

## ■ BLACK PEPPER

■ Dec 15, 2007

### SPOT MARKETS

Pepper prices improved to the tune of Rs. 2 a kg at the benchmark Kochi markets on some buying activity. The availability remained limited at the physical markets. Even primary markets recorded negligible stocks. Some export buying was also reported, despite Indian spice being marginally over-priced in the global market. However, the pepper prices are likely to remain firm in the coming months on good domestic and overseas demand amidst supply crunch. Harvesting in India is delayed till January, thereby further squeezing the supply position. Depletion of inventories at the other origins due to active selling is likely to favour India as the nation will enjoy monopoly in pepper trade being the sole supplier.

### FUTURES MARKETS

NCDEX pepper staged recovery on some short covering. The most active January contract opened Rs. 16 firm at Rs. 12720 and traded down initially to test a low of Rs. 12685, before improving on good buying support to test a high of Rs. 13047. The contract ended 2.14% firm at Rs. 12976 amidst marginal dip in open interest and gain in volumes, suggesting liquidation of short positions.

### 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 pattern with volumes supporting the movement suggests uptrend with active selling at higher levels. RSI is rising steeply in the neutral region, supporting further uptrend. However, the uptrend is likely to be capped by a dipping Stochastic in the oversold region as well as close below the short term EMAs. MACD is also dipping in the negative territory, supporting the underlying bearish posture of the market. Pepper futures are likely to trade volatile with a firm tone. Caution is advised as 13097 level is seen providing stiff resistance to the uptrend.

Pepper 0801(NCPEPFB)2007/12/14 - Daily B:12976.00 A:12986.00  
O:12720.00 H:13047.00 L:12685.00 C:12976.00 V:9,472 I:9,799 +249  
EMA(9):13093 (18):13330



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	12501	12710	12976	13441	13730

### TRADE RECOMMENDATION

**Buy** NCDEX January Black Pepper below 12950-13000 with a target of Rs. 13100 then at Rs. 13150, with a strict stop loss of Rs. 12900. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13,100	0
	Ungarbled	12,500	



## ■ CARDAMOM

■ Dec 15, 2007

### SPOT MARKETS

While good quality coloured capsules were quoted steady, prices of all other grades weakened further by Rs. 10 a kg. Poor crop has resulted in decline in arrivals, which in turn has resulted in propping up cardamom prices. This has resulted in prompting the dealers to buy the spice. Limited export buying was also reported. The prices are likely to remain steady to firm in the coming weeks on good buying by upcountry dealers who are holding very thin inventory. The weather conditions have been good in the growing areas and rains in the season could result in fresh pod setting, thereby compensating the lag in picking. The fourth round of picking is due to start and is likely to extend till mid-January.

### FUTURES MARKETS

Cardamom futures ruled firm at MCX on fresh buying. The most active January contract opened steady at Rs. 590 and traded steadily up to test a high of Rs. 606.5. The contract slumped slightly thereafter on some selling pressure at higher levels to close 1.86% firm at Rs. 601. Open interest and volume improved as compared to the previous day, suggesting accumulation of long positions.

### 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 with supporting volumes suggest uptrend. Prices closed above the short term EMAs suggesting short term firmness. RSI is rising sharply in the neutral region, while Stochastic is also rising in the oversold region to make a bullish crossover, supporting further uptrend. MACD is dipping in the positive territory, indicating decreasing bullish momentum. Cardamom futures are technically bound to trade firm in the next session with some weakness towards the close of the session.

CARDAMOM 0801(MXCAMF8)2007/12/14 - Daily B:600.00 A:602.00  
O 590.00 H 606.50 L 590.00 C 601.00 V 630 T 188,436 I 410 +11  
EMA(9) 595.89 (18) 593.42



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX January	581.5	589	601	614	624

### TRADE RECOMMENDATION

**Buy** MCX January Cardamom below 599 with a target of Rs. 604 and then 606 with a strict stop loss above Rs. 596. Trade with intraday outlook.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Vandanmedu

550

18,300

## CUMIN

Dec 15, 2007

### SPOT MARKETS

Jeera at Unjha markets traded steady to slightly firm on buying at lower levels as well as marginal improvement in the overseas buying. Overseas demand from Bangladesh, Europe and Singapore is likely to improve at a steady pace. The prices for the spice improved marginally by Rs.20 per 20kg to Rs.2625-2745 for machine cleaned variety. The arrivals remained low at 1500 bags due to the ongoing elections at Gujarat where as offtake improved to 4000-4500 bags. Sowing at Rajasthan has been initiated 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 a fortnight. Weather is a crucial factor at present and is likely to have an impact on the prices of the spice.

### FUTURES MARKETS

NCDEX Jeera January futures recovered marginally after initial weakness. The contract moved in the range of Rs.9491 and Rs.9680. The contract then closed weak at Rs.9621 firm by 0.54% 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

#### Bearish:

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

### WEATHER

Fall in minimum temperature by 3-4°C over Rajasthan and Gujarat leading to development of cold wave conditions. Such severe conditions are not favourable for the sensitive crop.

### TECHNICALS

Candlestick is suggesting initial weakness and thereafter active bulls towards the close supported with marginal gain in volumes. However the close below the EMA's and MACD in negative territory still favours the bears. RSI is hesitantly ascending in the neutral region is favouring slight firmness in price, Jeera prices are likely to trade rangebound with a negative bias during the next trading session.

JEERA 0801(NCJEEF8)2007/12/14 - Daily B:9611.00 A:9630.00  
O 9576.00 H 9680.00 L 9491.00 C 9621.00 V 4,650 I 6,492 +60

EMA(9) 9724.9 (18) 9903.0



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	9386	9482	9621	9933	10159

### TRADE RECOMMENDATION

Sell NCDEX January Jeera near Rs.9675 with a target of Rs. 9600 and then of Rs.9545 with a strict stop loss near Rs.9703. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2350-2360	
	Ganesh	2545-2585	1500
	Machine Cleaned	2625-2745	



## TURMERIC

Dec 15, 2007

### SPOT MARKETS

Turmeric traded firm at physical market as active buying from stockists was witnessed amidst good demand. The arrivals and offtake at Nizamabad improved declined to 1000 bags while the prices improved further by Rs.55 per qtl to Rs.2325 per qtl. At Erode the prices improved to Rs.2700-2750 per qtl and arrivals declined to 4000 bags out of which 75% were sold. Overseas demand from Gulf, Japan and Europe is also reported to be firm. Unconfirmed reports of pest attacks at Nizamabad and Warangal turmeric growing areas is likely to affect the yield of the crop. 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 moved in a narrow range. The futures moved in the positive territory in the range of Rs.2656 and Rs.2684. The futures then closed at Rs.2672 firm by 0.34 % 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.

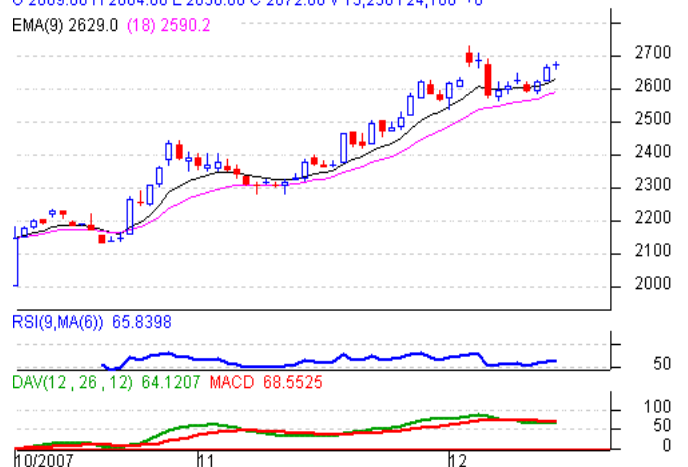
### WEATHER

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

### TECHNICALS

Formation of doji is suggesting indecision in the market amidst low volumes traded. However the current trend for turmeric is still favouring the bulls. The close above the previous close amidst gain in open interest is suggesting active buying in the market. The close above the EMA's as well as MACD in the positive territory is supportive to the bulls. Rising RSI in the neutral region so as the stochastic is also a supportive feature in the market. Turmeric futures are likely to trade range bound to firm during next session with a possibility profit booking towards the close.

Turmeric 0804(NCTMCJ8)2007/12/14 - Daily B:2672.00 A:2675.00  
O 2669.00 H 2684.00 L 2656.00 C 2672.00 V 15,230 I 24,180 +8  
EMA(9) 2629.0 (18) 2590.2



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2565	2603	2672	2717	2748

### TRADE RECOMMENDATION

Buy NCDEX April Turmeric above Rs.2654 with a target of Rs. 2669 and then Rs.2685 with a strict stop loss below Rs.2649. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	2325	1000
	Gattah	2345	
Erode	Finger	2700-2750	4000
	Gattah	2600-2650	

### SPOT MARKET

Chilli prices at the physical markets improved on emerging demand for the premium quality spice. The price improved by Rs.100 per qtl to Rs.3100-3700 per qtl. The arrivals at the spot remained low at 20000 bags and 15000 bags respectively. As per trade sources there are reports of European Union banning the imports from Pakistan as the spice was found infected with post harvest fungal disease. As per trade sources the high grade chillies are available at the Guntur markets and the fresh arrivals of similar variety are likely to hit the market only during later January. The current scenario is likely to support the near term firmness in prices.

### FUTURES MARKETS

Chilli February futures at NCDEX witnessed a volatile trade amidst good volumes traded. The prices moved in the positive region after starting with a gap at Rs.3680 and witnessed a high at Rs.3756. The contract then closed at Rs.3730 firm by 2% and witnessed short covering.

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

### TECHNICALS

Chilli at charts is displaying a firm trend supported with gain in volumes traded. The prices are facing a strong resistance at Rs.3802 levels prices are likely to trade firm further incase it breaches these levels. The EMA's and MACD ascending towards the positive territory are favouring the firm trend. However rising RSI and stochastic in the overbought region is cautioning the investors. Chilli futures are likely to trade firm with a possibility of late recovery.

CHLL334GTR 0802(NCGTRG8)2007/12/14 - Daily B:3723.00 A:3738.00  
O 3680.00 H 3756.00 L 3680.00 C 3730.00 V 62511,925 +68

EMA(9) 3598.5 (18) 3584.7



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3597	3622	3730	3802	3831

### TRADE RECOMMENDATION

Buy NCDEX February Chilli near Rs. 3710 or below with a target of Rs. 3745 and then Rs.3778 with a strict stop loss of Rs. 3695. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3100-3700	20000

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