

■ BLACK PEPPER

■ Dec 28, 2007

SPOT MARKETS

Pepper prices declined at the domestic markets on lack of buying interest by pepper exporters amidst increased selling pressure. The arrivals at the primary markets continue to remain thin. Most of the domestic demand is met directly from the primary markets. International markets remain closed and will reopen only on January 2nd after the holidays. The pepper prices are expected to trade on a negative note because Indian prices are rolling at higher levels compared to other origins. Besides higher prices, rupee appreciation has dampened the interest of the exporters. Indian spice is expected to hit the market late. The stocks with the major producers are reportedly sold off and India will remain the sole supplier of the spice in the coming months.

FUTURES MARKETS

NCDEX Pepper most active February traded weak starting Rs.3 firm at Rs.13810. The contract during the early hours inched to test a high at Rs.13825/qrtl and thereafter the bears pulled down the prices to test low of Rs.13512 on selling pressure. The contract finished at Rs.13531, down by 2%. Volume and open interest dipped as compared to the previous session.

PRICE DRIVERS

Bullish:

1. Global supply shortage is estimated at 55,000 tonnes in 2007
2. 20% lower global production
3. Indian pepper out-priced in global market
4. Depletion of inventories at major origins

WEATHER

Dry weather is likely over the major pepper growing tracts, which is favouring the growth of the crop.

TECHNICALS

Bearish marubozu formed in the charts with prices closing below the short term EMAs suggest near-term weakness in the market. A sharply declining RSI as well as a downward Stochastic in the neutral zone support further downtrend. MACD is rising in the negative territory, indicating decreasing bearish momentum in the market. Pepper futures are technically bound to trade weak in the next session with chances of late recovery.

Pepper 0802(NCPEPG8)/2007/12/27 - Daily B:13522.00 A:13533.00
C:13810.00 H:13825.00 L:13515.00 C:13531.00 V:6,828 I:8,420 -275



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX February	13030	13180	13531	14148	14400

TRADE RECOMMENDATION

Sell NCDEX February Black Pepper above 13500-13550 with a target of Rs. 13400 then at Rs. 13350 with a strict stop loss of Rs. 13600. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13400	0
	Ungarbled	12800	



■ CARDAMOM

■ Dec 28, 2007

SPOT MARKETS

Cardamom prices at the auctions continued to trade firm on low arrivals and active buying. The prices quoted firm by Rs.15/ kg at Rs.600/ kg. Arrivals of 12000 bags were sold completely. The arrivals at the auctions have declined considerably in comparison with week ago. The fresh arrivals are likely to gain its pace during the month of January. Demand for the spice is reported to be subdued due to the Christmas and New Year celebrations. However it is traders anticipate demand to pick up after the New Year. Prices for the spice is likely to trade steady to firm during the days ahead.

FUTURES MARKETS

MCX Cardamom most active January futures traded volatile amidst active bears and witnessed profit booking. The contract started steady at Rs.624 and there after traded weak after initial firmness in the range of Rs.618 and Rs.628.50. The open interest remained steady amidst low volumes. The contract then finished down at Rs.619.50 or 0.72% as against prior close price.

PRICE DRIVERS

Bearish:

1. Higher prices limiting export queries.

Bullish:

1. Domestic and global production estimated lower
2. Improved domestic demand

WEATHER

Mainly dry weather likely over Kerala and Tamil Nadu however mild showers at crop growing regions favourable for the crop during this stage.

TECHNICALS

Candlestick is suggesting initial uptrend and thereafter profit booking coming in towards the close. Marginal decline in open interest amidst low volumes traded in comparison with prior session is not favouring the weakness in close price. The close above the EMA's is in the favour of the near term firmness in prices. MACD is likely to witness a bullish cross over is also leaving scope for further firmness in prices. Descending RSI in the neutral region is warning the bulls in the market. Cardamom futures are likely to trade range bound to firm during the next trading session.

CARDAMOM 0801(MXCAMF8)2007/12/27 - Daily B:619.00 A:620.50
O 624.00 H 628.50 L 618.00 C 619.50 V 435 T 135,732 I 544 -4.5
EMA(9) 608.59 (18) 603.00



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX January	591.5	601.5	619.5	634	638.5

TRADE RECOMMENDATION

Buy MCX January Cardamom below 618.5 with a target of Rs. 622.5 and then 626.5 with a strict stop loss below Rs. 616 levels. Trade with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Bodinayakanur	600	12000

CUMIN

Dec 28, 2007

SPOT MARKETS

Jeera at the Unjha markets traded in a steady range. The prices remained steady at Rs.2685-2805/20kg for machine cleaned variety. The arrivals and offtake gained to 3000 and 5000 bags respectively. Domestic demand is reported to be stable however it is anticipated to improve during the days ahead. Overseas enquiries from China, Bangladesh, Singapore and European nations are seen emerging in the market. Sowing in Rajasthan has commenced and is reported to be higher around 10-15% this year as jeera prices remained higher during the year in comparison with year ago levels. Weather conditions at jeera growing areas are reported to be favourable for the crop. Low stock position at around 4-5 lakh bags in comparison with year ago levels of around 8-9 lakh bags is likely to favour uptrend in prices.

FUTURES MARKETS

Jeera most active February futures at the NCDEX counter traded weak and moved sideways. The futures started firm at Rs.10664 and there after traded weak in the range of Rs.10550 and Rs.10690 on selling pressure. The contract then closed at Rs.10610 down by 0.27% suggesting short accumulation amidst gain in open interest and volumes traded.

PRICE DRIVERS

Bullish:

1. Withdrawal of additional margin.
2. Concerns of less domestic production
3. Decline in acreage for the coming season

Bearish:

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

WEATHER

Mainly dry weather is likely over the Gujarat where as in Rajasthan; there is possibility of fog like conditions. Dry weather is favorable for the crop.

TECHNICALS

Jeera futures at charts are displaying a range bound trend in the market. The close above the EMA's is suggesting that the current trend is positive and in the favour of the bulls for a near term outlook. Marginal gain in volumes is supportive feature to the firm trend. The MACD has witnessed a bearish crossover suggesting weakening prices so does the dipping RSI in the neutral region. Jeera futures are likely to move sideways with negative bias.

JEERA 0802(NCJEEG8)2007/12/27 - Daily B:10610.00 A:10635.00
O 10664.00 H 10690.00 L 10550.00 C 10610.00 V 5,538 I 7,371 -18

EMA(9) 10454 (18) 10317



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	10323	10456	10610	10767	10914

TRADE RECOMMENDATION

Sell NCDEX February Jeera near Rs.10665 with a target of Rs. 10605 and then of Rs.10545 with a strict stop loss near Rs.10690. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2410-2430	
	Ganesh	2605-2645	3000
	Machine Cleaned	2685-2805	



TURMERIC

Dec 28, 2007

SPOT MARKETS

Weakening price at the futures counter amidst selling pressure at the physical markets as traders fear further fall in price slumped turmeric prices at the physical markets. The price at Nizamabad declined further by Rs25 to Rs.2700/ qtl. At Erode it declined further by Rs.150 to Rs.2800-2900/qtl. Domestic as well overseas demand from Gulf, Japan and Europe are reported to be good and buying is likely to emerge at lower price level. Reports of pest attacks at Nizamabad and Warangal turmeric growing areas has affected the yield of the crop further lowering the production estimates around 25% in these areas. Turmeric prices are likely to be moderately firm in the near term on improving demand and lower acreage for the season.

FUTURES MARKETS

Turmeric, April futures at NCDEX counter trade volatile amidst active bears. The futures started weak at Rs.2820 and traded weak in the range of Rs.2761 and Rs.2835 on selling pressure. The contract then finished at Rs.2789 down by 1.17% as against prior close price and witnessed long liquidation in the market.

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

Turmeric crop is maturing now and excess rain is likely to damage the crop, dry weather over T N and A P is favourable for the crop.

TECHNICALS

Formation of candlestick is suggesting active bears in the market. Turmeric futures are trading sideways however the medium term trend still favours the bulls. The close above the EMA's is suggesting that the near term trend is likely to remain firm. However the descending RSI in the neutral region and MACD likely to witness a bearish crossover are leaving scope for further weakness in prices. Turmeric futures are likely to trade range bound to weak during next trading session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2678	2700	2789	2893	2925

TRADE RECOMMENDATION

Sell NCDEX April Turmeric above Rs.2796 with a target of Rs. 2783 and then Rs.2771 with a strict stop loss below Rs.2802. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	2700	1144
	Gattah	2730	
Erode	Finger	2800-2900	6500
	Gattah	2750-2850	

Note: Nizamabad spot prices are inclusive 5% taxes and Erode prices are quoted loose

SPOT MARKET

Red chillies at the benchmark Guntur markets continued to trade steady. The prices remained unchanged at Rs.3400-3900/qtl. The arrivals and offtake stood around 30000 and 20000 bags respectively. On the domestic front the demand for the spice was reported to be good for the good quality spice. The current stock level is reported to be around 10-11 lakh bags at the Guntur markets. The lower availability of the good quality spice amidst emerging demand from the traditional overseas Bangladeshi, Malaysian and Singapore buyers is likely to push up the prices further. Chilli prices are likely to trade steady to firm during the days ahead on improving demand.

FUTURES MARKETS

NCDEX chilli February futures traded sluggish in a range. The contract started weak at Rs.3839 and during the early hours witnessed a low at Rs.3810 and thereafter surged up to Rs.3848. The contract closed down by 0.44% at Rs.3830 in comparison with prior close price amidst low volumes traded.

PRICE DRIVERS

Bullish:

1. Exports during April- Oct 2007 improved by 77% in qty as against last year
2. Improving demand in domestic.

Bearish:

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

WEATHER

Chilli crop is at its maturity stage, dry weather at the Andhra Pradesh is favourable for the crop.

TECHNICALS

Formation of doji is suggesting indecision in the market. The contract is moving in a range hence a breakout beyond Rs.3794 and Rs.3855 is necessary to establish a trend. However the close above the EMA's is suggesting that prices are likely to trade firm so does the MACD in positive territory. However the descending RSI in the neutral region is leaving room for slight weakness in price. Chilli futures are likely to trade weak during early hours following a late recovery in prices.

CHLL334GTR 0802(NCGTRG8)2007/12/27 - Daily B:3826.00 A:3839.00
O 3839.00 H 3848.00 L 3810.00 C 3830.00 V 50512,560 -6

EMA(9) 3797.9 (18) 3745.2



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3688	3726	3830	3892	3930

TRADE RECOMMENDATION

Buy NCDEX February Chilli near Rs. 3823 or below with a target of Rs. 3843 and then Rs.3867 with a strict stop loss of Rs. 3812. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3400-3900	30000

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