

■ BLACK PEPPER

■ Oct 17, 2007

SPOT MARKETS

Black pepper domestic markets remained steady at higher levels amidst improved arrivals. The domestic demand continues to be good and it is met by direct supplies from the border areas of pepper growing districts of Kerala. Harvesting of the current crop is likely to be delayed because of the incessant rains in September and the fresh arrivals are expected to hit the market by January-February. The output of the current crop is also estimated lower by 20%. Good buying support amidst tight supply conditions is likely to maintain the prices on the higher side till February.

FUTURES MARKETS

NCDEX black pepper traded volatile to close marginally below the opening levels. The most active November contract opened slightly weak at Rs. 14130/qrtl, Rs. 8 down the previous settlement and traded up in the opening session to test an intraday high of Rs. 14205/qrtl. Prices slumped thereafter on increased selling pressure at higher levels and the contract slipped to test an intraday low of Rs. 13742/qrtl. Prices improved later on some buying support and the contract settled at Rs. 14092/qrtl. Open interest dipped amidst good volumes traded suggesting long liquidation.

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

Pepper futures are trapped in a trading range and an outbreak is needed to establish a trend. Close above the short term EMAs, and rising Stochastic and MACD suggest further uptrend in place. Candlestick pattern indicates that the lower levels cannot be sustained and support indecision in the market, so do a flat RSI in the overbought region. Pepper futures are technically bound to trade sideways with a firm tone in the next trading session, following a steady to weak opening.

Pepper 0711(NCPEPX7)2007/10/16 - Daily B:14095.00 A:14099.00
O 14130.00 H 14205.00 L 13750.00 C 14092.00 V 18,625 I 9,644 -59



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	12206	13268	14092	14365	14705

TRADE RECOMMENDATION

Buy NCDEX November Black Pepper near 14075-14100, with a target of Rs. 14225, then at Rs. 14250, with a strict stop loss of Rs. 14000. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	14,000	15
	Ungarbled	13,400	

CARDAMOM

Oct 17, 2007

SPOT MARKETS

Cardamom domestic auctions were weak amidst improved arrivals. Traders opine that the festive demand will sustain for another one week after which the prices are likely to slump by Rs. 20-25/kg. The prevailing weather conditions are favouring the crop in the field and any further damage is ruled out. Cardamom crop is in its second round of picking which explains the improved arrivals of good quality capsules at the auctions. Reliance Retail is in the process of making Kerala its national sourcing centre for spices, which will ensure a round the year demand and steady income for growers.

FUTURES MARKETS

MCX Cardamom futures traded firm with active selling at higher levels towards the close of the day. The most active November contract opened weak at Rs. 518/kg, Rs. 1.50 down the previous settlement and traded steadily up on good buying support to test an intraday high of Rs. 528/kg. Prices slumped thereafter on active selling at higher levels and the contract settled at Rs. 521/kg. Open interest improved, while volume traded dipped 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

Good sunshine and intermittent light showers are seen favouring the harvesting as well as growth of standing crop.

TECHNICALS

Candlestick pattern suggests steady to weak opening and an initial uptrend, followed by profit booking. Prices closed below the EMAs, suggesting weak market. Stochastic is falling in the neutral region, supporting bears. RSI and MACD are flat and fail to provide any clue regarding the future direction of the market. Cardamom futures are trading in a range and a breakout will establish a new trend. Cardamom is likely to trade weak in the next trading session with some late upward movement.

CARDAMOM 0711(MXCAMX7)2007/10/16 - Daily B:520.50 A:521.50
O 518.00 H 528.00 L 518.00 C 521.00 V 163 T 21,245 I 452 +1.5
EMA(9) 524.65 (18) 528.07



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX Nov	503	507.5	521	542	553.5

TRADE RECOMMENDATION

Sell MCX November Cardamom near Rs. 520-522 with a target of Rs. 517 and then 515 with a strict stop loss of Rs. 525. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Nedumkandam

495

24,000

CUMIN

Oct 17, 2007

SPOT MARKETS

Domestic jeera trade at the benchmark Unjha markets continued to trade steady as that of previous trading session. The prices for commodity remained unchanged amidst marginally low arrivals at 2500 bags and steady offtake of 5000 bags. Domestic buyers remained quiet for a short term however active participation is likely to be seen after Dushera and durga pooja. Overseas buyers from Gulf, 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 4.5-6 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 in a positive zone up by 2.24 percent at Rs.10689 as against previous close price. The futures moved in a range of Rs.10262 and Rs.10742 and witnessed short liquidation amidst good volumes. The December futures moved in a range of Rs.10555 and Rs.11020 and witnessed long accumulation and closed at Rs.10994 firm by 2.42 % as against previous 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

Candlestick is indicating initial weakness and thereafter active buying at the lower levels amidst gain in volumes supportive to the firm close in prices. The close above the EMA's and rising RSI is hinting further upward movement in prices. MACD is hesitantly moving towards the positive territory is also supportive to the firm trend. Jeera futures are likely to trade firm during the early hours and thereafter slight profit booking to wards the closing session.

JEERA 0711(NCJEE7)2007/10/16 - Daily B:10680.00 A:10689.00
O 10406.00 H 10725.00 L 10262.00 C 10689.00 V 13,878 I 7,500 +264



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	10021	10163	10689	11049	11277

TRADE RECOMMENDATION

Buy NCDEX November Jeera at Rs.10645-10650 or below with a target of Rs. 10725 then at Rs.10772 with a strict stop loss at Rs.10619. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2270-2280	
	Ganesh	2460-2500	2500
	Machine Cleaned	2540-2660	

TURMERIC

Oct 17, 2007

SPOT MARKETS

Turmeric prices at all the major spot markets witnessed a mixed trend in the prices. The arrivals and offtake at the benchmark Nizamabad market were reported to be around 1500 bags and the prices for the commodity were quoted slightly weak by Rs.10 at Rs.1925-1940/qtl. At Erode the prices were firm by Rs.25/qtl at Rs.2200-2250/qtl amidst improved arrivals and offtake at 4000 bags. Active buying support on the eve of festive demand pushed up turmeric prices. 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 the week ahead on festive buying coming in.

FUTURES MARKETS

NCDEX turmeric most active November futures closed down at Rs.2029 or by 0.47 % on short accumulation. The contract moved in a narrow range of Rs.2023 and Rs.2046 amidst gain in volumes. The far month December futures witnessed short covering amidst low volumes and open interest and moved in a range of Rs.2076 and Rs.2096.

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

Isolated rain/thundershowers are likely over coastal and south interior Karnataka Rain/thundershowers are likely at T.N and dry weather at A.P. Rains at present are beneficial for the crop at its growing stage.

TECHNICALS

Currently turmeric is trading rangebound a breakout on either side with good volumes is necessary to establish a trend. Candlestick is indicating initial firmness and thereafter active selling in the market amidst gain in open interest supportive to the fall in close price. The close below the EMA's and falling RSI is hinting further fall in prices. MACD in negative territory is also favouring the weak trend in the market for a medium term. Turmeric prices are likely to trade weak following a steady opening.

Turmeric 0711(NCTMCX7)2007/10/16 - Daily B:2028.00 A:2030.00
O 2040.00 H 2046.00 L 2023.00 C 2029.00 V 5,150 I 13,120 -9



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX November	1996	2012	2029	2073	2090

TRADE RECOMMENDATION

Sell NCDEX November Turmeric at Rs.2032-2035 or market open with a target of Rs.2021 and then Rs.2011 with a strict stop loss of Rs.2037. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1925-1940	1500
	Gattah	1850-1860	
Erode	Finger	2200-2050	4000
	Gattah	2050-2100	

CHILLI

Oct 17, 2007

SPOT MARKET

Chilli prices at the domestic markets remained steady at Rs.3900-4350/qrtl as that of previous trading session. The arrivals improved to 30000 bags while offtake remained steady at 20000 bags. Domestic demand was reported to be stable. Overseas demand from Bangladesh, Sri Lanka and Malaysia is reported to be active and a key supportive feature causing the upmove in prices. Chilli prices in the medium term are likely to be rangebound to slightly firm due to improvement of overseas demand amidst ample stocks at Guntur warehouse of around 26.5-27 lakh bags.

FUTURES MARKETS

Chilli most active November futures opened firm at Rs.4200 and moved in a thin range of Rs.4180 - Rs.4219 and closed marginally up by 0.29 % or at Rs.4193. Both volumes and open interest declined marginally. The near month contract has witnessed long liquidation and moved in a range of Rs.4311 and Rs.4350.

PRICE DRIVERS

Bullish:

- Export up by 34.23% during August 2007 as against August 2006

Bearish:

- Chilli acreage and output at Andhra Pradesh is likely to go up.

WEATHER

Mainly dry weather is likely over Andhra Pradesh and rain/thundershowers are likely at a few places over Tamil Nadu. Rainfall is beneficial for the crop at present during its growing stage.

TECHNICALS

An indecisive doji is suggesting that prices are likely to move on either side. Fall in open interest amidst low volumes and open interest is not supportive to the firm close. Stochastic and RSI is rising in the neutral region is favouring further uptrend in prices. The close below the EMA's and negative MACD is favouring the weakness in prices. Chilli futures are likely to trade range bound following a steady to weak opening.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Nov	4054	4108	4193	4320	4390

TRADE RECOMMENDATION

Sell NCDEX November Chilli near Rs. 4200-4195 or below with a target of Rs. 4171 and then Rs.4158 with a strict stop loss of Rs. 4216. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3900-4350	30000

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