

■ BLACK PEPPER

■ Oct 10, 2007

SPOT MARKETS

Black pepper physical markets remained firm on improved domestic demand amidst lower arrivals at the benchmark Kochi markets. Significant fall in stock levels at the major producing centres has raised supply concerns. Higher export demand coupled with fresh buying by domestic trades, to meet the upcoming festival demand tented support to the prices. EU and US buyers are expected to enter the market in the coming weeks to cover their commitments before Christmas. Indian pepper remains to be competitive in the international markets, resulting in a shift of overseas demand to India.

FUTURES MARKETS

Pepper futures traded firm at NCDEX on fresh buying. The most active November contract opened firm at Rs. 13335/qrtl, Rs. 50 above the previous settlement and traded down initially to test an intraday low of Rs. 13130/qrtl. The contract improved thereafter on increased buying to test an intraday high of Rs. 1390/qrtl. Some profit booking capped the uptrend and the contract slid down to settle 3.12% higher at Rs. 13700/qrtl. Volume traded and open interest improved as compared to the previous day, 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

Candlestick formation indicates firm opening and an uptrend. MACD is rising in the positive region, suggesting medium term firmness in the market. Prices remain above the short term EMAs, indicating a firm market. RSI and Stochastic are also rising in the neutral region, supporting further uptrend. Pepper is technically bound to trade firm in the next trading session, with some late downward movement. 14320 level is seen providing a good resistance to the uptrend.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	11842	12183	13700	14307	14950

TRADE RECOMMENDATION

Buy NCDEX November Black Pepper near 13650-13700, with a target of Rs. 13950, then at Rs. 14000, with a strict stop loss of Rs. 13525. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13,300	-
	Ungarbled	12,700	



■ C A R D A M O M

■ Oct 10, 2007

SPOT MARKETS

Cardamom auctions remained steady on good demand against improved arrivals. The prevailing weather is seen favourable for the crop and further damages are ruled off. The second round of picking in Kerala, the major cardamom growing state is scheduled to take off next week and fresh arrivals of good quality capsules are expected. The improved demand ahead of the festival season is likely to buoy the market. The higher price of Indian parity is seen restricting entry of exporters. Indian capsules are priced higher than the Guatemalan spice by \$5.

FUTURES MARKETS

MCX cardamom futures ended in the positive territory after trading volatile. The most active October contract opened firm at Rs. 513/kg, Rs. 5 above the previous close and traded down in the opening session to test an intraday low of Rs. 508/kg. The prices improved thereafter on increased buying interest to test an intraday high of Rs. 528.50/kg. Further uptrend is capped by some profit booking and the prices slumped to close at Rs. 519/kg. Open interest and volume were lower as compared to the previous day.

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 shows indecision in the market. Prices remain below the short term EMAs, suggesting weak prices. MACD is falling into the negative territory, while Stochastic is falling to make a bearish crossover in the neutral region, pointing towards further downtrend. RSI is rising slowly in the neutral region, supporting short term firmness in the market. Cardamom is likely to trade weak in the next session with some profit booking towards the close.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	492.5	503	519	545	554.5

TRADE RECOMMENDATION

Sell MCX October Cardamom near Rs. 517-519 with a target of Rs. 512 and then 510 with a strict stop loss of Rs. 522. Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Nedumkandam	500	25,000

SPOT MARKETS

Domestic jeera prices at the benchmark Unjha market traded steady after trading firm for 2 days. The prices remained unchanged amidst steady arrivals at 2500 bags and low offtake at around 6000 bags. As per trade sources the demand for the commodity was firm locally as well as in the overseas markets. Overseas buyers from Gulf and European countries, Malaysia and Srilanka were active in the market. Adding to firm demand upcoming festivals like Dushera 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 this is likely to cause demand and supply mismatch and favour the upmove in prices.

FUTURES MARKETS

NCDEX Jeera most active November futures Closed firm by 0.72 percent at Rs.10541 as against previous close price. The futures moved in a range of Rs.10308 and Rs.10620. The open interest gained amidst surge in volumes favouring the upmove in close. The firm close and gain in open interest is suggesting long accumulation. The near month October futures moved in a range of Rs.9965 and Rs.10250 and witnessed covering of short positions.

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 suggesting initial weakness and thereafter active buying support at the lower level supported with gain in volumes and open interest. Rising RSI and MACD struggling to move to the positive territory is favouring further upmove in prices. Stochastic is rising at the neutral region amidst the close above the EMA's are suggesting medium term firm trend in the market. Jeera futures are likely to trade firm following a steady to firm opening.

JEERA 0711(NCJEEEX7)2007/10/09 - Daily B:10541.00 A:10549.00
O 10430.00 H 10613.00 L 10308.00 C 10541.00 V 13,593 18,049 +111

EMA(9) 10275 (18) 10316



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	9887	10056	10541	11175	11480

TRADE RECOMMENDATION

Buy NCDEX November Jeera at Rs.10540-10550 or market open with a target of Rs. 10625 then at Rs.10711 with a strict stop loss at Rs.10501. 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 10, 2007

SPOT MARKETS

Turmeric prices at the benchmark Nizamabad market continued to remain stable at Rs.1950 per qtl. The arrivals and offtake declined to 500 bags and 250 bags respectively as the farmers feared the prices to fall with cues from weakness at futures counter. At Erode the prices remained unchanged at Rs.2100-2150 amidst 75% sale of total arrivals of 3500 bags. Domestic 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. Overseas buyers are active from Gulf and Japan. Prices of Turmeric are likely to trade rangebound to weak during rest of the week.

FUTURES MARKETS

NCDEX turmeric most active November futures closed negative at Rs.2018 or down by 0.74 percent after testing fresh lows, indicating short accumulation. The contract moved in a range of Rs.2007 and Rs.2031. Both, volumes and open interest gained and favoured the weakness in prices. The benchmark October futures witnessed long liquidation amidst gain in volumes and open interest and moved in a range of Rs.1945 and Rs.1965.

PRICE DRIVERS

Bearish:

1. Good stock level for the season.

Bullish

1. Good export demand in the market.
2. Improved domestic demand

WEATHER

Isolated rain/thundershowers are likely over Tamil Nadu, Coastal Karnataka. Mainly dry weather is likely over Andhra Pradesh. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

Candlestick is suggesting initial downtrend after a weak opening supported with gain in volumes and open interest. The close below the EMA's and falling stochastic towards the oversold region is hinting further slump in prices. RSI is moving flat in the oversold region and MACD is also flat in the Negative region is favouring weakness in the trend for a medium term. Turmeric prices are likely to trade weak following a steady to weak opening. Technically turmeric contract is extremely oversold and hence a small correction is due very soon.

Turmeric 0711(NCTMCX7)2007/10/09 - Daily B:2014.00 A:2021.00

O 2028.00 H 2031.00 L 2007.00 C 2018.00 V 6,590 I 11,030 -14

EMA(9) 2042.3 (18) 2068.4



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	1977	1990	2018	2067	2092

TRADE RECOMMENDATION

Sell NCDEX November Turmeric at Rs.2020-2022 or market open with a target of Rs.2010 and then Rs.2002 with a strict stop loss of Rs.2025. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1950	500
	Gattah	1800	
Erode	Finger	2100-2150	3500
	Gattah	2000-2050	

■ CHILLI

■ Oct 10, 2007

SPOT MARKET

Chilli, at the benchmark Guntur market witnessed a sluggish trade. The prices for the commodity were quoted unchanged at Rs.3800-4300 per qtl as against previous trading session. The arrivals were low at 25000 bags amidst slight improvement in offtake at around 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.4200 and traded between Rs.4133 and Rs.4298. The gain in open interest and close price is suggesting long accumulation amidst significant gain in volumes. The futures closed firm at Rs.4215 or up by 0.46 percent as against Monday'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

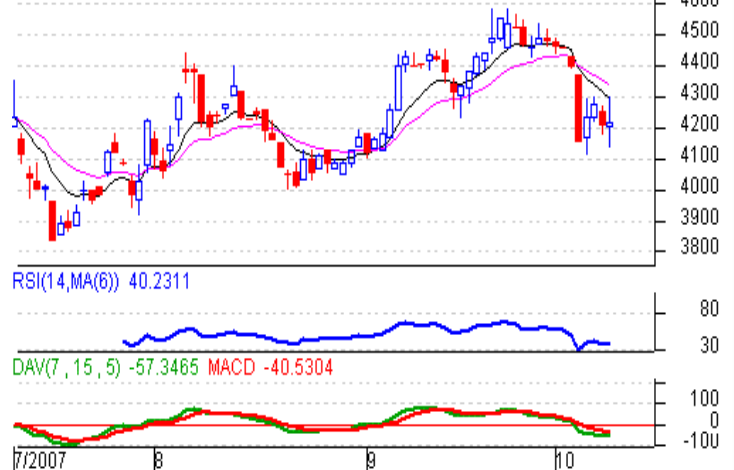
Isolated rain/thundershowers are likely over Tamil Nadu, Coastal Karnataka. Mainly dry weather is likely over Andhra Pradesh. Rainfall is beneficial for the crop at present during its growing stage, as long as there are no floods.

TECHNICALS

A long legged doji is suggesting indecisive price movement. The gain in volumes and open interest is supportive to the slight upmove in close price. RSI is flat and hinting both way movements while stochastic is falling towards the oversold region. The close below the EMA's is and negative MACD is favouring the weakness in prices. Chilli prices are likely to trade sideways following a steady opening.

CHILL334GTR 0711(NCGTRX7)2007/10/09 - Daily B:4205.00 A:4219.00
O 4200.00 H 4298.00 L 4133.00 C 4215.00 V 4,100 I 4,900 +10

EMA(9) 4295.2 (18) 4338.6



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	4053	4100	4215	4351	4413

TRADE RECOMMENDATION

Sell NCDEX November Chilli near Rs. 4210-4220 or below with a target of Rs. 4145 and then Rs.4122 with a strict stop loss of Rs. 4258. 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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