

■ BLACK PEPPER

■ Oct 04, 2007

SPOT MARKETS

Pepper prices improved at the physical markets and prices were quoted higher than the previous settlement by Rs. 100/qtl amidst lack of arrivals and offtake. Lower pepper output in the major producing countries has left the global supply in a tight position. The lower prices of Indian parity as compared to the produce of other countries are favoring the exporters amidst poor supply. However, the overseas buyers are shying away from Indian markets on account of the high volatility in the futures counter, which is allegedly due to online gambling. The emerging festive demand and anticipated global demand is likely to firm up the market amidst supply concerns.

FUTURES MARKETS

Pepper futures traded firm at NCDEX to hit the 4% upper circuit. The most active November contract opened firm at Rs. 12030/qtl, Rs. 49 above the previous settlement and traded down in the opening session to test an intraday low of Rs. 12004/qtl. Prices improved thereafter on increased buying at lower levels to test an intraday high of Rs. 12604/qtl, before settling at Rs. 12585/qtl. Open interest dipped amidst larger volumes traded, indicating short covering.

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 and thunder showers in the pepper growing tracts are likely to damage the crop.

TECHNICALS

A long hollow candle is formed in the charts, resulting in a break out to establish an uptrend. MACD and Stochastic are rising after making bullish crossovers, leaving scope for further uptrend in prices in the short to medium term. Close above the short term EMAs, and a sharply rising RSI, support firm prices. Pepper is expected to trade firm in the next session after opening steady to slightly firm, with some late downward movement.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	11655	11855	12585	13022	13402

TRADE RECOMMENDATION

Buy NCDEX November Black Pepper near 12575-12600, with a target of Rs. 12800, then at Rs. 12850, with a strict stop loss of Rs. 12475. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	12,400	-
	Ungarbled	11,800	

SPOT MARKETS

Cardamom was quoted steady at the domestic auctions amidst huge arrivals of 51,000 kg. Poor quality capsules were quoted lower by Rs. 10/kg. Harvesting in Kerala is lagging behind schedule by one round and late harvesting has resulted in lower arrivals in the short term. Cardamom production is estimated lower at the major producing countries, thereby resulting in tight global supply. Indian crop is also estimated lower by 30% due to bad weather and lower acreage. Improved demand from north India ahead of festival season and expected overseas demand is likely to maintain the prices buoyant in the coming months.

FUTURES MARKETS

Cardamom futures surged at MCX on fresh buying. The most active October contract opened weak at Rs. 572/kg, Rs. 4 down the previous settlement and traded down in the opening session to test an intraday low of Rs. 570/kg. The prices improved thereafter on increased buying to test an intraday high of Rs. 588/kg, before closing at Rs. 586/kg. The contract traded in the range of Rs. 570-588/kg, and closed 1.74% above the previous day. Volume and open interest improved as compared to the previous day, suggesting long accumulation.

PRICE DRIVERS

Bearish:

1. Weak domestic and overseas demand

Bullish:

1. Domestic production estimated lower

WEATHER

Rains in the cardamom growing areas are likely to result in epidemic attack of fungal rot and thrips.

TECHNICALS

A long hollow candle is formed in the charts. Prices remain above the short term EMAs, suggesting firmness in the market. MACD is rising in the positive territory, while RSI is rising into the overbought region. Stochastic is also rising slowly in the overbought region, supporting the uptrend in prices. An overbought market is likely to exhibit a technical correction. 606-606 is seen providing a good resistance to the prices. Cardamom is likely to trade firm in the next session after opening firm to slightly weak with possibility of profit booking towards the close.

CARDAMOM 0710(MXCMV7)200710/03 - Daily B:586.00 A:587.00
O 572.00 H 588.00 L 570.00 C 586.00 V 703 T 193,086 I 1,467 +10
EMA(9) 561.95 (18) 548.75



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	535.5	552	586	605.5	615

TRADE RECOMMENDATION

Buy MCX October Cardamom near Rs. 584 with a target of Rs. 590 and then 592 with a strict stop loss of Rs. 583. Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Bodiyannayakanur	500	51,000

SPOT MARKETS

Jeera, at the benchmark Unjha market witnessed buying support coming in at lower price levels. The prices for the commodity improved by improved marginally by Rs.20 per 20kg. The Arrivals and offtake also improved to 2500-3000 bags and 6500 bags respectively. Festive demand is likely to firm up the prices to some extent during the days ahead amidst low stock level for jeera at the spot market. Overseas buyers remained quiet however local traders foresee the demand to gain its momentum after the Ramzan festival. Prices for the commodity in the medium term are likely to trade rangebound to slightly firm amidst improving domestic demand and anticipation of good export demand during the days ahead.

FUTURES MARKETS

NCDEX Jeera most active November futures opened firm at Rs.9870. The futures after opening firm during the early hours slipped to witness an intraday low at Rs.9860 and surged up to Rs.10149. The contract witnessed long accumulation amidst significant gain in volumes. The futures then closed at Rs.10149 up by 3.22 % as against Monday'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

Dry weather is likely over Gujarat and elsewhere in North Western regions. Dry weather will not cause any disturbance in regular trading activity.

TECHNICALS

A bullish marubazu is suggesting active buying coming in amidst significant gain in volumes and marginal gain in open interest supportive to the firm close. MACD has witnessed a bullish crossover and RSI is rising in the neutral zone leaving scope for further upmove in prices. The close above the short term EMA is also supportive to the upmove in prices. Jeera futures are likely to trade firm following a steady to firm opening and slight dip towards the close.

JEERA 0711(NCJEEEX7)2007/10/03 - Daily B:10145.00 A:10150.00
O 9870.00 H 10149.00 L 9860.00 C 10149.00 V 12,633 I 8,358 +286

EMA(9) 10044 (18) 10278



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	9707	9792	10149	10485	10677

TRADE RECOMMENDATION

Buy NCDEX November Jeera at Rs.10021-10030 or market open with a target of Rs. 10101 then at Rs.10178 with a strict stop loss at Rs.9975. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2170-2190	
	Ganesh	2370-2410	2500-3000
	Machine Cleaned	2450-2570	

TURMERIC

Oct 04, 2007

SPOT MARKETS

Domestic turmeric prices at the benchmark Nizamabad continued the steady price movement. The prices were quoted at Rs.1950 per quintal as that of previous trading session. The arrivals and offtake were reported to be around 1500 bags. Where as at the Erode markets the prices maintained its steady trend at Rs.2100-2150 per quintal amidst 70 % sale out of total arrivals of 3800 bags. As per trade sources local demand is reported to be slightly better due to festive demand amidst steady export advices from traditional buyers like Gulf and Japan. Prices for the commodity are likely to trade rangebound in the medium despite festive demand amidst ample stocks in the market.

FUTURES MARKETS

NCDEX turmeric benchmark October futures tested fresh lows and closed at Rs.1969 down by 1.15 %. The futures traded between Rs.2006 and Rs.1957. The fall in close price and open interest is suggesting long liquidation. Where as the far month November contract traded between Rs.2070 and Rs.2021. The fall in close price and gain in open interest is suggesting short accumulation.

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 over Coastal Andhra Pradesh. Rainfall is beneficial for the crop at present during its growing stage, as long as there are no floods.

TECHNICALS

Candlestick is indicating initial upmove and thereafter active selling pressure amidst gain in volumes supportive to the fall in prices. Close below the EMA's and falling RSI at the oversold region is supporting further fall in prices. MACD is flat in negative region favouring the bears. Turmeric futures are likely to test fresh lows during the early hours and thereafter slight correction is likely as the market is extremely oversold.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	1921	1941	1969	2022	2042

TRADE RECOMMENDATION

Sell NCDEX October Turmeric at Rs.1974-1976 or market open with a target of Rs.1963 and then Rs.1951 with a strict stop loss of Rs.1979. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1950	1500
	Gattah	1850	
Erode	Finger	2100-2150	3800
	Gattah	2000-2050	

SPOT MARKET

Chilli prices at the benchmark Guntur market traded weak on selling pressure and weak demand. The prices were quoted weak by Rs.100 per qtl at rs.3800-4300 per qtl. The arrivals improved to 50,000 bags while offtake was almost steady at 20000 bags. Domestic demand was failed to improve and support any firmness in prices. Weak overseas demand from the traditional buyers like Bangladesh suppressed the prices amidst ample of stock in the market. As per trade sources export demand is likely to gain its momentum after the Ramzan festivals. Chilli prices in the medium term is likely to trade steady to weak due to lack luster domestic demand as well as overseas demand amidst ample of stocks at the Guntur ware house.

FUTURES MARKETS

Chilli October futures at NCDEX opened weak at Rs.4702. During the early hours witnessed an intraday high at Rs.4725 and thereafter a low at Rs.4651. The fall in close price and gain in open interest is suggesting short accumulation amidst good volumes. The futures then closed at Rs.4680 down by 0.77 percent as against previous close price.

PRICE DRIVERS

Bullish:

- Export up by 34.23% during August 2007 as against August 2006

Bearish:

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

WEATHER

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

TECHNICALS

Formation of spinning top candle is indicating indecision and suggests a consolidation phase. MACD has witnessed a bearish crossover. Volumes gained, favouring the fall in close price. The close below the short term EMA and falling RSI in the neutral region is leaving scope for further slump in prices. Chilli futures are likely to trade rangebound to slightly weak following a steady opening.

CHLL334GTR 0710(NCGTRV7)2007/10/03 - Daily B:4666.00 A:4689.00
O 4702.00 H 4725.00 L 4651.00 C 4680.00 V 2,205 15,865 -40

EMA(9) 4694.6 (18) 4653.7



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4506	4585	4680	4792	4832

TRADE RECOMMENDATION

Sell NCDEX October Chilli near Rs. 4690-4695 or below with a target of Rs. 4621 and then Rs.4601 with a strict stop loss of Rs. 4729. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3800-4300	50000

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