

## ■ BLACK PEPPER

■ Oct 03, 2007

### SPOT MARKETS

Domestic pepper markets at Kochi were flat on lack of buying interest and sellers staying away from the market. Prices were quoted steady as the previous day. With reported lower pepper output in India, Vietnam, Brazil and Indonesia, the total production this year is estimated at 211,000 tonnes as against 266,000 tonnes in 2006. The availability in 2008 is likely to turn tight with the depletion of carry over stock. Global consumption in 2008 is estimated at around 300,000 tonnes. The expected domestic and overseas demand amidst tight supply situation is likely to maintain the prices buoyant in the long term.

### FUTURES MARKETS

Pepper futures traded volatile in a thin range at NCDEX. The most active November contract opened firm at Rs. 12020/qrtl, Rs. 80 above the previous close and traded steadily down to test an intraday low of Rs. 11852/qrtl, before rebounding on improved buying at lower levels to test an intraday high of Rs. 12088/qrtl. Prices dipped thereafter on some selling pressure and the contract settled marginally above the opening levels at Rs. 12035/qrtl. Open interest dipped marginally, while volume traded improved as compared to the previous day.

### 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

Pepper is trading in a range and a breakout in either direction will lead to a trend. Doji formation in the charts indicates indecision in the market. MACD is flat below the zero line, while RSI is flat in the oversold region, leaving scope for movement in either direction. RSI is rising in the neutral region, indicating some short term firmness in the prices, while close below EMAs, indicates short to intermediate term weakness in prices. Pepper is likely to trade firm within the range in the next trading session.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	11650	11750	12035	12325	12550

### TRADE RECOMMENDATION

Buy NCDEX November Black Pepper near 11950-11975, with a target of Rs. 12075, then at Rs. 12125, with a strict stop loss of Rs. 11890. Trade with intraday outlook.

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



## ■ CARDAMOM

■ Oct 03, 2007

### SPOT MARKETS

Cardamom auctions were almost steady on lower arrivals. Good quality capsules were quoted flat at Rs. 500/kg. The strike in Tamil Nadu restricted the arrivals in the market. The late harvesting in Kerala due to inclement weather is resulting in lower arrivals in the short term. The lower production estimates of cardamom, coupled with the festive demand and overseas demand is likely to maintain the cardamom markets buoyant in the long term. Buyers from North India are active in the domestic auction ahead of the festival season. Adverse weather conditions in the major cardamom growing regions across the country have created a bullish tone over the market.

### FUTURES MARKETS

Cardamom futures traded firm at MCX on fresh buying. The most active October contract opened slightly weak at Rs. 563/kg and traded down initially to test an intraday low of Rs. 559/kg. Prices improved thereafter on increased buying interest and the contract traded up sharply to close at the day's high of Rs. 578/kg. Volume traded and open interest improved as compared to the previous day, indicating long 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 with some initial selling. Prices remain above the EMAs, indicating short to intermediate term firmness in the market. MACD is rising in the positive territory, while RSI is also rising in the overbought region, supporting the uptrend. Stochastic is flat in the overbought region. 580 level is seen providing a good resistance to the uptrend. A technical correction is also possible. Cardamom is likely to trade weak during the next trading session following a steady to weak opening and some initial upward movement.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	526	535	578	580	605

### TRADE RECOMMENDATION

Sell MCX October Cardamom near Rs. 576 with a target of Rs. 571 and then 569 with a strict stop loss of Rs. 578.50. Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
Bodinayakanur	500	6,800

## CUMIN

Oct 03, 2007

### SPOT MARKETS

Jeera trade at the benchmark Unjha markets during the first day of the week remained quiet. The prices remained unchanged where as the arrivals and offtake improved to 4500 and 6000 bags respectively. The arrivals improved as the markets remained closed on Saturday. Domestic buyers remained quiet inspite of the forthcoming festive season like Dushera and Diwali. 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 firm at Rs.9920. The futures after opening firm did not surge further and slumped to witness a low at Rs.9741. The open interest declined marginally amidst good volumes supporting the slight firmness in close. The futures then closed at Rs.9863 slightly up by 0.21 percent as against previous settlement.

### 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 over region outside Rajasthan. Dry weather will not cause any disturbance in regular trading activity.

### TECHNICALS

Candlestick is indicating initial weakness and thereafter buying coming in towards the closing session amidst good volumes supporting the upmove in close. MACD is flat in negative region and RSI is also flat in over sold region supportive to the weakness in prices. The close below the EMA's is also supportive to the weak trend. The futures are likely to trade weak during the early hours with slight upmove towards the close.

JEERA 0711(NCJEE7)2007/10/01 - Daily B:9862.00 A:9867.00  
O 9920.00 H 9920.00 L 9741.00 C 9863.00 V 7,083 I 8,343 -15



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	9507	9621	9863	10278	10426

### TRADE RECOMMENDATION

Sell NCDEX November Jeera at Rs.9885-9895 or market open with a target of Rs. 9833 then at Rs.9801 with a strict stop loss at Rs.9923. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2150-2170	
	Ganesh	2350-2390	4500
	Machine Cleaned	2430-2550	



## TURMERIC

Oct 03, 2007

### SPOT MARKETS

Domestic turmeric prices at the benchmark Nizamabad market on the first day of the week traded steady at Rs.1950 per quintal as that of previous trading session. The arrivals and offtake declined marginally to 1200 bags. As per trade sources local demand is reported to be improved slightly due to festive demand amidst steady export advices from traditional buyers like Gulf and Japan. At present rainfall is witnessed at the Andhra Pradesh growing areas and in case it continues to rain and to cause water logging the crop yield is likely to be affected. Prices for the commodity is likely to trade rangebound for the medium in spite of festive demand amidst ample of stock in the market.

### FUTURES MARKETS

NCDEX turmeric October futures closed firm by 0.59 percent at Rs.1991. The contract opened at Rs.1978 and did not witness any low during the day and then surged up to Rs.1999 during the early hours on profit booking. The open interest gained marginally amidst good volumes. The marginal gain in close price and open interest is suggesting long 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/thundershowers are likely over Andhra Pradesh and over Tamil Nadu. Rains at present are beneficial for the crop at its growing stage.

### TECHNICALS

Candlestick is indicating steady to weak opening and initial uptrend. The gain in open interest and volume is favouring the upmove in prices. RSI is rising towards the neutral regions leaving scope for further upmove in prices. MACD is flat in the over sold region. And EMA's are supportive to the weakness. Turmeric futures are likely to trade slightly firm following a steady opening.

Turmeric 0710(NCTMCV7)2007/10/01 - Daily B:1992.00 A:1993.00  
O 1978.00 H 1999.00 L 1978.00 C 1991.00 V 6,210 I 14,220 +12



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX October	1957	1968	1991	2026	2038

### TRADE RECOMMENDATION

Buy NCDEX October Turmeric at Rs.1991-1993 or market open with a target of Rs.2003 and then Rs.2011 with a strict stop loss of Rs.1986. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1950	1200
	Gattah	1850	
Erode	Finger	Closed	-
	Gattah	-	

### SPOT MARKET

Chilli prices at the benchmark Guntur markets during the first day of the week witnessed a steady trade. The prices remained unchanged at Rs.3900-4400 per quintal. The arrivals and offtake improved to 40000 bags and 20000 bags respectively. Domestic demand remained sluggish amidst active overseas demand from the traditional buyers. There are unconfirmed reports of crops at China is to be damaged due to the recent rains as well as the arrivals of crop from Madhya Pradesh is likely to be delayed and will hit the market from 1<sup>st</sup> week of November due to recent spell. 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 weak at Rs.4727. During the early hours witnessed an intraday high at Rs.4757 and thereafter a low at Rs.4701. The open interest gained amidst low volumes. The futures then closed at Rs.4720 down by 0.67 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 Doji is indecisive and suggesting both way movement. MACD is flat in positive territory supportive to the firm trend. RSI is neutral and moving downwards leaving scope for further fall in prices. The close above the EMA's is supportive to the firmness in prices. Marginal gain in open interest is favouring the fall in close price. Chilli futures are likely to trade weak following a steady opening.

CHLL334GTR 0710(NCGTRV7)2007/10/01 - Daily B:4715.00 A:4721.00  
O 4727.00 H 4757.00 L 4701.00 C 4720.00 V 1,255 15,720 -25

EMA(9) 4692.7 (18) 4642.5



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Oct	4543	4591	4720	4851	5901

### TRADE RECOMMENDATION

Sell NCDEX October Chilli near Rs. 4720-4715 or below with a target of Rs. 4671 and then Rs.4653 with a strict stop loss of Rs. 4739. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3900-4400	40000

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