

## ■ BLACK PEPPER

■ Dec 05, 2007

### SPOT MARKETS

Pepper prices remained mostly steady to firm at the domestic markets on strong domestic demand amidst lack of arrivals. The availability at the terminal markets were reportedly nil and most of the domestic demand was catered to by the primary markets. The improved demand from grinding industry is seen supporting the market. Indian industry engaged in value addition and export has reportedly bought substantial quantity of the spice from other origins at lower prices, leading to the apprehension that part of the imported pepper could enter the domestic market and depress the price here. Indian parity remains outpriced at \$3700 in the global market and hence, no fresh overseas orders were featured.

### FUTURES MARKETS

Pepper futures at NCDEX traded volatile to end lower. The most active January contract opened Rs. 24 weak at Rs. 13850 and traded steadily up to test a high of Rs. 13977. The contract slipped thereafter on increased selling pressure to test a low of Rs. 13755, before closing 0.68% weak at Rs. 13780. Open interest improved, while volume traded dipped as compared to the previous day.

### PRICE DRIVERS

#### Bullish:

1. Global supply shortage is estimated at 55,000 tonnes in 2007
2. Global production estimated lower by 20%
3. Indian pepper out-priced in global market

### WEATHER

Advance of North East Monsoon may hamper the standing crop.

### TECHNICALS

Candlestick formation suggests an indecisive market. MACD and RSI are flat and inconclusive, supporting indecision in the market. However, close above 9 day EMA and rising Stochastic in the neutral region favour firmness in the market, while prices closing below the 18 day EMA points towards an intermediate-term bearish posture of the market. Pepper futures are likely to trade range-bound to firm in the next session.

Pepper 0801(NCPEPF8)2007/1 2/04 - Daily B:13780.00 A:13800.00  
O:13850.00 H:13968.00 L:13755.00 C:13780.00 V:8,999 I:10,436 -40



### SUPPORT / RESISTANCES

| Contract      | S2    | S1    | PCP   | R1    | R2    |
|---------------|-------|-------|-------|-------|-------|
| NCDEX January | 12635 | 12974 | 13780 | 14230 | 14565 |

### TRADE RECOMMENDATION

**Buy** NCDEX January Black Pepper near 13750-13800 with a target of Rs. 13900 then at Rs. 13950, with a strict stop loss of Rs. 13700. Trade with intraday outlook.

| Centers | Variety   | Price/Qtl | Arrival (Tonnes) |
|---------|-----------|-----------|------------------|
| Kochi   | Garbled   | 13,600    | 5                |
|         | Ungarbled | 13,000    |                  |



## ■ CARDAMOM

■ Dec 05, 2007

### SPOT MARKETS

Cardamom domestic auctions weakened further amidst improved arrivals. Domestic demand remained strong, while there were no export demand as Indian parity continues to remain outpriced in the global market. The current scenario is seen favouring imports from Guatemala. There are unconfirmed reports of illegal imports of Guatemalan capsules through the Nepal and Bangladesh borders. The arrivals continued to remain lower than the previous year, reflecting lower output during the season. The domestic demand is pegged at 11000 tonnes, while the production is only 9000 tonnes. Prices are likely to remain buoyed in the medium to long term, given the potential demand amidst lower availability.

### FUTURES MARKETS

MCX cardamom traded weak on long liquidation. The most active December contract opened Rs. 2.5 weak at Rs. 583.5 and traded steadily down to test a low of Rs. 570.5, before ending 1.06% weak at Rs. 578. Open interest dipped 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 weather with intermittent rains and sun shine is seen favourable for the crop growth.

### TECHNICALS

Candlestick pattern suggests active buying at lower levels. Prices closed below the 18 day EMA, suggesting intermediate-term firmness in the market. An upward bound Stochastic in the neutral zone supports further uptrend. MACD is rising in the positive territory, indicating increase in bullish momentum. However, the upside is capped by a dipping RSI in the neutral region as well as a close below 9 day EMA. Cardamom futures are likely to trade range-bound to weak in the next session.



### SUPPORT / RESISTANCES

| Contract     | S2  | S1  | PCP | R1  | R2    |
|--------------|-----|-----|-----|-----|-------|
| MCX December | 565 | 570 | 578 | 600 | 605.5 |

### TRADE RECOMMENDATION

**Sell** MCX December Cardamom above 578-580 with a target of Rs. 574 and then 572 with a strict stop loss of Rs. 582. Trade cautiously with intraday outlook.

| Auction Centre | Prices/Kg (7mm ) | Arrivals (Kg ) |
|----------------|------------------|----------------|
| Nedumkandam    | 540              | 20,000         |

## CUMIN

Dec 05, 2007

### SPOT MARKETS

Domestic jeera, spot trade continued to witness a quiet session in the Unjha market. Demand from the domestic as well as the overseas counters remained subdued and did not support any firmness in prices. The prices for the spice too remained unchanged. The arrivals were steady at 2500 bags while the offtake declined to 5000 bags. Overseas buying from Bangladesh, Europe and Singapore is seen less active in the market and expected to improve after a fortnight. Jeera sowing has started in Saurashtra and the acreage is reportedly lower by 10-20 % as per trade sources. Low stock level for the season at around 3.5 lakh bags is likely to support uptrend in prices in the long term.

### FUTURES MARKETS

NCDEX Jeera most active January contract started firm at Rs.9800. The contract moved in the narrow range of Rs.9738 and Rs.9929. The contract then closed at Rs.9777 marginally down by 0.05% as against previous close price and witnessed covering of short positions.

### PRICE DRIVERS

#### Bullish:

1. Reduced global production
2. Concerns of less domestic production
3. Decline in acreage for the coming season
4. Low stock position

#### Bearish:

1. April-October 2007 Jeera exports in qty terms fell 21% as against last year

### WEATHER

Dry weather is likely over Gujarat as well as Rajasthan, sowing is yet to be started. Dry weather is favourable during the initial sowing stage.

### TECHNICALS

Formation of doji is suggesting indecision in the market. The close below the EMA's and MACD in the negative region is favouring the weakness in prices. RSI is hesitantly rising in the neutral region is supportive to the firm close. Marginal gain in volumes is also favouring the firm close. Stochastic is moving flat in the oversold region is also favouring the weakness. Jeera futures are likely to trade rangebound to weak during the next trading session.

JEERA 0801(NCJEEF8)2007/12/04 - Daily B:9769.00 A:9778.00  
O 9800.00 H 9929.00 L 9738.00 C 9777.00 V 4,908 I 7,260 +9  
EMA(9) 9920.5 (18) 10205



### SUPPORT / RESISTANCES

| Contract      | S2   | S1   | PCP  | R1    | R2    |
|---------------|------|------|------|-------|-------|
| NCDEX January | 9412 | 9555 | 9777 | 10126 | 10268 |

### TRADE RECOMMENDATION

**Sell** NCDEX January Jeera near Rs.9800 with a target of Rs. 9733 and then of Rs.9645 with a strict stop loss near Rs.9830. Trade with intraday outlook.

| Centers | Variety         | Prices/20 Kg | Arrival (Bags)<br>1 bag = 55 to 60 Kgs |
|---------|-----------------|--------------|--|
| Unjha   | F.A.Q           | 2335-2345    | 2500                                   |
|         | Ganesh          | 2525-2565    |  |
|         | Machine Cleaned | 2605-2725    |  |



## TURMERIC

Dec 05, 2007

### SPOT MARKETS

Bulls continued to dominate domestic turmeric spot prices and prices for the spice improved further at the physical markets. At Nizamabad the prices improved by Rs.25 to Rs.2275 per qtl amidst sale of around 1200 bags. At Erode the prices improved by Rs.75 to Rs.2650-2700 amidst 75% sale out of arrival of 3800 bags. Domestic retail buying is reported to be active amidst sellers not ready to offload their stock in anticipation of further improvement in the prices. Overseas demand from Gulf, Japan and Europe is also reported to be firm. Emerging demand from U.K and South Africa is also adding to the positive tone. Turmeric prices may be steady to moderately firm in the near term on improving demand in the market.

### FUTURES MARKETS

NCDEX Turmeric most active April futures closed in a negative territory after testing fresh highs during the early hours. The futures moved in the range of Rs.2667 and Rs.2733 and then closed at Rs.2678 down by 0.85 % in comparison with prior close price and witnessed liquidation of long positions.

### PRICE DRIVERS

#### Bullish

1. Demand from domestic & overseas markets
2. Apr-Oct 2007 export up 4% in terms of qty

#### Bearish:

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

### WEATHER

Rain/thundershowers are likely at a few places over Tamil Nadu and dry weather over Kerala, and Andhra Pradesh. Rains at present are beneficial for the growth of the crop.

### TECHNICALS

Candlestick is suggesting initial firmness and thereafter active bears in the market. Significant gain in volumes is favouring the fall in close price. The close above the EMA's and MACD in the positive territory is favouring the firmness in prices. RSI is dipping in the overbought region but still in the favour of bulls. Turmeric prices are likely to trade range bound to firm during the next session with slight weakness during the initial hours.

Turmeric 0804(NCTMCJ8)2007/12/04 - Daily B:2677.00 A:2681.00  
O 2710.00 H 2733.00 L 2667.00 C 2678.00 V 35,280 I 25,230 -26



### SUPPORT / RESISTANCES

| Contract    | S2   | S1   | PCP  | R1   | R2   |
|-------------|------|------|------|------|------|
| NCDEX April | 2561 | 2613 | 2678 | 2770 | 2807 |

### TRADE RECOMMENDATION

**Buy** NCDEX April Turmeric above Rs.2668 with a target of Rs. 2684 and then Rs.2703 with a strict stop loss below Rs.2665. Trade cautiously with intraday outlook.

| Centers   | Variety | Price/Qtl | Arrival (Bags)<br>1 bag = 90 Kgs |
|-----------|---------|-----------|----------------------------------|
| Nizamabad | Finger  | 2275      | 1200                             |
|           | Gattah  | 2275      |                                  |
| Erode     | Finger  | 2650-700  | 3800                             |
|           | Gattah  | 2600-2650 |                                  |

### SPOT MARKET

Selling pressure and lack of buying interest continued to dominate chilli physical market at Guntur. The prices declined further by Rs.100 per qtl at Rs.3000-3400 per qtl. The arrivals were low at 30000 bags while the offtake declined to 10000 bags. The selling pressure is may improve as the stockists are likely to offload the stock due to huge stock piles amidst fresh arrivals for the season. Overseas buying was also reported to be negligible from the domestic buyers. Chilli prices are likely to trade range bound to weak due to sluggish demand for the spice amidst huge stock piles at around 23 lakh bags at Guntur.

### FUTURES MARKETS

NCDEX Chilli most active February closed in the positive region. The contract moved in the range of Rs.3366 and Rs.3499 after starting weak at Rs.3367. The contract then closed at Rs.3426 firm by 1.38 % as against prior close price and witnessed covering of short position.

### PRICE DRIVERS

#### Bullish:

- Exports during April- Oct 2007 improved by 77% in qty as against last year
- Lower global production estimates

#### Bearish:

- Higher acreage and output at A.P
- Huge stocks in cold storage.

### WEATHER

Mainly dry weather is likely over Andhra Pradesh. Rain at present is beneficial for the crop in its growing stage.

### TECHNICALS

Candlestick is suggesting initial uptrend and thereafter selling coming in the market towards the close. Significant improvement in volumes traded is a supportive feature for firm close. However the close below the EMA's and MACD in the negative territory is still favouring the bears. RSI is hesitantly rising in the oversold region is also supporting the weakness in prices. Chilli prices are likely to trade weak during the early hours with a positive bias towards the close.

CHLL334GTR 0802(NCGTRG8)2007/12/04 - Daily B:3417.00 A:3440.00  
O 3367.00 H 3499.00 L 3366.00 C 3426.00 V 73512,000 +41  
EMA(9) 3482.6 (18) 3572.0



### SUPPORT / RESISTANCES

| Contract  | S2   | S1   | PCP  | R1   | R2   |
|-----------|------|------|------|------|------|
| NCDEX Feb | 3272 | 3313 | 3426 | 3594 | 3644 |

### TRADE RECOMMENDATION

**Sell** NCDEX February Chilli near Rs. 3475 or below with a target of Rs. 3443 and then Rs.3401 with a strict stop loss of Rs. 3489. Trade cautiously with intraday outlook.

| Centers | Variety                | Price/Qtl | Arrival (Bags)<br>1 bag = 40 to 45 Kgs |
|---------|------------------------|-----------|--|
| Guntur  | LCA 334 (Cold Storage) | 3000-3400 | 30000                                  |

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at