

■ BLACK PEPPER

■ Oct 29, 2007

SPOT MARKETS

Black pepper physical markets traded firm by Rs. 2/kg at the benchmark Kochi markets amidst no arrivals. Reports of lower production estimates and delayed harvesting have resulted in supply concerns in the domestic markets. This, coupled with global supply shortage and depleting inventories at the major producing centres has caused pepper prices to surge in the last fortnight. Firm domestic demand ahead of festival season and anticipated overseas demand is likely to buoy the market till January-February. Meanwhile, Indian raw pepper exporters are reportedly easing themselves from the contracts by arriving at a settlement with their overseas buyers.

FUTURES MARKETS

Pepper futures at NCDEX surged after opening weak. The most active December contract opened weak at Rs. 15231/qtl, Rs. 85 down the previous settlement and after dipped slightly to test a low of Rs. 15200/qtl, traded steadily up to test a high of Rs. 15810/qtl. The contract settled at Rs. 15771/qtl, 3.7% above the previous close. Open interest and volume improved suggesting fresh buying.

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
4. Sellers ready to sell at higher price

WEATHER

Progress of North East monsoon is casting a shadow on standing crop.

TECHNICALS

A bullish marubozu formed in the charts with prices closing above the short term EMAs suggest bullish sentiments in the market. MACD is rising in the positive territory, while RSI is rising in the oversold region, supporting firmness in the market. Stochastic has flattened out in the oversold region. Pepper is technically bound to trade firm in the next session with some late downward movement. However, the market is extremely overbought and the possibility of a technical correction can not be ruled out. Hence, trade with caution.

Pepper 0712(NCPEPZ7)2007/10/28 - Daily B:15767.00 A:15775.00
O 15231.00 H 15802.00 L 15200.00 C 15771.00 V 16,508 | 12,924 +531



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX December	13515	14052	15771	16244	17022

TRADE RECOMMENDATION

Buy NCDEX December Black Pepper near 15725-15750, with a target of Rs. 15900, then at Rs. 15930, with a strict stop loss of Rs. 15650. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14,900	Nil
	Ungarbled	14,300	

CARDAMOM

Oct 29, 2007

SPOT MARKETS

Cardamom traded firm at the domestic auctions on improved buying support. Domestic demand for the spice is likely to support the market till first week of November, after which the market is seen weak. The farmers are reportedly abstaining from selling in anticipation of better prices, thereby, resulting in lower arrivals at the auctions. Indian capsules continue to remain outpriced in the global market, hence restricting the entry of exporters and overseas buyers into the market. Carry over stocks and presence of Guatemalan capsules in the market is seen capping the prices, despite the reports of lower global production by 20%.

FUTURES MARKETS

MCX Cardamom futures traded firm. The most active November contract opened steady at Rs. 506/kg and traded down in the opening session to test the day's low of Rs. 505/qrtl. The contract improved thereafter on good buying support to test an intraday high of Rs. 510, before settling at Rs. 508.5/kg. Open interest and volume traded improved as compared to the previous day, suggesting fresh buying.

PRICE DRIVERS

Bearish:

1. Higher prices limiting export queries

Bullish:

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

WEATHER

Good sunshine and intermittent light showers are seen favouring the standing crop.

TECHNICALS

A short hollow candle is formed in the charts. Prices remain below the short term EMAs, supporting weakness in the market. MACD is dipped slightly in the negative territory, indicating bearish momentum, while RSI is flat to firm in the neutral region. Stochastic is rising to emerge into the neutral region after a bullish crossover, suggesting bullishness in the market. Cardamom futures are likely to trade firm in the next session with some late downward movement.

CARDAMOM 0711(MXCAMX7)2007/10/28 - Daily B:508.00 A:509.00
O 506.00 H 510.00 L 505.00 C 508.50 V 128 T 107 I 533 +2.5
EMA(9) 510.31 (18) 514.81



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX Nov	--	495	508.5	528	543

TRADE RECOMMENDATION

Buy MCX November Cardamom near Rs. 508 with a target of Rs. 512 and then 514 with a strict stop loss of Rs. 506. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Pulianmalai

465

11,000

CUMIN

Oct 29, 2007

SPOT MARKETS

Jeera prices remained steady at Unjha market despite slight increase in arrivals and mild fall in sales Saturday. The market saw arrivals of 3500 bags with an outflow of 6500 bags. The prices have been recently increasing due to high demand from domestic and international markets. The demand also improved from overseas markets due to political problems in Turkey. Spices Board of India recently disclosed India's Apr-Sep Jeera exports fell 33.6% on year to 11,250 mt. NCDEX warehouse Jeera total stock reduced by 100 mt to reach 3015 mt Friday. MCX Jeera total stock was unchanged at 145.354 mt on Thursday. Jeera prices may be steady to slightly firm on better demand, low output concerns, scarcity of premium quality jeera in global markets, supply disturbance in Turkey, and low stock position.

FUTURES MARKETS

NCDEX Jeera futures continued in line with its uptrend Saturday. The contract opened weak by Rs 20 at Rs 11515 against Friday's close of Rs 11535. Prices thereafter traded mostly firm in the range of Rs 11487 - 11722 before closing Rs 160 up at Rs 11695. November delivery Jeera futures contract opened weak at Rs 11170 and thereafter traded between Rs 11143 - 11310. Trading culminated in green at Rs 11281 that was up Rs 101 from Friday's close of Rs 11180.

PRICE DRIVERS

Bullish:

1. Reduced global production
2. Concerns of less domestic production
3. High export and domestic demand
4. Geo-political problems in Turkey
5. Low stock position

Bearish:

1. April-September Jeera exports in quantity terms fell 33.6% on year

WEATHER

Mainly dry weather is likely over Jeera growing regions of west India.

TECHNICALS

Jeera chart is displaying an uptrend of prices. Candlestick pattern are showing bullish sentiments are prevailing in the market. MACD is rising in positive region indicating increasing bullish momentum in the market. The prices have closed far above short and medium term EMA's showing strength in the market. Stochastic Oscillator has however made a bearish crossover in overbought territory warranting caution to the bulls. RSI is rising in overbought region indicating firmness. Jeera futures may trade volatile during the session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	11430	11515	11695	11845	12000

TRADE RECOMMENDATION

Sell NCDEX December Jeera below Rs.11658 with a target of Rs. 11515 and then of Rs.11460 with a strict stop loss above Rs.11764. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2350-2360	
	Ganesh	2540-2580	3500
	Machine Cleaned	2620-2740	



■ TURMERIC

■ Oct 29, 2007

SPOT MARKETS

Turmeric market of Erode was closed Saturday. In Nizamabad prices of most of the turmeric grades continued steady. The arrivals and sales both decreased to 800 bags on Saturday. Rains are reducing the arrivals in the markets and ongoing high festive season domestic demand coupled with overseas demand are supporting the prices. The domestic demand may continue to improve slightly ahead of winter season. NCDEX Turmeric total stock on Friday reduced 40 mt to 4439 from prior days 4479 mt. MCX turmeric total stock were steady at 1844.429 mt. The Spices Board of India recently revealed Apr-Sep turmeric export rose 0.8% on year to 25,800 mt. Turmeric prices may be steady to slightly firm in the near term on better demand and reduced arrivals. Though, gains may be visible till demand continues then may be restricted due to ample supplies.

FUTURES MARKETS

NCDEX Turmeric futures extended Friday's gains. Most active November delivery futures contract started Rs 3 up at Rs 1970, then traded mostly positive in the range of Rs 1967-2000. The trading for the session finally culminated Rs 22 up at Rs 1989 from prior close of Rs 1967. NCDEX December futures advanced in similar fashion. The contract opened firm at Rs 2045, then traded mostly positive between Rs 2040-2079. The prices dipped a bit from intra day highs only to close Rs 28 up at Rs 2071.

PRICE DRIVERS

Bullish

1. Demand from domestic & overseas markets
2. Apr-Sep turmeric export up 0.8% on year

Bearish:

1. Good stock level for the season at the major growing areas.

WEATHER

Rain/thundershowers may increase at many places over south Coastal AP & TN. Rain/thundershowers are likely at many places in Rayalaseema, Kerala, & at a few places in south interior Karnataka. Rains at present are beneficial for the growth crop.

TECHNICALS

Turmeric chart is showing a short term uptrend of prices. Candlestick pattern are showing bullish sentiments in the market. MACD is rising in negative territory showing decreasing bearish momentum in the market. The prices have closed above short term EMA's indicating firmness in the near term. Stochastic Oscillator and RSI are rising in neutral region indicating firmness. Turmeric is likely to trade volatile with firm bias during the session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	1952	1972	1989	2009	2027

TRADE RECOMMENDATION

Buy NCDEX November Turmeric above Rs.1984 with a target of Rs. 1999 and then Rs.2008 with a strict stop loss below Rs.1974. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	2025	800
	Gattah	2000	
Erode	Finger	Closed	-
	Gattah	Closed	

CHILLI

Oct 29, 2007

SPOT MARKET

Guntoor red chilli markets were closed on Saturday. The demand for the spice is seen subdued after the festival season, while demand from Bangladesh is likely to remain steady for the good quality chilli throughout the year. Arrivals from Madhya Pradesh are expected to gain momentum in the second fortnight of November, which is likely to further pressurize the domestic markets. The huge stocks of 25-27 lakh bags in the cold storage are further weakening the fundamentals of the spice for the season.

FUTURES MARKETS

NCDEX Chilli futures traded volatile. The most active November contract opened weak at Rs. 4449, Rs. 9 down the previous close and traded down initially to test an intraday low of Rs. 4400. The prices were pushed up later on improved buying interest to test the day's high of Rs. 4472, before settling marginally above opening levels at Rs. 4450. Open interest and volume traded improved as compared to the previous day, indicating fresh buying.

PRICE DRIVERS

Bullish:

1. Exports doubled on year during April-September 2007
2. Lower global production estimates

Bearish:

1. Chilli acreage and output at Andhra Pradesh is likely to go up.
2. Huge stocks in cold storage

WEATHER

Rain/thundershowers are likely over Karnataka and coastal Andhra Pradesh, which is beneficial for the crop growth.

TECHNICALS

Candlestick pattern suggest indecision in the market; so does a flat RSI in the neutral region. Prices remain above the short term EMAs, supporting a firm market. MACD is rising in the positive territory, while Stochastic is ascending in the neutral region, indicating further uptrend in place. Chilli futures are likely to trade volatile with a firm tone in the next trading session.

CHLL334GTR 0711(NGGTRX7)2007/10/28 - Daily B:4448.00 A:4455.00
O 4449.00 H 4472.00 L 4400.00 C 4450.00 V 1,265 15,450 +7
EMA(9) 4423.6 (18) 4383.3



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	4171	4227	4450	4526	4550

TRADE RECOMMENDATION

Buy NCDEX November Chilli near Rs. 4440-4450 or below with a target of Rs. 4470 and then Rs.4480 with a strict stop loss of Rs. 4430. 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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