

■ BLACK PEPPER

■ Oct 06, 2007

SPOT MARKETS

Black pepper traded flat at the domestic auctions. Buyers from north India are seen actively buying the spice ahead of the festival season and winter. The lower prices of Indian pepper in the global market and declining stocks with the major producers is likely to favour exporters. Demand from Middle East Asia is expected ahead of Eid, while European demand is likely to pick up before Christmas. Indian pepper output is estimated lower at 45,000 tonnes, 15-20% down on year. Harvesting of 2007-08 crop is expected to be delayed by about 8 weeks, and the produce is likely to hit the markets in January. Domestic and overseas demand amidst tight supply situations is likely to buoy the market.

FUTURES MARKETS

Pepper futures traded firm at NCDEX after opening weak. The most active November contract opened weak at Rs. 12311/qrtl, Rs. 70 down the previous close and traded down initially to test an intraday low of Rs. 12231/qrtl. The prices surged thereafter on increased buying to test an intraday high of Rs. 12520/qrtl, before closing marginally lower at Rs. 12507/qrtl. Open interest improved, while volume traded was lower 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

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

TECHNICALS

Pepper futures is trading in a range and a breakout with good volumes is needed to establish a trend. A short hollow candle is formed in the charts. Prices remain above the short term EMAs, suggesting firm prices. MACD is rising in the negative territory, while RSI is rising sharply in the neutral region. Stochastic is also rising sharply in the neutral region. Overall, technicals indicate a firm market in the short to medium term. Pepper is likely to trade firm after a steady to slightly weak opening and some late downward movement.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	11655	11855	12507	13022	13402

TRADE RECOMMENDATION

Buy NCDEX November Black Pepper near 12450-12475, with a target of Rs. 12600, then at Rs. 12650, with a strict stop loss of Rs. 12375. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	12,500	-
	Ungarbled	11,900	

SPOT MARKETS

Good buying support is seen supporting the domestic markets amidst lower arrivals. The prices were quoted higher at the domestic auctions at Vandanmedu by Rs. 10/kg for good quality colored lots, while they tested a high of 547/kg. Arrivals remain lower as compared to the same period a year ago. The domestic demand has surged on account of the ensuing festivals of durgapuja, diwali and Ramzan. The prices of Indian parity are ruling higher in the international market by \$5, which is restricting the entry of overseas buyers. Good domestic demand amidst supply concerns is seen maintaining the market firm in the coming months.

FUTURES MARKETS

Cardamom futures extended the weakness further at MCX as traders covered their long positions. The most active October contract opened weak at Rs. 545/kg, Rs. 6.50 down the previous settlement and traded up in the opening session to test an intraday high of Rs. 550/kg. Increased selling at higher levels pressurized the markets and the contract slipped to test an intraday low of Rs. 518.50/kg. Prices improved later on some buying coming at lower levels and the contract settled at Rs. 531/kg. Open interest dipped, while volume improved, indicating long liquidation.

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 dark candle is formed in the charts with some late upward movement. Prices closed below the EMAs. MACD is falling in the positive territory after making a bullish crossover, while Stochastic is falling into the neutral region after a bearish crossover. RSI is also falling in the neutral region. Overall, technicals indicate a weak market in the short to medium term. Cardamom is likely to trade weak in the next trading session with some late upward movement.

CARDAMOM 0710(MXCAMV7)2007/10/05 - Daily B:529.50 A:531.50
O 545.00 H 550.00 L 518.50 C 531.00 V 2,363 T 622,753 I 593 -20.5

EMA(9) 554.15 (18) 547.18



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	492.5	501.5	531	572.5	580.5

TRADE RECOMMENDATION

Sell MCX October Cardamom near Rs. 536 with a target of Rs. 530 and then 528 with a strict stop loss of Rs. 539. Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Vandanmedu	510	13,000

SPOT MARKETS

Jeera trade at the benchmark Unjha market witnessed a stable trend. The prices remained unchanged as that of previous quotes. The arrivals were same at 2500 bags and offtake declined to 5500 bags. Domestic buyers remained active due to the festive demand for Dusshera and Diwali ahead. Export interest remained steady for European countries, Singapore and Bangladesh also featured in the market. Festive demand is likely to support the prices to some extent during the days ahead amidst low stock level for jeera at the spot market. Prices for the commodity in the medium term are likely to remain 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 rallied between Rs.9885 and Rs.10314 after opening firm at Rs.10131. The contract witnessed covering of short positions. The open interest dipped marginally amidst slight gain in volumes. The futures closed firm at Rs.10290 firm by 1.42 percent as against previous 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.

TECHNICALS

Candlestick is indicating initial weakness and thereafter active buying support towards the close supported by marginal gain in volumes. The above the EMA's is supportive to the further upmove in prices for a short term. MACD is moving upwards in the negative region and RSI is rising in the neutral region favouring the uptrend. Jeera is likely to trade firm following a steady to firm opening and slight correction towards the close.

JEERA 0711(NCJEEEX7)2007/10/05 - Daily B:10282.00 A:10290.00
O 10131.00 H 10302.00 L 9885.00 C 10290.00 V 14,628 18,283 +176



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	9704	9821	10290	10546	10666

TRADE RECOMMENDATION

Buy NCDEX November Jeera at Rs.10275-10283 or market open with a target of Rs. 10365 then at Rs.10411 with a strict stop loss at Rs.10238. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2190-2210	
	Ganesh	2390-2430	2500
	Machine Cleaned	2470-2590	

TURMERIC

Oct 06, 2007

SPOT MARKETS

Turmeric, at the benchmark Nizamabad market traded steady to slightly weak. The prices for the commodity were quoted at rs.1925-1950 per qtl. The arrivals and offtake were low at 1000 bags as against previous trade. At Erode market the prices maintained a 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 term despite festive demand amidst ample stocks in the market.

FUTURES MARKETS

NCDEX turmeric most active November futures traded firm and closed at Rs.2039 firm by 0.57 percent as against previous close price. The futures traded between Rs.2018 and Rs.2041. The gain in close price and open interest is suggesting long accumulation. The near month October contract traded between Rs.1976-1957. The gain in close price and fall open interest is suggesting short liquidation.

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 and Telengana during next 48 hrs. and decrease thereafter and isolated over Tamil Nadu. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

A small marubazu is suggesting fresh buying coming in and is awaiting correction in the weak trend. The open interest gained marginally supporting the firm close. RSI is rising in the neutral region. The close below the EMA's and negative MACD is favouring the weakness amidst low volumes. Turmeric is likely to trade rangebound to slightly weak following a steady opening and recovery towards the close.

Turmeric 0711(NCTMCX7)2007/10/05 - Daily B:2036.00 A:2039.00

O 2019.00 H 2040.00 L 2018.00 C 2039.00 V 3,710 I 10,840 +11

EMA(9) 2056.8 (18) 2084.6



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	1995	2008	2039	2069	2086

TRADE RECOMMENDATION

Sell NCDEX November Turmeric at Rs.2040-2042 or market open with a target of Rs.2029 and then Rs.2016 with a strict stop loss of Rs.2046. 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	3700
	Gattah	2000-2050	

SPOT MARKET

Chilli prices at the Guntur physical markets were traded stable. The prices continued to trade weak at Rs.3800-4300 per quintal. The arrivals declined to 40,000 bags for offtake of 20000 bags. Domestic demand continued to remain weak and failed to support any uptrend in prices. Weak overseas demand from traditional buyers like Bangladesh depressed the prices amidst ample stocks in the market. As per trade sources export demand is likely to gain momentum after 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 stocks at the Guntur warehouse at around 28 lakh bags as on 30th September 2007.

FUTURES MARKETS

Chilli most active November futures opened firm at Rs.4161 and traded between Rs.4111 and Rs.4294. The gain in open interest and close price is suggesting long accumulation amidst marginally low volumes. The futures closed firm by 1.46 % at Rs.4236 as compared to Thursday's 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 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 weakness and thereafter buying coming in at lower levels. The gain in open interest and rising RSI is hinting further upmove in prices. Negative MACD and slight dip in volumes is not favoring further upmove in prices. The close below the EMA's and falling Stochastic is supporting the weakness in prices. Chilli futures are likely to trade rangebound to slightly firm on fresh buying coming in following a steady opening.

CHLL334GTR 0711(NCGTRX7)2007/10/05 - Daily B:4236.00 A:4253.00
O 4161.00 H 4294.00 L 4111.00 C 4236.00 V 3,285 I 3,735 +85

EMA(9) 4359.9 (18) 4381.9



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	4005	4075	4236	4364	4411

TRADE RECOMMENDATION

Buy NCDEX November Chilli near Rs. 4225-4235 or below with a target of Rs. 4278 and then Rs.4294 with a strict stop loss of Rs. 4203. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3800-4300	40000

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