

■ BLACK PEPPER

■ Dec 21, 2007

SPOT MARKETS

Pepper markets at the benchmark Kochi centre remained closed on Bakrid, while the spice traded steady at all the other centres on inactivity. Buyers are reportedly waiting for the arrival of the new crop and the consequent decline in prices on potential selling pressure. However, it is unlikely given the prevailing tight supply position and strong domestic demand. The rains during the past few days are likely to further delay the arrivals as maturity of the berries could be delayed. Only green and light pepper is being harvested currently. The prices remained almost steady in the international market and activities were limited as the buyers are waiting for the new crop in India to arrive in the market. Meanwhile, pepper imports have shown a decline of 4617 tonnes during the first seven months of the current year.

FUTURES MARKETS

NCDEX Pepper futures traded volatile to end lower. The most active January contract opened Rs. 45 firm at Rs. 13085 and traded up to test a high of Rs. 13150, before selling pressurized the market to test a low of Rs. 13010. The contract ended at previous close levels of Rs. 13040. Open interest dipped amidst lower volumes as compared to the previous session.

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
4. Depletion of inventories at major origins

WEATHER

Advance of North East Monsoon may hamper the standing crop.

TECHNICALS

Candlestick pattern suggests indecision in the market. MACD and RSI are flat and inconclusive, supporting the indecisiveness. However, close above 9 day EMA as well as rising Stochastic in the neutral region suggests near-term firmness in the market. The close below the 18 day EMA indicates intermediate term bearish posture of the market. Pepper futures are likely to trade range-bound to slightly firm in the next session.

Pepper 0801(NCPEPF8)2007/12/20 - Daily B:13030.00 A:13049.00
O 13085.00 H 13150.00 L 13011.00 C 13040.00 V 6,123 I 8,360 -30



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	12603	12790	13040	13225	13417

TRADE RECOMMENDATION

Buy NCDEX January Black Pepper below 13025-13075 with a target of Rs. 13175 then at Rs. 13225 with a strict stop loss of Rs. 12975. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	Closed	—
	Ungarbled	Closed	—



■ CARDAMOM

■ Dec 21, 2007

SPOT MARKETS

Cardamom prices at the auctions continued to trade steady previous trading session. The prices for the capsules remained unchanged at Rs.555 per kg. Arrivals of 22000 kg were sold completely. Limited export buying was also reported however, demand is anticipated to gain its momentum during the days ahead. The prices are likely to witness slight weakness during the days ahead due to rains at the Idukki districts are favourable formation of capsules. The weather conditions have been good in the growing areas and rains in the season could result in fresh pod setting, thereby reduce the requirement of irrigation. The 5th round of picking is due to start and is likely to extend till mid-January.

FUTURES MARKETS

Cardamom futures at MCX witnessed active buying and traded in the positive territory. The most active January contract started steady at Rs.597.5. The contract moved in the range of Rs.594.5 and Rs.603 and witnessed buying at lower levels. The futures then closed firm at Rs.599.5 up by 0.33 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

Rain and thundershower are likely over Kerala and Tamil Nadu during next 24 hrs and decrease thereafter crop growing regions favourable for the crop during this stage.

TECHNICALS

Candlestick is suggesting initial firmness and slight profit booking towards the close. The firm close is supported with gain in open interest. Cardamom at charts are moving in a range a close above Rs.606 levels the prices are likely to trade firm further. The close above the 18- day EMA along with the MACD in the positive region is supportive to the near term firmness in prices. RSI is flat in the neutral region lacks direction. Cardamom futures are likely to trade firm following a steady to firm opening.

CARDAMOM 0801(MXCAMF8)2007/12/20 - Daily B:599.00 A:600.50
O 597.50 H 603.00 L 594.50 C 599.50 V 153 T 45,785 I 548 +2
EMA(9) 597.95 (18) 595.61



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX January	587	591	599.5	613	617.5

TRADE RECOMMENDATION

Buy MCX January Cardamom below 598 with a target of Rs. 601 and then 604.5 with a strict stop loss above Rs. 596.5. Trade with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Bodinayakanur	555	22000

CUMIN

Dec 21, 2007

SPOT MARKETS

Improved demand at lower levels amidst surge in prices at the futures counter pushed up jeera prices at the Unjha market. The prices improved by Rs.20 per 20kg to Rs.2685-2785 per 20kg. The arrivals remained steady at 2500 bags while the offtake declined marginally to 6000 bags. Overseas enquiries from Singapore and European nations added to the positive tone in prices. Sowing at Rajasthan has commenced and is reported to be higher around 10-15% this year as jeera prices remained higher during the year. The sowing is likely to continue for the next 10 days. Weather conditions at jeera growing areas are reported to be favourable for the crop. Weather is a crucial factor at present and is likely impact the prices of the spice.

FUTURES MARKETS

Jeera February futures at the NCDEX counter witnessed active bears as well as bulls. The contract started firm at Rs.10317 and moved in the rallied in the range of Rs.10180 and Rs.10418. The contract then settled at Rs.10320 firm by 1.46% and witnessed accumulation of long positions.

PRICE DRIVERS

Bullish:

1. Reduced global production
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 and Rajasthan jeera growing areas, such weather conditions are favourable for the crop during the initial growing stage.

TECHNICALS

A formation of doji is suggesting indecision in the market. However the firm close is supported with gain in volumes and open interest. The close above the EMA's and MACD hesitantly ascending towards the positive territory is leaving scope for further uptrend in prices. Stochastic as well as RSI is steadily rising in the neutral region is suggesting further uptrend in prices. Jeera futures are likely to trade range bound to firm during next session.

JEERA 0802(NCJEEG8)2007/12/20 - Daily B:10323.00 A:10346.00
O 10317.00 H 10409.00 L 10180.00 C 10320.00 V 5,271 I 5,796 +38
EMA(9) 10044 (18) 10053



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	9947	10024	10320	10566	10644

TRADE RECOMMENDATION

Buy NCDEX February Jeera near Rs.10265 with a target of Rs. 10345 and then of Rs.10420 with a strict stop loss near Rs.10210. 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	2500
	Machine Cleaned	2685-2805	



■ TURMERIC

■ Dec 21, 2007

SPOT MARKETS

Emerging demand at corrective dips pushed up turmeric prices marginally at all the physical markets. The prices at Nizamabad fingers remained steady at Rs.2450 per qtl where as gattas improved marginally. At Erode the prices remained unchanged at Rs.2900-3000 per qtl. Domestic as well overseas demand from Gulf, Japan and Europe are reported to be firm. 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

NCDEX Turmeric most active April futures settled positive after trading in a range. The contract started steady at Rs.2698. The futures moved in the range of Rs.2688 and Rs.2732 and witnessed buying at lower levels. The futures then closed at Rs.2723 firm by 1.08 % as against prior close price and witnessed long accumulation.

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 at its maturity stage excess rain is likely to damage the crop. Rains and thunder shower are likely over the coastal and interior Tamil Nadu and isolated over south coastal Andhra Pradesh.

TECHNICALS

Turmeric at charts is moving in a range with a positive tone. The close above the EMA's is and MACD in the positive territory is favouring the near term firmness in prices. The firm close is supported by significant gain in open interest. RSI is hesitantly ascending in the neutral region is leaving room for further uptrend in prices. Turmeric futures are likely to trade rangebound to firm with a possibility of profit booking towards the late hours during next session.

Turmeric 0804(NCTMCJ8)2007/12/20 - Daily B:2721.00 A:2724.00
O 2698.00 H 2732.00 L 2688.00 C 2723.00 V 19,120 I 26,240 +32



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2566	2615	2723	2780	2806

TRADE RECOMMENDATION

Buy NCDEX April Turmeric above Rs.2715 with a target of Rs. 2729 and then Rs.2741 with a strict stop loss below Rs.2709. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	2450	Nil
	Gattah	2510	
Erode	Finger	2900-3000	3000
	Gattah	2850-2950	

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

SPOT MARKET

Chilli prices at the Guntur markets traded weak on improved arrivals coupled with slight weakness at the futures counter. The arrivals improved to 50000 bags and offtake to 25000 bags. The prices declined by Rs.100 to Rs.3400-3900 per qtl. The demand for the spice is reported to be firm for the good variety. As per trade sources the high-grade chillies are available in low quantity at the Guntur markets and the fresh arrivals of similar variety are likely to hit the market only during late January. As per trade sources there are chances of rains over chilli growing areas and this is unfavourable for the crop during its maturity stage. The current scenario is likely to support the near term firmness in prices.

FUTURES MARKETS

Chilli February futures at NCDEX witnessed a sluggish trade amidst low volumes. The futures started weak at Rs.3750. The contract moved in the range of Rs. 3703 and Rs.3760. The futures closed at Rs.3721 down by 1.43% in comparison with prior close price.

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 however rain and thundershower are likely at the chilli growing areas of south coastal Andhra Pradesh is not favourable for the crop.

TECHNICALS

Candlestick is suggesting active bears in the market. Though the trend for chilli is in the favour of the bulls the weakening RSI in the neutral region is in the favour of the bears. The close above the EMA's and MACD ascending towards the positive territory is also leaving room for uptrend in prices. The prices are facing a support at Rs.3678 levels and incase it closes below this level the prices are likely to witness further weakness. Chilli futures are likely to trade range bound with a possibility of weakness during the initial session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3583	3635	3721	3796	3835

TRADE RECOMMENDATION

Sell NCDEX February Chilli near Rs. 3750 or below with a target of Rs. 3725 and then Rs.3690 with a strict stop loss of Rs. 3765. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3400-3900	50000

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