

■ BLACK PEPPER

■ Dec 06, 2007

SPOT MARKETS

Pepper traded weak at the physical markets across the country on lack of ready pepper availability. The availability was reported to be negligible at the terminal markets, while most of the domestic demand was catered to by direct sales from primary markets. Lower crop expectation in the upcoming season has pushed the prices up in the past weeks. Most of the farmers and dealers are expecting more upward movement in prices because of the expected lower crop and decline in production worldwide. Adverse climatic condition in the producing areas of Kerala and Karnataka has affected the output and leads to decline in production.

FUTURES MARKETS

Pepper contracts traded weak at NCDEX on long liquidation. The most active January delivery futures opened Rs. 29 weak at Rs. 13760 and traded up initially to test a high of Rs. 13820, before slipping on active selling to test a low of Rs. 13455. The contract finished 1.96% weak at Rs. 13519. Open interest decreased amidst larger volumes traded as compared to the previous session, indicating long 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 and close below the short term EMAs suggest weakness. A southward RSI in neutral region supports downtrend. However, a rising Stochastic in the neutral zone is seen capping the downside movement. MACD is flat in the negative territory, leaving scope for movement in either direction. Pepper futures are likely to trade range-bound to weak in the next session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	12974	13171	13519	13968	14230

TRADE RECOMMENDATION

Sell NCDEX January Black Pepper near 13500-13550 with a target of Rs. 13400 then at Rs. 13350, with a strict stop loss of Rs. 13600. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13,400	0
	Ungarbled	12,800	

SPOT MARKETS

Cardamom domestic auctions recovered despite improved arrivals. Domestic demand remained strong, while there were no export demand as Indian parity continues to remain outpriced in the global market. The current scenario is seen favouring imports from Guatemala. There are unconfirmed reports of illegal imports of Guatemalan capsules through the Nepal and Bangladesh borders. The arrivals continued to remain lower than the previous year, reflecting lower output during the season. The domestic demand is pegged at 11000 tonnes, while the production is only 9000 tonnes. Prices are likely to remain buoyed in the medium to long term, given the potential demand amidst lower availability.

FUTURES MARKETS

Cardamom futures at MCX traded firm on fresh buying. The most active December contract opened steady at Rs. 578 and traded steadily up to test a high of Rs. 587.5, before ending 0.78% firm at Rs. 582.5. Open interest and volume traded improved as compared to the previous day, suggesting long accumulation.

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 suggests active selling at higher levels. Prices closed above the short term EMAs, suggesting firm market. RSI and Stochastic are rising in the neutral zone, supporting the uptrend. MACD is also rising steadily rising in the positive territory, favouring increased bullishness. Overall, technicals indicate a firm market. Cardamom futures are likely to trade firm in the next session with some late downward movement.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX December	565	570	582.5	600	605.5

TRADE RECOMMENDATION

Buy MCX December Cardamom above 580-582 with a target of Rs. 586 and then 588 with a strict stop loss of Rs. 578. Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Kumily	555	44,000

CUMIN

Dec 06, 2007

SPOT MARKETS

Jeera trade at the benchmark Unjha market witnessed fresh buying coming in at lower price level. The price for the spice improved by Rs.20 per 20kg. The arrival remained steady at 2500 bags while the offtake improved to 7000 bags. The demand in the domestic front is reported to be improved from Calcutta and the eastern states. Overseas buyers from Bangladesh, Europe and Singapore were reported to be less active. Demand is likely to improve further during the days ahead as per trade sources. Jeera sowing has started in Saurashtra and the acreage is reportedly lower by 10-20 % as per trade sources. Low stock level for the season at around 3.5 lakh bags is likely to support uptrend in prices in the long term.

FUTURES MARKETS

NCDEX Jeera most active January contract started marginally down at Rs.9775. The contract moved in the wide range of Rs.9760 and Rs.10054. The contract then closed at Rs.10036 firm by 2.68 % as against previous close price 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
4. Low stock position

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

A bullish marubozu is suggesting active buying in the market amidst marginal gain in open interest. The close marginally above the 9-day EMA is favouring the firmness in prices. RSI is rising in the neutral region is also in the favour of bulls. MACD is hesitantly rising in however in the negative territory is supporting the bears. Jeera futures are likely to move sideways during next session following a steady to firm opening.

JEERA 0801(NCJEEF8)2007/12/05 - Daily B:10033.00 A:10045.00
O 9775.00 H 10054.00 L 9760.00 C 10036.00 V 4,863 I 7,389 +259



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	9509	9607	10036	10265	10352

TRADE RECOMMENDATION

Buy NCDEX January Jeera near Rs.10000 with a target of Rs. 10095 and then of Rs.10185 with a strict stop loss near Rs.9945. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2355-2365	
	Ganesh	2545-2585	2500
	Machine Cleaned	2625-2745	

TURMERIC

Dec 06, 2007

SPOT MARKETS

Domestic turmeric prices at the physical markets witnessed a steady to slightly firm trend. The prices for the spice at the Nizamabad market remained steady at Rs.2275 per qtl so as at the Erode market the prices remained unchanged at Rs. 2650-2700 per qtl. Where as the prices at the other centers in Maharashtra and Andhra Pradesh improved by Rs.50-60 per qtl. Domestic retail buying is reported to be active amidst sellers 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 Rs.2660 and Rs.2709 and then closed at Rs.2689 firm by 0.56 % 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

Formation of doji lacks direction in the market and is suggesting indecisive price movement amidst low volumes. The close above the EMA's and MACD moving flat in the positive territory is favouring the positive move in prices. RSI is moving flat so as the Stochastic in the overbought region is in the favour of the bulls. The open interest improved marginally amidst firm close is supportive feature to the firm close, Turmeric futures are likely to trade range bound to firm during next session.

Turmeric 0804(NCTMCJ8)2007/12/05 - Daily B:2689.00 A:2691.00
O 2684.00 H 2709.00 L 2660.00 C 2689.00 V 16,830 I 25,550 +11



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2565	2610	2689	2770	2795

TRADE RECOMMENDATION

Buy NCDEX April Turmeric above Rs.2682 with a target of Rs. 2695 and then Rs.2708 with a strict stop loss below Rs.2677. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	2275	200
	Gattah	2275	
Erode	Finger	2650-700	4000
	Gattah	2600-2650	

SPOT MARKET

Chilli trade at the physical market witnessed a quiet session. The prices for the spice remained unchanged at Rs.3000-3400 per qtl. Around 20000 bags were sold out of the total arrivals of 40000 bags. The chillies bought for sale were reported to be of poor variety and a vague demand was seen for the high quality spice. Ample of inventories as well as fresh arrivals of next season a cause of concern amongst the sellers and they are likely to offload the stock in the market very soon. Overseas buying was also reported to be negligible. Chilli prices are likely to trade range bound to weak due to sluggish demand for the spice amidst huge stock piles at around 23 lakh bags at Guntur.

FUTURES MARKETS

NCDEX Chilli most active February closed in the positive region. The contract moved in the range of Rs.3408 and Rs.3475 after starting firm at Rs.3440. The contract then closed at Rs.3442 firm by 0.23 % as against prior close price and witnessed covering of short position.

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. Rain at present is beneficial for the crop in its growing stage.

TECHNICALS

Formation of doji is hinting indecision in the price movement. The close below the EMA's and MACD moving flat in the negative region is still favouring the bears. The low volumes and fall in open interest is not favouring the firmness in the close prices in comparison with previous close price. RSI as well as the stochastic is hesitantly rising however still in the oversold region is favouring the bears. Chilli futures are likely to move in a range with a negative bias.

CHLL334GTR 0802(NCGTRG8)2007/12/05 - Daily B:3443.00 A:3460.00
O 3440.00 H 3475.00 L 3408.00 C 3442.00 V 27511,965 +16

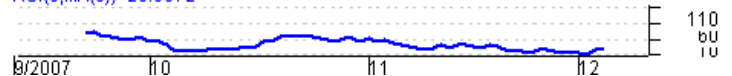
EMA(9) 3474.5 (18) 3558.3



DAV(12, 26, 12) -109.280 MACD -87.3024



RSI(9,MA(6)) 29.6972



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3283	3326	3442	3545	3574

TRADE RECOMMENDATION

Sell NCDEX February Chilli near Rs. 3495 or below with a target of Rs. 3455 and then Rs.3420 with a strict stop loss of Rs. 3510. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3000-3400	40000

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