

■ BLACK PEPPER

■ Dec 19, 2007

SPOT MARKETS

Pepper markets traded steady on limited offtake and lack of physical availability. Export demand is seen weak in the coming week as most of the importing markets are closed for Christmas and New Year. However, the domestic markets have reported overseas demand from EU and US buyers ahead of Christmas. Black pepper supply from Brazil is going to be tight in the coming years, which in turn would attract buyers to India to cover for their first quarter requirements. Carry over stocks in India and other origins are reportedly thin. Harvesting in India has already been delayed and the output is likely to hover around previous year's levels, resulting in a tight supply position. Good domestic demand is likely to keep the Indian parity at higher levels.

FUTURES MARKETS

NCDEX pepper contracts traded volatile to end marginally higher. The most active January delivery futures opened Rs. 45 weak at Rs. 12901 and traded down steadily in the opening session to test a low of Rs. 12786. The contract improved later on buying support to test a high of Rs. 12955, before ending 0.12% weak at Rs. 12930 amidst lower open interest and volume as compared to the previous day.

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

Doji formation in the charts suggests indecision in the market; as does a flat RSI in the neutral region. Prices closed below the short term EMAs, suggesting weakness, while an upward bound Stochastic in the neutral region favour uptrend. MACD is declining in the negative territory, indicating increasing bearishness in the market. Pepper futures will tend to trade sideways in the next session to close higher.

Pepper 0801(NCPEPF8)2007/12/18 - Daily B:12925.00 A:12930.00
C:12901.00 H:12955.00 L:12790.00 C:12930.00 V:4,816 I:9,674 -8

EMA(9):13041 (18):13235



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	12501	12603	12930	13097	13225

TRADE RECOMMENDATION

Buy NCDEX January Black Pepper below 12900-12950 with a target of Rs. 13050 then at Rs. 13080 with a strict stop loss of Rs. 12850. Trade with intraday outlook.

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



■ CARDAMOM

■ Dec 19, 2007

SPOT MARKETS

Cardamom prices at the auctions continued to trade steady as that of prior trade. The prices for the capsules remained unchanged at Rs.555 per kg. Around 12000 kg's were arrived and sold completely at the auctions. 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 for the crop growth. 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 traded weak on second consecutive day and witnessed short accumulation. The most active January contract opened firm at Rs. 602 and traded weak to test a low at Rs.593. The contract ended 0.67% weak at Rs.595.5 amidst low volumes and gain in open interest in comparison with 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

Cardamom at charts are suggesting near term weakness in prices. The gain in open interest amidst fall in prices is supportive to the weakness whereas the low volumes are not in the favour of weakness in prices. The EMA's are indecisive and lacks direction. The MACD in the positive region is favouring the firm trend so as the ascending stochastic in the neutral region. The dipping RSI in the neutral region is favouring the weakness in prices. Cardamom futures are likely to trade range bound amidst negative bias.

CARDAMOM 0801(MXCAMF8)2007/12/18 - Daily B:595.00 A:596.00

O 602.00 H 602.00 L 593.00 C 595.50 V 210 T 62,534 I 507 -4

EMA(9) 597.17 (18) 594.95



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX January	576	586	595.5	613.5	616

TRADE RECOMMENDATION

Sell MCX January Cardamom below 597 with a target of Rs. 594 and then 591.5 with a strict stop loss above Rs. 599. Trade with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Vandanmedu

555

12000

CUMIN

Dec 19, 2007

SPOT MARKETS

Jeera prices traded marginally firm at the Unjha physical markets. The prices for the spice improved by Rs.20 per for the machine cleaned variety at Rs.2665-2785 per 20 kg. The arrivals improved marginally to 2500 bags while the offtake improved to 6500-7000 bags. Slight improvement in the demand is seen in the market. 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 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 January futures at the NCDEX counter traded in a negative territory in a narrow range. The contract moved in the range of Rs.9671 and Rs.9848. The contract then closed weak at Rs.9740 down by 0.61% and witnessed liquidation of long positions amidst low volumes.

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

Jeera futures are moving in a sideways in tight range between 9630 - 9780 levels. However the candlestick and fall in close price is not supported with low volumes traded and fall in open interest. The EMA lacks direction while the MACD is favouring the weak trend. Rising stochastic in the neutral territory is leaving scope for further uptrend in prices. Where as descending RSI is hinting weakness in prices Jeera futures are likely to trade range bound to moderately weak during next trading session with recovery towards the close.

JEERA 0801(NCJEEF8)2007/12/18 - Daily B:9738.00 A:9740.00
O 9834.00 H 9848.00 L 9671.00 C 9740.00 V 3,537 I 6,105 -85
EMA(9) 9742.7 (18) 9862.9



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	9446	9525	9740	9942	10061

TRADE RECOMMENDATION

Sell NCDEX January Jeera near Rs.9770 with a target of Rs. 9700 and then of Rs.9654 with a strict stop loss near Rs.9790. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2390-2410	
	Ganesh	2585-2625	2500
	Machine Cleaned	2665-2785	

TURMERIC

Dec 19, 2007

SPOT MARKETS

Turmeric prices at all the major physical markets traded mixed. The buyers restricted buying at higher levels as well as weakening prices at the futures counter at some centers. The prices at Nizamabad declined by Rs.25 per qtl to Rs.2500 per qtl. At Erode the prices raised sharply to Rs.2800-2850 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

Turmeric April futures at NCDEX counter finished in the negative territory region after starting firm. The futures moved in the range of Rs.2684 and Rs.2755. The futures then closed at Rs.2710 weak by 1.55% and witnessed liquidation 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 Tamil Nadu and isolated over south coastal Andhra Pradesh.

TECHNICALS

Candlestick is suggesting firm opening and thereafter active selling pressure in the market. The fall in close prices is supported with good volumes traded. The near term trend for turmeric futures is still favouring the bulls as the EMA's are still trading below the close prices as well as the MACD is placed in the positive zone. The stochastic is ascending in the overbought region supportive to the firm trend. The weakening RSI is hinting further weakness in prices. Turmeric futures are likely to move side ways with a positive bias.

Turmeric 0804(NCTMCJ8)2007/12/18 - Daily B:2709.00 A:2710.00
O 2754.00 H 2755.00 L 2684.00 C 2710.00 V 27,530 I 25,160 -40
EMA(9) 2674.5 (18) 2629.1



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2550	2589	2710	2796	2825

TRADE RECOMMENDATION

Buy NCDEX April Turmeric above Rs.2693 with a target of Rs. 2706 and then Rs.2720 with a strict stop loss below Rs.2688. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	2500	nil
	Gattah	2550	
Erode	Finger	2850-2950	3000
	Gattah	2800-2850	

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

SPOT MARKET

Chilli at the Guntur markets continued to trade firm on low availability of the good variety. The arrivals remained steady at 20000 bags where as offtake stood at 15000 bags. The prices for chillies improved further by Rs.100 to Rs.3400-4000 per qtl. The European Union has banned the imports from Pakistan as the spice was found infected with post harvest fungal disease. The demand for Indian Chilli is anticipated to improve slightly during the days ahead. 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 much awaited correction. The futures traded in the range of Rs.3780 and Rs.3929. The contract then closed at Rs.3780 down by 2.53% and witnessed short accumulation amidst good volumes traded supporting the price movement.

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

Candlestick is suggesting initial firmness and thereafter active bears in the market. The weakness in close price is supported by gain in open interest as well as good volumes traded. However the near term trend still favours the bulls as the close is above the EMA's as well as MACD is ascending towards the positive territory. Descending RSI in the neutral region is favouring the weakness in prices. Chilli futures are likely to trade range bound with positive bias during the next trading session.

CHLL334GTR 0802(NCGTRG8)2007/12/18 - Daily B:3777.00 A:3807.00
O 3899.00 H 3929.00 L 3780.00 C 3780.00 V 1,250 I 2,120 -112



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3628	3677	3780	3961	4005

TRADE RECOMMENDATION

Buy NCDEX February Chilli near Rs. 3765 or below with a target of Rs. 3790 and then Rs.3825 with a strict stop loss of Rs. 3750. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3400-4000	20000

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