steady to weak due to lack luster domestic as well as overseas demand amidst ample stocks at the Guntur warehouse at around 28 lakh bags as on 30th September, 2007.

FUTURES MARKETS

Chilli most active November futures opened weak at Rs.4200 and traded between Rs.4192 and Rs.4250. The marginal gain in open interest and close price is suggesting fresh buying amidst significant gain in volumes. The futures closed slightly firm at Rs.4224 or up by 0.31 percent as against Tuesday's 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 at a few places over south Coastal Andhra Pradesh, Tamil Nadu. Rainfall is beneficial for the crop at present during its growing stage, as long as there are no floods.

TECHNICALS

Candlestick is suggesting initial upmove and thereafter selling coming in towards the closing session amidst very low volumes. Open interest gained slightly and RSI is hesitantly moving slightly upwards hinting further upmove in prices. MACD is flat in negative region and the stochastic is moving downwards supportive to weakness in prices. The close below the EMA's is also favouring the weakness in prices. Chilli prices are likely to trade rangebound to slightly weak following a steady opening.

CHLL334GTR 0711(NCGTRX7)2007/10/10 - Daily B:4223.00 A:4240.00
O 4200.00 H 4250.00 L 4192.00 C 4224.00 V 1,670 | 4,955 +9
EMA(9) 4280.9 (18) 4326.5



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	4085	4140	4224	4296	4343

TRADE RECOMMENDATION

Sell NCDEX November Chilli near Rs. 4225-4233 or below with a target of Rs. 4184 and then Rs.4132 with a strict stop loss of Rs. 4253. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	Closed	-

Disclaimer

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