

## ■ BLACK PEPPER

■ Dec 10, 2007

### SPOT MARKETS

Pepper prices firmed up at the physical markets after continuous fall during the week. The market is seen volatile in the coming weeks on lack of ready supply at the terminal markets and much of the domestic demand is met by direct sales from primary markets, evading tax. The reports of Indonesia slashing the prices of its offering and reported decision of the Centre to reduce the import duty on pepper imports to 50% have cast a bearish spell on the pepper markets, despite strong demand-supply positions. Indian parity continues to remain out-priced in the global market, hence no overseas buying was featured. However, no significant fall in prices are likely given the global supply deficit estimated at 55,000 tonnes in 2008.

### FUTURES MARKETS

NCDEX pepper traded firm at NCDEX on some short covering. The most active January contract opened Rs. 10 firm at Rs. 13125 and traded steadily up to test a high of Rs. 13408, before ending 1.55% firm at Rs. 13310. Open interest dipped amidst marginally higher volumes traded as compared to the previous session, suggesting some short liquidation.

### 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 suggests firmness with active selling towards the close of the session. Prices closed below the 9 as well as 18 day EMAs, favouring near to intermediate term weakness. However, a rising RSI and Stochastic in the neutral zone support firmness in the short term. MACD is declining hesitantly in the negative territory, hinting increase in bearish momentum. Pepper futures are likely to witness some volatile trade with bullish inclination in the next session.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	12581	12974	13310	13715	13968

### TRADE RECOMMENDATION

**Buy** NCDEX January Black Pepper below 13275-13325 with a target of Rs. 13425 then at Rs. 13475, with a strict stop loss of Rs. 13225. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13,300	3
	Ungarbled	12,700	



## ■ CARDAMOM

■ Dec 10, 2007

### SPOT MARKETS

Cardamom auctions remained steady at higher levels amidst normal arrivals. The domestic demand is seen strong from north Indian dealers who have exhausted their inventories during Diwali. The higher price of Indian parity in the global market is seen restricting the overseas demand. However, some amount of export buying was reported at the domestic auctions during the week. The third round of picking is in its last phase and the yield has been recorded lower. Arrivals continued to remain lower by 30-40%, reflecting a lower output. Cardamom markets are expected to remain steady to firm in the coming months on supply concerns unless checked by Guatemalan imports.

### FUTURES MARKETS

Cardamom futures at MCX traded weak. The most active December delivery contract opened Rs. 5 firm at Rs. 576 and traded steadily down to test a low of Rs. 568, before closing 0.18% weak at Rs. 570. Open interest dipped amidst larger volumes traded as compared to the previous session, suggesting long liquidation.

### 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

Prices closed below the short term EMAs, suggesting weak market; so does a dipping Stochastic in the neutral region after making a bearish crossover. RSI is steady in the neutral region, indicating indecision in the market. MACD is rising in the positive territory after a bullish crossover, hinting the underlying bullish posture of the market. Cardamom futures are likely to see some sideways trade with weak tone in the next session.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX December	558	564	570	575	582.5

### TRADE RECOMMENDATION

**Sell** MCX December Cardamom above 572 with a target of Rs. 568 and then 566 with a strict stop loss above Rs. 574. Trade cautiously with intraday outlook.

### Auction Centre

### Prices/Kg (7mm )

### Arrivals (Kg )

Pulianmalai

570

13,000

## CUMIN

Dec 10, 2007

### SPOT MARKETS

Domestic jeera trade at the Unjha physical markets witnessed a quiet session. The prices remained stable as that of previous session. The arrivals and offtake remained steady at 2500 bags and 7000 bags respectively. The demand in the domestic front is reported to have improved from Calcutta and eastern states. Overseas buyers from Bangladesh, Europe and Singapore were reported to be less active with slight improvement anticipated during the coming days. Jeera sowing has started in Saurashtra and the acreage is reportedly lower by 10-20% as per trade sources. The current weather condition is reported to be normal and favourable for crop growth.

### FUTURES MARKETS

Jeera January futures at NCDEX closed in a positive territory after moving in the narrow range. The futures started firm at Rs.9798 and traded in the range of Rs.9735 and Rs.9908. The contract then closed at Rs.9860 firm by 0.79% 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
4. Low stock position
5. Improving domestic demand.

#### Bearish:

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

### WEATHER

Dry weather is likely over Gujarat as well as Rajasthan, sowing is yet to be started. Dry weather is favourable during the initial sowing stage.

### TECHNICALS

Formation of candlestick is suggesting initial weakness and thereafter slight buying coming in. The close marginally below the EMA's is still in the favour of bears. RSI is moving flat in the neutral region lacks direction while MACD is moving flat in the negative territory is a supportive feature to the weakness in prices. The prices are facing storing resistance at 9925-9950 levels and breakout on either side is likely to establish a trend. Jeera prices are likely to move sideways with a negative inclination.

JEERA 0801(NCJEEF8)2007/12/08 - Daily B:9845.00 A:9860.00  
O 9798.00 H 9908.00 L 9735.00 C 9860.00 V 3,666 I 7,638 +75

EMA(9) 9894.6 (18) 10091



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	9481	9617	9860	10128	10351

### TRADE RECOMMENDATION

**Sell** NCDEX January Jeera near Rs.9895 with a target of Rs. 9800 and then of Rs.9745 with a strict stop loss near Rs.9930. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2375-2385	
	Ganesh	2565-2605	2500
	Machine Cleaned	2645-2765	



## TURMERIC

Dec 10, 2007

### SPOT MARKETS

Domestic turmeric major spot market remained closed due to weekly closure. The prices for the spice declined after trading firm during the initial days of the week as the traders did not prefer buying at the higher levels inspite of good demand for the commodity. Domestic demand is likely to emerge at lower levels on good demand from all the sectors but stockists are hesitant to offload their stocks in anticipation of further improvement in the prices. Overseas demand from Gulf, Japan and Europe is also reported to be firm. Turmeric prices may be steady to moderately firm in the near term on improving demand in the market.

### FUTURES MARKETS

NCDEX Turmeric most active April futures closed in a positive region after moving in a narrow range. The futures moved in the range of Rs2581 and Rs.2622 after starting at Rs.2595 and then closed at Rs.2607 firm by 0.35 % in comparison with prior close price 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

Rain/thundershowers are likely at a few places over Tamil Nadu and isolated over Kerala and dry weather over Andhra Pradesh. Rains at present are beneficial for the growth of the crop.

### TECHNICALS

Candlestick formation and close above the 18-day EMA is suggesting near term firmness in prices. Improvement in the open interest as well as bullish crossover witnessed by MACD is hinting further firmness in prices. RSI is rising in the neutral region is inclined towards the firmness in prices while stochastic is descending in the neutral region is not favouring the firm close. Turmeric futures are likely to trade range bound to firm during next trading session.

Turmeric 0804(NCTMCJ8)2007/12/08 - Daily B:2606.00 A:2610.00  
O 2595.00 H 2622.00 L 2581.00 C 2607.00 V 12,460 I 25,260 +11  
EMA(9) 2606.4 (18) 2559.0



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2462	2493	2607	2682	2720

### TRADE RECOMMENDATION

**Buy** NCDEX April Turmeric above Rs.2598 with a target of Rs. 2612 and then Rs.2628 with a strict stop loss below Rs.2591. Trade cautiously with intraday outlook.

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

### SPOT MARKET

Domestic chilli physical markets at Guntur remained closed on weekly off. The prices for the spice remained at the lower levels after testing fresh lows during the initial days of the week. The prices however improved marginally towards the mid week on good demand for the best quality spice. Slight improvement on overseas demand especially from Bangladesh proved to be a supportive feature for the prices. The arrivals as well as offtake remained subdued and low in comparison with week ago. Chilli prices are likely to trade range bound to weak during the days ahead as the fresh arrivals for the season is anticipated to hit the mandi's in a period of month.

### FUTURES MARKETS

NCDEX Chilli February futures started a Re. up at Rs.3500 and moved in the positive tone in the range of Rs.3481 and Rs.3545. The futures witnessed fresh buying; however the fall in open interest is suggesting short covering. The contract then closed at Rs.3539 firm by 1.14 % as against prior close price.

### PRICE DRIVERS

#### Bullish:

1. Exports during April- Oct 2007 improved by 77% in qty as against last year
2. Lower global production estimates

#### Bearish:

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

### WEATHER

Mainly dry weather is likely over Andhra Pradesh. Dry weather is favourable for the crop during the maturity stage.

### TECHNICALS

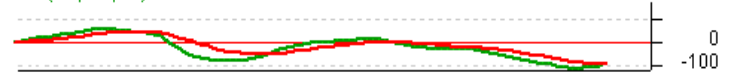
Formation of a medium size marubuzu is suggesting active buying supported with rising RSI in the neutral region. Subdued volumes traded as well as marginal decline in open interest did not favour the firm close. However the close above the 9-day EMA as well as MACD likely to witness a bullish crossover is a supportive feature to the firm trend in the prices for a medium term outlook. Chilli futures are likely to trade firm with a possibility of slight profit booking towards the close.

CHLL334GTR 0802(NCGTRG8)2007/12/08 - Daily B:3531.00 A:3543.00  
O 3500.00 H 3545.00 L 3481.00 C 3539.00 V 27011,945 +39

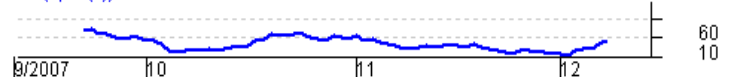
EMA(9) 3487.7 (18) 3541.2



DAV(12, 26, 12) -87.0414 MACD -90.6486



RSI(9,MA(6)) 50.8133



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3379	3454	3539	3643	3719

### TRADE RECOMMENDATION

**Buy** NCDEX February Chilli near Rs. 3515 or below with a target of Rs. 3563 and then Rs.3597 with a strict stop loss of Rs. 3497. Trade cautiously with intraday outlook.

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

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at