

■ BLACK PEPPER

■ Oct 09, 2007

SPOT MARKETS

Pepper physical markets extended the firmness on account of good domestic demand as well as anticipation of overseas demand amidst lower arrivals. EU and US buyers are seen entering the market to cover their commitments before Christmas. Market is also bullish with a low world crop expectation in 2007-08 and good festive demand. Total pepper production in 2007 is expected to fall by around 20% to 2.11 lakhs due to fall in output in India, Vietnam, Brazil and Indonesia. Indian pepper prices remain competitive in the global market, though a rising rupee could have an impact on export orders.

FUTURES MARKETS

NCDEX Pepper futures traded firm at NCDEX on fresh buying. The most active November contract opened firm at Rs. 13040/qrtl, Rs. 36 above the previous settlement and traded down slightly to test an intraday low of Rs. 13000/qrtl. The prices improved thereafter on increased buying to test an intraday high of Rs. 13344/qrtl. The uptrend was capped by some profit taking and the contract settled at Rs. 13318/qrtl. Open interest and volume traded improved, suggesting long accumulation.

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

Bullish candle formed in the charts suggest a firm opening and further uptrend. Prices remain above the short term EMAs, indicating short to intermediate term firmness in the market. MACD is rising to emerge into the positive territory, while RSI is rising in the neutral zone, leaving room for further uptrend. Stochastic is rising into the overbought region, supporting the uptrend. Pepper futures are technically bound to trade firm in the next trading session with some late downward movement. An immediate resistance is seen at 13400 level, breaching which prices are likely to move further up.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	11850	12200	13318	14307	14950

TRADE RECOMMENDATION

Buy NCDEX November Black Pepper near 13300-13350, with a target of Rs. 13500, then at Rs. 13350, with a strict stop loss of Rs. 13200. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13,000	-
	Ungarbled	12,400	

SPOT MARKETS

Cardamom domestic auctions slumped despite good buying support amidst increased arrivals. The lower production and supply have enthused the cardamom market. The product is being stocked aggressively on anticipated of future appreciation. The output and supply from Guatemala will remain a crucial factor in deciding the domestic prices. Upcountry dealers and importers from Saudi Arabia are seen actively covering to meet their demand for the ensuing festival season. Further decline in the production is also ruled out, provided the present good weather conditions prevail.

FUTURES MARKETS

MCX Cardamom futures continued to be weak for the fourth day in a row. The most active October contract opened weak at Rs. 509.50/kg, Rs. 4 down the previous close and traded up in the opening session to test an intraday high of Rs. 515.50/kg. The prices slumped thereafter on increased selling activity and the contract slipped to test an intraday low of Rs. 503.50/kg. Further downtrend was capped by some profit taking at lower levels and the contract settled at Rs. 507.50/kg. Open interest slumped amidst larger volumes traded as compared to the previous day, suggesting long liquidation.

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.

TECHNICALS

Candlestick pattern indicated indecision in the market. Prices remain below the short term EMAs, suggesting weakness in the market. MACD is falling in the positive territory, while Stochastic is falling into the oversold region, leaving scope for further downtrend. RSI is also falling slowly in the neutral region, supporting further downtrend. Cardamom futures are expected to trade weak in the next session with late upward movement. However, 503 level is seen providing an immediate support to further southward movement, breaking which, prices will test 492 levels.

CARDAMOM 0710(MXCAMV7)2007/10/08 - Daily B:506.00 A:509.50
O 509.50 H 515.00 L 503.50 C 507.50 V 794 T 192,542 I 333 -6
EMA(9) 538.06 (18) 539.66



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	492	480	507.5	527.5	544

TRADE RECOMMENDATION

Sell MCX October Cardamom near Rs. 509 with a target of Rs. 504 and then 502 with a strict stop loss of Rs. 512. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

500

7,000

SPOT MARKETS

Jeera, at the benchmark Unjha market extended the firm trend during the first day of the week. The spot price for jeera surged by Rs.20 per 20 kg as compared to previous trading session. The arrivals were steady amidst surge in offtake to around 8000 bags. As per trade sources the demand for the commodity is seen improving locally as well as in the overseas market. Overseas buyers from Gulf and European countries were active in the market. Adding to firm demand upcoming festivals like Dushera and Diwali is supportive feature for upmove in prices for a medium term outlook. The current stock position in the market is reported to be low at around 5-6 lakh bags this is likely to cause demand and supply mismatch.

FUTURES MARKETS

NCDEX Jeera most active November futures after opening firm at Rs.10395 moved in range of Rs.10326 and Rs.10539. The futures witnessed short liquidation amidst surge in close price and fall in open interest. The low volumes did not support the upmove in prices. The futures then closed at Rs.10430 up by 0.57 percent as against Saturday'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.

TECHNICALS

An indecisive doji candlestick is suggesting that prices are likely to move either ways during the next trading session. The close above the EMA's is hinting further upmove in prices. Ascending RSI and Stochastic is leaving scope for further upmove in prices. Negative MACD amidst low volumes and open interest is not favouring the firm close. Jeera futures are likely to trade firm following a steady opening.

JEERA 0711(NCJEEEX7)2007/10/08 - Daily B:10425.00 A:10430.00
O 10395.00 H 10539.00 L 10326.00 C 10430.00 V 12,645 17,995 +84



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	9853	10090	10430	11006	11345

TRADE RECOMMENDATION

Buy NCDEX November Jeera at Rs.10425-10435 or market open with a target of Rs. 10498 then at Rs.10551 with a strict stop loss at Rs.10379. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2230-2250	
	Ganesh	2430-2470	2500
	Machine Cleaned	2510-2630	

TURMERIC

Oct 09, 2007

SPOT MARKETS

Domestic Turmeric prices at all the physical markets during first day of the week remained steady. The prices at the benchmark Nizamabad markets were quoted same at Rs.1925-1950 per quintal amidst steady arrivals and offtake of 1000 bags. At Erode the prices remained steady at Rs.2100-2150 amidst 70% sale of total arrivals of 3000 bags. Domestic buying for the commodity is active on the eve of Dusshera and Diwali. However the prevailing demand is not supporting any uptrend in prices due to supply glut and ample stocks for the season at around 20.5 lakh bags at the major producing areas of the country. Overseas buyers are active from Gulf and Japan where as traders anticipate the European buyers to enter the market after a fortnight. Prices of Turmeric are likely to trade rangebound to weak during the days of the week.

FUTURES MARKETS

NCDEX turmeric most active November futures closed slightly down at Rs.2032 or 0.28 percent after initial upmove. The futures moved in a range of Rs.2025 and Rs.2044. The fall in close price and slight gain in open interest is suggesting creation of fresh short position amidst low volumes not supportive to fall in close.

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 at many places over north Andhra Pradesh during next 24 hours and decrease thereafter and isolated over Tamil Nadu. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

An indecisive doji is suggesting that prices are likely to move either side. The close below the EMA's and slight fall in RSI is hinting further weakness in prices. Descending stochastic and negative MACD amidst gain in open interest is favouring further slump in prices. Turmeric futures are likely to trade weak following a steady to slightly firm opening.

Turmeric 0711(NCTMCX7)2007/10/08 - Daily B:2031.00 A:2032.00
O 2038.00 H 2044.00 L 2025.00 C 2032.00 V 3,930 I 10,890 -3

EMA(9) 2048.4 (18) 2074.4



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	1995	2009	2032	2076	2103

TRADE RECOMMENDATION

Sell NCDEX November Turmeric at Rs.2035-2037 or market open with a target of Rs.2024 and then Rs.2016 with a strict stop loss of Rs.2040. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1925-1950	1000
	Gattah	1825	
Erode	Finger	2100-2150	3000
	Gattah	2000-2050	

■ CHILLI

■ Oct 09, 2007

SPOT MARKET

Domestic chilli at the benchmark Guntur market traded steady during the first day of the week. The prices for the commodity remained more or less steady at Rs.3800-4300 per qtl. The arrivals and offtake declined at 25000 bags and 10000-15000 bags. As per trade sources the fall in arrivals and offtake is mainly due to weak demand locally as well as subdued overseas demand for a medium term. However they anticipate overseas demand to gain its pace after Ramzan and slight improvement is likely to be seen in domestic front after Dushera. Chilli prices in the medium term are likely to trade steady to weak.

FUTURES MARKETS

Chilli most active November futures opened weak at Rs.4252 and traded between Rs.4175 and Rs.4269. The gain in open interest and fall in close price is suggesting short accumulation amidst good volumes. The futures closed in a negative territory at Rs.4205 or down by 1.48 percent as against Saturday's 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

Rain/thundershowers are likely at many places over north Andhra Pradesh during next 24 hours and decrease thereafter. Rainfall is beneficial for the crop at present during its growing stage.

TECHNICALS

Candlestick is indicating initial upmove and thereafter selling pressure in the market amidst gain in volumes and open interest. Descending RSI and negative MACD is favouring the weakness in prices. The close below the MACD is supporting the bears. Chilli prices are likely to move side ways to slightly downwards following a weak opening.

CHLL334GTR 0711(NCGTRX7)2007/10/08 - Daily B:4203.00 A:4205.00
O 4252.00 H 4269.00 L 4175.00 C 4205.00 V 1,765 I 4,635 -69

EMA(9) 4315.2 (18) 4353.1



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	4085	4132	4205	4315	4428

TRADE RECOMMENDATION

Sell NCDEX November Chilli near Rs. 4215-4225 or below with a target of Rs. 4166 and then Rs.4143 with a strict stop loss of Rs. 4253. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3800-4300	25000

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