

## ■ BLACK PEPPER

■ Dec 31, 2007

### SPOT MARKETS

Pepper domestic markets were steady on inactivity. Arrivals at the terminal markets continued to remain very thin. To meet the domestic demand, the north Indian buyers are directly buying from the primary markets. The growing domestic demand and short supply has pushed the prices up in the spot markets during the past few weeks, making Indian parity out-priced in the global market. Pepper exports in the current fiscal has gone up to 20,000 tonnes valued at Rs. 203.53 crore as against 12,091 tonnes worth Rs. 101.98 crore in April-December 2006. The unit value also moved up from Rs. 84.34/kg to Rs. 101.79/kg. The world tight supply position and the competitive price in India contributed to the increase in pepper exports.

### FUTURES MARKETS

NCDEX Pepper most active February contract traded firm during the early hours to close in negative territory. The futures started Rs.10 up at Rs.13650. The contract during the initial trading session surged up to Rs.13774 and thereafter slumped to test a low at Rs.13456. The surge in open interest along with the fall in close price at Rs.13491 down by 1.09 % is suggesting short accumulation. The volumes traded support bears in the market.

### 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 over the major pepper growing tracts is favouring the growth of the crop.

### TECHNICALS

Charts display a downtrend. Close below the short term EMAs suggests weak prices in the near-term. Stochastic and RSI are dipping in the neutral region, supporting further downtrend. MACD has flattened out below the zero line, leaving room for movement in either direction in the medium term. Pepper futures are technically bound to trade range-bound to weak in the next session. The next support is seen emerging at 13180.

Pepper 0602(NCPEPG8)2007/12/28 - Daily B:13490.00 A:13481.00  
C:13350.00 H:13772.00 L:13456.00 C:13491.00 V:5,805 I:9,867 -128  
EMA(9) 13582 (18) 13586



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX February	13030	13180	13491	14148	14400

### TRADE RECOMMENDATION

Sell NCDEX February Black Pepper above 13425-13475 with a target of Rs. 13325 then at Rs. 13275 with a strict stop loss of Rs. 13525. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13500	0
	Ungarbled	12900	



## ■ CARDAMOM

■ Dec 31, 2007

### SPOT MARKETS

Low arrivals amidst slight improvement at the demand front in the market pushed up domestic cardamom prices at the auctions. The prices for the spice improved marginally by Rs.5 to Rs.605 / kg. The arrivals of 7200 kg's 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. Prices for the spice is likely to trade steady to firm during the days ahead. Meanwhile FMC has directed the exchanges to reduce the VaR based Initial margin to 5% of the contract value for the commodities traded, this move is likely to induce active trading in the market. Low production estimates for the spice at 9700 tonnes for the season is a supportive feature for firmness in prices in long run.

### FUTURES MARKETS

MCX Cardamom most active January futures traded firm and tested fresh contract highs. The contract started up at Rs.624 and during the early hours the futures slipped to witness a low at Rs.622 and thereafter surged up to Rs.629 and witnessed buying at lower levels. The contract then closed at Rs.628 up by 0.88 % in comparison with prior close price.

### PRICE DRIVERS

#### Bearish:

1. Higher prices limiting export queries.
2. Exports during April- Nov 2007 declined by 23% in quantity terms over last year

#### Bullish:

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

### WEATHER

Mainly dry weather likely over Kerala and Tamil Nadu however prolonged dry climate is likely to affect the formation of capsules.

### TECHNICALS

Formation of candlestick is suggesting initial weakness and thereafter buying at lower levels. Rising RSI in the over bought region is cautioning the investors and leaving room for a slight correction in the market. The close above the EMA's is also supportive to the firm trend so does the MACD rising in the positive region supported with good volumes traded and marginal surge in open interest. Cardamom futures are likely to extend the firmness in prices amidst slight profit booking towards the close.

CARDAMOM 0801(MXCAMF8)2007/12/29 - Daily B:627.50 A:628.50

O 624.00 H 629.00 L 622.00 C 628.00 V 200 T 196 I 558 +5.5

EMA(9) 614.76 (18) 607.51



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX January	602	608.5	628	635	642.5

### TRADE RECOMMENDATION

Buy MCX January Cardamom below 626 with a target of Rs. 630.5 and then 635.5 with a strict stop loss below Rs. 624.5 levels. Trade with intraday outlook.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Bodinayakanur

605

7200

## CUMIN

Dec 31, 2007

### SPOT MARKETS

Jeera prices at the auction inched marginally underpinned by improved demand for the spice in the market. The prices traded Rs.20 per 20 kg up to Rs.2705- 2825 for machine cleaned variety. Domestic demand is likely to improve at a steady pace. However it is anticipated to improve during mid January. 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. Mean while FMC has directed the exchanges to reduce the VaR based Initial margin to 5% of the contract value for the commodities traded, this move is likely to induce active trading in the market.

### FUTURES MARKETS

Jeera most active February futures at NCDEX counter traded volatile amidst active bears. The futures during the early hours surged to witness a high at Rs.10797 after starting marginally firm at Rs.10735. The bears pulled down the price to test low at Rs.10581. The contract then closed at Rs.10612 down by 1.15 % and witnessed long liquidation.

### 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 rise in minimum temperature. Dry weather is favorable for the crop.

### TECHNICALS

Candlestick is suggesting initial uptrend and there after selling pressure in the market. The futures are trading in a range of Rs.10598 and Rs.10748 and hence a breakout beyond this range is necessary to establish a near term trend. The overall trend for the spice is positive since the close above the EMA's in the favour of up trend in market and MACD in the positive territory is also a supportive feature. However the dipping RSI in the neutral region is hinting slight weakness in prices. Jeera futures are likely to trade firm after initial weakness in the market.

JEERA 0802(NCJEEG8)2007/12/29 - Daily B:10612.00 A:10620.00  
O 10740.00 H 10797.00 L 10581.00 C 10612.00 V 5,061 I 7,437 -110  
EMA(9) 10529 (18) 10386



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	10162	10312	10612	10884	10988

### TRADE RECOMMENDATION

Sell NCDEX February Jeera near Rs.10650 with a target of Rs. 10580 and then of Rs.10530 with a strict stop loss near Rs.10678. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2430-2450	
	Ganesh	2625-2665	2500
	Machine Cleaned	2705-2825	



## TURMERIC

Dec 31, 2007

### SPOT MARKETS

All the major physical market for turmeric remained closed on weekly off. The prices for the spice declined at all the centers during the week on restricted buying at the higher levels amidst selling at higher levels. Domestic as well overseas demand from Gulf, Japan and Europe are reported to be good. 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. FMC has directed the exchanges to reduce the margin to 5%, this is likely to favour active participation.

### FUTURES MARKETS

Turmeric, April futures at NCDEX counter traded volatile and witnessed profit booking at higher levels. The futures started firm at Rs.2850 and thereafter traded in the range of Rs.2825 and Rs.2869. The contract settled marginally down by Rs.3 at Rs.2842 as against prior close price. Good volumes traded supported the price move.

### PRICE DRIVERS

#### Bullish

1. Demand from domestic & overseas markets.
2. Fall in acreage around 25%

#### Bearish:

1. Good stock level for the season at the major growing areas.
2. Apr-Nov 2007 export down 3% in terms of quantity

### 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 doji is suggesting indecision in the market. The futures at charts are displaying a overall positive trend for the prices amidst good volumes traded. The close above the EMA's is also a supportive feature to the firm trend and so does the MACD in the positive region is suggesting. The RSI is weakening in the neutral region is favouring slight weakness in the prices. Turmeric futures are facing crucial resistance at Rs. 2847 levels and close beyond this level is likely to favour further uptrend in prices. Turmeric futures are likely to trade range bound with a positive bias.

Turmeric 0804(NCTMCJ8)2007/12/29 - Daily B:2840.00 A:2842.00  
O 2850.00 H 2869.00 L 2827.00 C 2842.00 V 31,200 I 29,680 -4  
EMA(9) 2804.9 (18) 2752.5



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2715	2754	2842	2893	2947

### TRADE RECOMMENDATION

Buy NCDEX April Turmeric above Rs.2834 with a target of Rs. 2849 and then Rs.2860 with a strict stop loss below Rs.2828. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	Closed	-
	Gattah	-	-
Erode	Finger	Closed	-
	Gattah	-	-

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

### SPOT MARKET

Red chilli physical markets remained closed on weekly off. The prices for the spice traded in a range with no major movement during the week. On the domestic front the demand for the spice was reported to be good for the good quality spice. 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. FMC has directed the exchanges to reduce the margin to 5%, this is likely to favour active participation.

### FUTURES MARKETS

NCDEX chilli February futures traded sluggish in a narrow range. The contract started a Re. up at Rs.3826 and during the early hours inched marginally to Rs.3832 and thereafter traded weak to test a low at Rs.3800 on active bears. The open interest surged amidst low volumes traded. The futures then closed down by 0.60 % at Rs.3802 as against prior close price.

### PRICE DRIVERS

#### Bullish:

1. Exports during April- Nov 2007 improved by 56% 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 candlestick is suggesting weakness in the prices in a rangebound market. The futures are facing a strong resistance at Rs.3900 level and close breaching this resistance is likely to push up the prices further. The overall trend for chilly futures favours the bulls supportive with the close above the EMA's. However the weakening RSI in neutral region is leaving room for slight weakness in prices. Chilli futures are likely to trade firm with a steady to weak opening.

CHLL334GTR 0802(NCOTRG8)2007/12/29 - Daily B:3801.00 A:3815.00  
O 3826.00 H 3832.00 L 3800.00 C 3802.00 V 215 | 2,560 -23

EMA(9) 3803.1 (18) 3758.7



DAV(12, 26, 12) 51.9426 MACD 34.1985



RSI(9,MA(6)) 57.2552



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3681	3734	3802	3900	3953

### TRADE RECOMMENDATION

Buy NCDEX February Chilli near Rs. 3795 or below with a target of Rs. 3829 and then Rs.3858 with a strict stop loss of Rs. 3888. Trade cautiously with intraday outlook.

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

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