



Pepper supply tight

Pepper: International supply tight

Tight supply due to growers holding on to stocks in major producing countries may keep pepper firm. Pepper exports from Vietnam have slipped by nearly 50% to 13,410 tonne in January-March compared with the same period a year ago, clearly indicating that sellers are holding on to stocks. The Indian offer rate at present is \$3,400-3,425 (Rs146,097-147,199) per tonne compared with \$3,300 (Rs141,827) a week ago.

Soy bean: Consolidation

Soy bean futures have been consolidating around these levels in the absence of any major fundamental trigger. In the spot markets, traders say buyers are likely to remain on the sidelines following the recent spurt in the prices. In the spot market, prices of soy bean are likely to rule at around Rs1,560-1,590 per 100kg.

Soy oil: Consolidation

Soy oil prices are expected to remain weak as the market awaits the Abhijit Sen Committee report today. The speculation of a duty cut on palm oil in the near future is also expected to hold the prices from moving up. However, the palm oil prices in Malaysia have been on bullish trend in recent days and crossed the 2100-ringgit mark on Saturday.

Mustard: Range-bound

Mustard has been rallying along with the other oilseeds in the last few weeks. The prices of mustard too are expected to remain in a range as profit booking could take place in the counter. However, the fall is not expected to be very steep due to the shortage of production this season. According to the government, India's year-to-June mustard output is pegged at 6.7 million tonne compared with 8.1 million tonne in the previous year.

Guar seed: Stay long in May contract

The weakness and volatility in the guar complex are mainly

due to the pending Abhijit Sen Committee report. The market is jittery before the release of the report. However, the underlying tone is bullish as the season is reaching its end. Owing to the long shelf life of guar, traders are likely to keep some stocks in case a bad monsoon leads to low crop output.

Gold: To stay range-bound

On last Saturday, trading in India was nothing to write home about. Gold June saw a high of Rs9,550 and a low of Rs9,534 before closing at Rs9,547, thus registering a loss of Rs5 compared to the previous close. Silver May saw a high of Rs19,775 and a low of Rs19,695 before closing at Rs19,743, thereby witnessing a gain of Rs49 compared to the previous close.

Now that the Iran-Britain fiasco is over, the traders will be better able to concentrate on other factors that affect the precious metals, namely the state of the US economy and the price of crude oil, which is not in a mood to plunge below \$63 a barrel even though the immediate geopolitical threats seem to have drifted away.

Gold is likely to trade upwards, especially since the Asian stocks have been advancing. The upside in the stocks was evident after the US unemployment rate unexpectedly dropped, easing concerns that demand will slow in the world's biggest economy. The employment data was good news for exporters because it provided evidence that the fundamentals of the US economy are stable.

However it would be asking for too much to expect a very definite movement on the first day of the week. Gold June is likely to remain range-bound; with the resistances at Rs9,598 and Rs9,649, and the supports at Rs9,467 and Rs9,413. Silver May is likely to witness resistances at Rs19,849 and Rs19,918 while the supports may come in at Rs19,604 and Rs19,501.

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