

## ■ BLACK PEPPER

■ Dec 24, 2007

### SPOT MARKETS

Pepper prices improved at the physical markets on strong domestic demand. Much of the domestic demand is met directly from the primary markets by evading tax. However, limited overseas demand was reported due to availability of cheaper spice in other origins. The Indian parity continued to remain out-priced in the global market on good domestic demand. India does not have much pepper to offer in the international market. Because of high prices, Indian processing industry has contracted 4000 tonnes of Indonesian pepper which is expected to land in the coming weeks. The pepper markets are likely to see firmness in the coming weeks on good domestic demand and anticipated overseas demand due to depleting inventories at the major origins and supply concerns.

### FUTURES MARKETS

NCDEX pepper most active January contract opened Rs. 56 firm at Rs. 13320 and traded down initially to test a low of Rs. 13265. The contract surged thereafter on active buying to test a high of Rs. 13730, before closing 2.99% firm at Rs. 13660. Open interest dipped amidst larger volumes traded as compared to the previous day, suggesting short covering.

### 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

A long hollow candle is formed in the charts with supporting volumes, suggesting immediate term firmness. Close above the short term EMAs and steeply rising RSI and Stochastic in the neutral region also support the uptrend. MACD continues to remain flat and inconclusive in the negative territory after making a bearish crossover, indicating inherent bearishness of the market. Pepper futures are technically bound to trade firm in the next session with chances of some late downward movement.

Pepper 0801(NCPEPF8)2007/12/23 - Daily B 13655.00 A 13660.00  
O 13320.00 H 13730.00 L 13265.00 C 13660.00 V 4,151 16,385 +350



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	12790	12974	13660	13968	14230

### TRADE RECOMMENDATION

**Buy** NCDEX January Black Pepper below 13625-13675 with a target of Rs. 13775 then at Rs. 13825 with a strict stop loss of Rs. 13575. Trade with intraday outlook.

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



## ■ CARDAMOM

■ Dec 24, 2007

### SPOT MARKETS

Cardamom prices at the auctions traded steady as that of prior session. The prices for the capsules were quoted at Rs.560per kg. The arrivals of 7100 kg were sold completely. Exporters were not present at the auctions however; demand in domestic as well as overseas market is anticipated to gain its momentum during the days ahead. The prices are likely to witness slight weakness during the days ahead due to continued 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 5<sup>th</sup> round of picking is due to start and is likely to extend till mid-January.

### FUTURES MARKETS

Cardamom futures at MCX traded in the positive territory and witnessed covering of short positions. The most active January contract started a Re. down at Rs.603.5. The contract moved in the range of Rs.601 and Rs.608 and witnessed buying at lower levels. The futures then closed marginally up at Rs.605.5 up by 0.17% 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 crop growing regions favourable for the crop during this stage.

### TECHNICALS

Formation of candlestick is suggestion initial weakness and there after active buying at lower levels amidst good volumes traded. The close above the EMA's is favouring the firm close so does the rising RSI in the neutral region. MACD is likely to witness a bullish crossover in the positive territory is also supportive feature to further uptrend in the market. Cardamom futures are likely to trade firm with a possibility of profit booking towards the close.

CARDAMOM 0801(MXCAMF8)2007/12/22 - Daily B:605.00 A:605.50  
O 603.50 H 608.00 L 601.00 C 605.50 V 223 T 213 I 553 +1



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX January	583	590	605.5	616	622

### TRADE RECOMMENDATION

Buy MCX January Cardamom below 604 with a target of Rs. 607 and then 610.5 with a strict stop loss above Rs. 602.5. Trade with intraday outlook.

Auction Centre	Prices/Kg (7mm )	Arrivals (Kg )
Bodinayakanur	560	7100

## CUMIN

Dec 24, 2007

### SPOT MARKETS

Jeera at the physical markets witnessed a quiet session. The prices remained unchanged at Rs.2665-2785 per 20kg. The arrivals and offtake declined to 2000 bags and 4500 bags respectively. Overseas enquiries from Singapore and European nations prevailed 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. Weather is a crucial factor at present and is likely impact the prices of the spice. Low stock position at around 4-5 lakh bags in comparison with year ago at around 8-9 lakh bags is likely to favour uptrend in prices.

### FUTURES MARKETS

Jeera most active February futures at NCDEX counter witnessed accumulation of long positions amidst good volumes. The futures moved in the range of Rs.10450 and Rs.10865 on active buying support after starting firm at Rs.10510. The contract then closed at Rs.10665 up by 1.80% as against prior close price.

### 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 and Rajasthan jeera growing areas, such weather conditions are favourable for the crop during the initial growing stage.

### TECHNICALS

Candlestick is suggesting initial uptrend and profit booking coming in towards the close. The near term firm trend for jeera is supported with the close above the EMA's as well as significant surge in volumes traded. The MACD is ascending in the positive territory is favouring the uptrend so does the gain in open interest. RSI is rising in the overbought territory is signalling the traders to trade cautiously due to it's over bought nature. Jeera futures are likely to trade firm with a possibility of profit booking towards the close.

JEERA 0802(NCJEEG8)2007/12/22 - Daily B:10665.00 A:10672.00  
O 10510.00 H 10865.00 L 10450.00 C 10665.00 V 8,331 16,777 +215

EMA(9) 10233 (18) 10155



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	10025	10205	10665	11062	11210

### TRADE RECOMMENDATION

Buy NCDEX February Jeera near Rs.10615 with a target of Rs. 10700 and then of Rs.10816 with a strict stop loss near Rs.10580. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
	F.A.Q	2390-2410	
Unjha	Ganesh	2585-2625	2000
	Machine Cleaned	2665-2785	



## TURMERIC

Dec 24, 2007

### SPOT MARKETS

All the major physical markets for Turmeric remained closed due weekly closure. Emerging demand at corrective dips pushed up turmeric prices at all the major physical markets during the week. 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

Turmeric, April futures at NCDEX counter witnessed a volatile trade amidst good volumes traded. The futures started firm at Rs.2810 and traded in the range of Rs.2802 and Rs.2873 testing fresh contract high. The contract then finished at Rs.2847 up by 1.50 % and witnessed accumulation 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

Turmeric crop is maturing now and excess rain is likely to damage the crop, with showers over Tamil Nadu and dry weather over Andhra Pradesh.

### TECHNICALS

Candlestick is suggesting initial uptrend and profit booking towards the close. The close above the EMA's is supportive feature to the firm trend so does MACD in the positive territory suggests. The gain in open interest amidst good volumes traded is also a supportive feature to the uptrend in prices. However the overbought nature of RSI is signaling for a correction very soon. Turmeric futures are likely to trade firm with a negative bias towards the closing session.

Turmeric 0804(NCTMCJ8)2007/12/22 - Daily B:2847.00 A:2849.00  
O 2810.00 H 2870.00 L 2805.00 C 2847.00 V 32,920 I 29,000 +41  
EMA(9) 2737.9 (18) 2681.1



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2620	2679	2847	2905	2955

### TRADE RECOMMENDATION

Buy NCDEX April Turmeric above Rs.2790 with a target of Rs. 2806 and then Rs.2823 with a strict stop loss below Rs.2784. 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

Chilli benchmark Guntur physical market remained closed due to weekly off. The prices for chillies during the week traded firm amidst slight correction during mid week on good arrivals. 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. With chances of rains over chilli growing areas maturing crop is likely to be affected. The current scenario is likely to support the near term firmness in prices.

### FUTURES MARKETS

NCDEX chilli February futures traded volatile and witnessed long accumulation. The contract started weak at Rs.3621 and moved firm in the range of Rs.3621 and Rs.3745 on active buying. The contract then finished firm at Rs.3712 up by 1.23% amidst slight profit booking towards the close.

### 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

Formation of candlestick is suggesting initial uptrend and thereafter profit booking towards the close. The close above the EMA's is favouring the firm close so does the rising RSI in the neutral region. The near term uptrend is also supported by gain in open interest amidst good volumes traded. MACD has entered the positive zone is also leaving room for further uptrend in prices. Chilli futures are likely to trade firm with a possibility of profit booking towards the close.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3677	3719	3852	3950	4008

### TRADE RECOMMENDATION

Buy NCDEX February Chilli near Rs. 3835 or below with target of Rs. 3865 and then Rs.3898 with a strict stop loss at Rs. 3818. Trade cautiously with intraday outlook.

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

### Disclaimer

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