

■ BLACK PEPPER

■ Oct 12, 2007

SPOT MARKETS

Black pepper markets extended firmness further with the Malabar Garbled variety fetching Rs. 200 higher at the Kochi markets. Active participation of exporters and buying by stockists to meet the festive demand propped up the market. Exhausted inventories in domestic and overseas markets have kept prices on higher side. Prices of other origins have also moved up in tandem with the Indian market. Exports of pepper from Sri Lanka, which is around 7500 tonnes as against the world trade of 200,000 tonnes, are likely to increase on account of the allocation of Rs. 80 million for development of agricultural export crops.

FUTURES MARKETS

NCDEX Black pepper traded volatile with a downward bias. The most active November contract opened weak at Rs. 14090/qtl, Rs. 24 down the previous settlement and traded down initially to test an intraday low of Rs. 13878/qtl. Prices improved thereafter on increased buying support to test an intraday high of Rs. 14340/qtl. Prices were capped at this level by profit booking and the contract slid to close at Rs. 14040/qtl. Open interest improved marginally amidst lower volumes traded 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
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 indecision in the market, which is supported by a flat RSI in the overbought zone. Prices remain above the short term EMAs, indicating firmness. MACD is rising in the positive territory, while Stochastic is rising in the neutral region, suggesting further uptrend. 14305 level is seen providing an immediate resistance to the uptrend, breaking which, pepper is likely to shoot further up. Pepper futures are likely to trade firm in the next session with some late downward movement.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	12206	13268	14040	14705	14930

TRADE RECOMMENDATION

Buy NCDEX November Black Pepper near 14000-14040, with a target of Rs. 14200, then at Rs. 14250, with a strict stop loss of Rs. 13920. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13,800	-
	Ungarbled	13,200	

SPOT MARKETS

Cardamom domestic auctions remained steady on improved arrivals and matching demand. The festive season demand is seen supporting the market in the short term. Cardamom crop is in the second round of picking in the growing areas of Kerala and arrivals of good quality capsules have started picking up. Prevailing weather conditions are seen favouring the harvesting. However, a continuous dry spell could affect the flowering of the crop in the field and thereby, result in lower yields. The higher price of Indian parity is seen limiting export queries.

FUTURES MARKETS

Cardamom futures traded weak at MCX to close marginally lower than the opening levels. The most active November contract opened steady to slightly firm at Rs. 530/kg and traded steadily down to test an intraday low of Rs. 523/kg. The prices improved thereafter on good buying support to close at Rs. 528.50/kg. Volume and open interest improved, suggesting some short accumulation.

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. However, continued dry spell may affect flowering of the crop in the field.

TECHNICALS

Doji formation in the charts suggests indecision in the market. Flat RSI and Stochastic in the neutral zone support the indecisive market. MACD has also flattened out at the zero level, leaving room for movement in either direction. Close below the short term EMAs indicate some firmness in prices in the short to intermediate term. Cardamom futures are likely to trade weak in the next trading session with some profit booking towards the close. It is ideally recommended to confirm the trend before initiating positions.

CARDAMOM 0711(MXCAMX7)2007/10/11 - Daily B:526.50 A:528.00

O 530.00 H 530.00 L 523.00 C 528.50 V 171 T 44,961 I 344 -1

EMA(9) 530.29 (18) 532.23



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX Nov	503	513.5	528.5	542	554.5

TRADE RECOMMENDATION

Sell MCX November Cardamom near Rs. 528-530 with a target of Rs. 523 and then 521 with a strict stop loss of Rs. 533. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

500

22,000

SPOT MARKETS

Domestic Jeera prices at the benchmark Unjha markets continued to trade firm and extended the buying support. The prices were quoted higher by Rs.40 per 20kg as against previous close price. The arrivals remained steady at 2500 bags whereas the offtake improved significantly to 9000-10000 bags. As per trade sources the demand for the commodity improved further in domestic market. Overseas buyers from Gulf, European countries, Malaysia and Srilanka were active in the market. Adding to firm demand upcoming festivals like Dusshera 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 1.07 percent at Rs.10925 as against previous close price. The futures moved in a range of Rs.10811 and Rs.11098 and witnessed short covering amidst very good volumes. The October futures moved in a range of Rs.10405 and Rs.10650 and witnessed covering of short positions. Where as the far month December contract witnessed long accumulation and moved in the range of Rs.11144 and Rs.11430.

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 upper shadow is suggesting initial uptrend and thereafter selling coming in towards the close amidst gain in volumes favouring the firm close. Rising RSI in the neutral zone and MACD moving towards the positive region is favouring further upmove in prices. The close above the EMA's is also supportive feature to the firmness in prices. Jeera futures are likely to trade firm following a steady opening and thereafter slight profit booking towards the close.

JEERA 0711(NCJEE7)2007/10/11 - Daily B:10915.00 A:10930.00
O 10848.00 H 11098.00 L 10811.00 C 10925.00 V 17,619 17,668 +90

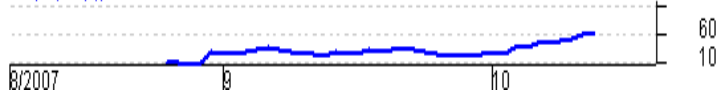
EMA(9) 10494 (18) 10429



JAV(7, 15, 5) 137.224 MACD 40.2186



RSI(14, MA(6)) 61.3918



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	10478	10592	10925	11391	11620

TRADE RECOMMENDATION

Buy NCDEX November Jeera at Rs.10885-10895 or market open with a target of Rs. 10969 then at Rs.11038 with a strict stop loss at Rs.10848. 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 12, 2007

SPOT MARKETS

Domestic turmeric markets witnessed slight firmness on the eve of festive buying coming in. At Erode the prices improved by Rs.25 per qtl after trading steady for a long period and around 80% sale of total arrivals of 3500 bags. Nizamabad market remained closed due to Amavas, an inauspicious day for trading. Domestic buying for the commodity is active on the eve of Dusshera and Diwali and demand is likely to remain firm during the days ahead. Overseas buyers are active from Gulf and Japan. Prices of Turmeric are likely to trade rangebound to slightly firm during rest of the week.

FUTURES MARKETS

NCDEX turmeric most active November futures closed slightly up at Rs.2035 or by 0.19 % on fresh buying. The contract moved in a range of Rs.2030 and Rs.2047. Open interest gained amidst subdued volumes. The benchmark October futures witnessed long liquidation amidst low volumes and open interest and moved in a range of Rs.1955 and Rs.1975.

PRICE DRIVERS

Bearish:

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

Bullish

1. Good export demand in the market.
2. Improved domestic demand due to festive season ahead.

WEATHER

Rains are likely at few places over Tamil Nadu and dry weather over Madhya Maharashtra and A.P. 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. MACD has witnessed a bullish crossover in the negative region is favouring slight firmness in the trend for a medium term. While RSI is rising slightly at the neutral region favouring slight recovery in prices. Turmeric prices are likely to trade in a range following a steady to slight firm opening.

Turmeric 0711(NCTMCX7)2007/10/11 - Daily B:2031.00 A:2038.00
O 2030.00 H 2047.00 L 2030.00 C 2035.00 V 4,200 I 11,610 +7



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	1984	1993	2035	2069	2095

TRADE RECOMMENDATION

Buy NCDEX November Turmeric at Rs.2033-2035 or market open with a target of Rs.2042 and then Rs.2053 with a strict stop loss of Rs.2028. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	Closed	-
	Gattah	-	
Erode	Finger	2125-2175	3500
	Gattah	2025-2075	

SPOT MARKET

Chilli, at the benchmark Guntur market witnessed a sluggish trade. The prices declined by Rs.100 per qtl and were quoted at Rs.3700-4200 per qtl. The arrivals improved to 40000 bags amidst steady offtake as that of previous trade at 15000 bags. Huge arrivals and sluggish domestic demand dampened chilli prices. Arrivals from Madhya Pradesh have started in small quantity around 3000 bags weekly. Overseas demand is likely 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.4210 and moved in a range of Rs.4150 and Rs.4210. The marginal gain in open interest and fall in close price is suggesting short accumulation amidst subdued volumes. The futures closed weak at Rs.4170 or 1.41 percent as against previous 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

Rains are likely at a few places Tamil Nadu and dry weather near Andhra Pradesh Rainfall is beneficial for the crop at present during its growing stage, as long as there are no floods.

TECHNICALS

Candlestick is suggesting weak opening and thereafter active selling in the market amidst subdued volumes and gain in open interest. The close below the EMA's and falling RSI in neutral region is favouring the weakness. Negative MACD and falling stochastic is also hinting further fall in prices. Chilli prices are likely to trade rangebound to slightly weak following a steady opening.

CHLL334GTR 0711(NCGTRX7)2007/10/11 - Daily B:4170.00 A:4175.00
O 4210.00 H 4210.00 L 4150.00 C 4170.00 V 1,510 15,125 -54

EMA(9) 4258.7 (18) 4310.1



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	4030	4116	4170	4296	4359

TRADE RECOMMENDATION

Sell NCDEX November Chilli near Rs. 4175-4180 or below with a target of Rs. 4151 and then Rs.4118 with a strict stop loss of Rs. 4193. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3700-4200	40000

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