

## ■ BLACK PEPPER

■ Dec 12, 2007

### SPOT MARKETS

Pepper physical markets witnessed weak trade with prices dipping to the tune of Rs. 2/kg at the benchmark Kochi market. Indian importers, mostly from the grinding industry, has reportedly covered 3000 tonnes of ASTA grade Indonesian Pepper and 1000 tonne of the spice from Brazil. Indian parity remained out-priced at \$3550-3600. Pepper is being imported for value addition such as sterilization, grinding and export. Meanwhile, exporters are said to have covered 150 tonnes of selected quality pepper from the primary markets in Kerala. Harvesting in India is delayed and is expected to begin by the end of December or early January, adding to the supply squeeze. The pepper markets are seen firm in the coming months on account of demand amidst supply concerns.

### FUTURES MARKETS

NCDEX pepper contracts traded weak on some short accumulation. The most active January delivery futures opened Rs. 30 firm at Rs. 13295 and traded up to test a high of Rs. 13320. The contract slumped thereafter on increased selling to test a low of Rs. 12839, before ending 2.90% lower at Rs. 12880. Volume improved amidst marginal gain in open interest.

### 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

A bearish marubozu is formed in the charts with volumes supporting the price movement, suggesting weakness. Prices have broken below the near-term support to close below the short term EMAs, supporting a weak market; so does a dipping RSI in the neutral region. MACD is also falling in the negative territory, indicating increasing bearishness of the market. However, the downside movement is likely to be capped by a rising Stochastic in the neutral zone. Pepper futures are likely to trade range-bound to weak in the next session. Next support is seen at 12580 level.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	12475	12580	12880	13441	13730

### TRADE RECOMMENDATION

**Sell** NCDEX January Black Pepper above 12850-12900 with a target of Rs. 12750 then at Rs. 12700, with a strict stop loss of Rs. 12950. Trade with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13,100	2
	Ungarbled	12,500	

### SPOT MARKETS

Cardamom auctions witnessed weak trend in all the grades, attributed to profit booking. The Union Gov. has sanctioned a Rs. 122 crore scheme for replantation and rejuvenation of cardamom plantations in Kerala, Tamil Nadu and Karnataka in the next five years, of which about Rs. 58 crore would be utilized for the cardamom plantations in Kerala alone. Meanwhile, Spices Board has sought the govt. to impose a tariff barrier for import of cardamom to discourage imports into the country. There would be no import duty on cardamom. The market is seen firm in the coming months, given the supply squeeze, though the upside can possibly be capped by imports of the spice from Guatemala.

### FUTURES MARKETS

Cardamom futures traded firm at MCX on fresh buying. The most active January contract opened Rs. 3.5 weak at Rs. 588 and traded steadily up to close at the day's high of Rs. 592.5. Open interest and volume traded improved, suggesting accumulation of long positions.

### PRICE DRIVERS

#### Bearish:

1. Higher prices limiting export queries

#### Bullish:

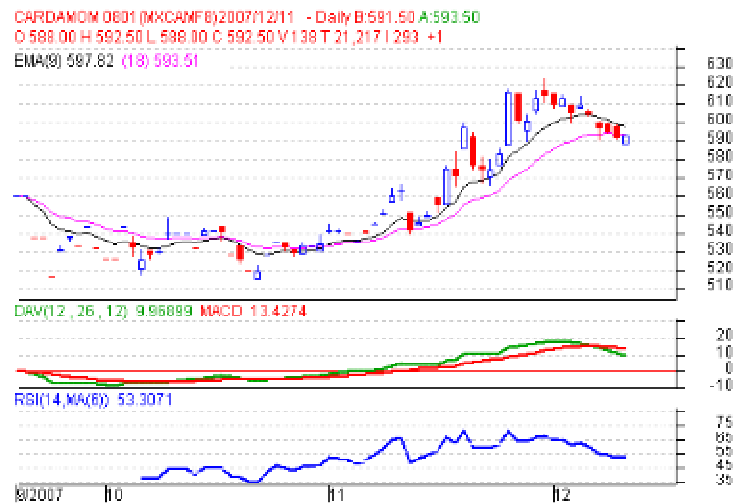
1. Domestic and global production estimated lower
2. Improved domestic demand

### WEATHER

Prevailing weather with intermittent rains and sun shine is seen favourable for the crop growth.

### TECHNICALS

Volumes supported the upward movement in prices. However, despite rallying, prices closed below the short term EMAs, suggesting weakness. Stochastic is also descending in the neutral region, supporting the downtrend. MACD is dipping marginally in the positive territory, indicating decreasing bullish momentum, while RSI is flat and inconclusive. Cardamom futures are likely to trade range-bound to weak in the next session.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX January	550.5	565.5	592.5	600	614

### TRADE RECOMMENDATION

**Sell** MCX January Cardamom above 594 with a target of Rs. 590 and then 588 with a strict stop loss above Rs. 596. Trade cautiously with intraday outlook.

Auction Centre	Prices/Kg (7mm)	Arrivals (Kg)
Nedumkandam	560	16,000

## CUMIN

Dec 12, 2007

### SPOT MARKETS

Jeera trade at the benchmark Unjha market remained witnessed lack of active participation in the market. The price for the spice declined by Rs.20 per 20kg as against prior session. Subdued buying interest amidst sluggish weakened the prices for the spice. The arrivals and offtake continued to remain subdued at 2500 and 3000 bags respectively. As per trade sources demand is likely to improve after a fortnight. Overseas buyers from Bangladesh, Europe and Singapore were reported to be less active with slight improvement anticipated during the coming days. Jeera crop is at its initial growing stage in Saurashtra and cloudy weather at present as per trade sources is likely to affect the crop growth. Weather is a crucial factor at present and is likely to have an impact on the prices of the spice.

### FUTURES MARKETS

Jeera January futures at NCDEX closed in a negative territory and tested fresh contract lows. The futures started weak at Rs.9828 and traded in the range of Rs.9604 and Rs.9850. The contract then closed at Rs.9650 weak by 1.38% and witnessed liquidation 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

Mainly dry weather is likely over Gujarat is favourable for the crop where as isolated thunder shower is likely over Rajasthan, where sowing is about to commence very soon.

### TECHNICALS

Jeera at charts has breached the crucial support at Rs.9910 and Rs.9810 level and closed below, exhibiting a weak trend ahead supported with good volumes traded. The close below the EMA's and MACD is likely to witness a bearish crossover in the negative region is hinting further weakness in prices. Both RSI and stochastic is inclined towards the oversold region is a supportive feature to the weakness in prices. Jeera prices are likely to trade weak following a steady to weak opening.

JEERA 0801(NCJEEF8)2007/12/11 - Daily B:9647.00 A:9655.00  
O 9828.00 H 9850.00 L 9604.00 C 9650.00 V 6,087 I 7,344 -180  
EMA(9) 9835.4 (18) 10020



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	9399	9497	9650	10020	10126

### TRADE RECOMMENDATION

Sell NCDEX January Jeera near Rs.9710 with a target of Rs. 9625 and then of Rs.9540 with a strict stop loss near Rs.9755. 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 12, 2007

### SPOT MARKETS

Domestic turmeric prices at the physical markets witnessed steady to slightly weak trend as traders were eyeing further fall in prices to buy at lower levels. The arrivals and offtake at Nizamabad improved to 3500 bags while the prices declined by Rs.20 per qtl to Rs.1980 per qtl. At Erode the prices remained unchanged at Rs.2600-2650 per qtl and arrivals improved to 3300 bags out of which 80% were sold. 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 negative territory. The futures moved in the range of Rs2586 and Rs.2620 after starting at Rs.2615 and then closed at Rs.2593 weak by 1.38 % in comparison with prior close price and witnessed accumulations of short 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 at present is at its maturity stage excess rain is likely to damage the crop. Isolated rain is likely over the Tamil Nadu region where as weather is likely to remain dry over Andhra Pradesh.

### TECHNICALS

Technically turmeric prices are moving in a range. Prices are facing a crucial support at Rs.2583 levels and incase the price closes beyond this level its likely to witness further weakness. The price closed marginally below the 9-day EMA is suggesting further weakness in prices. Descending RSI and stochastic is also favouring weakness in prices. Turmeric prices are likely to trade range bound with negative bias.

Turmeric 0804(NCTMCJ8)2007/12/11 - Daily B:2592.00 A:2593.00  
O 2615.00 H 2620.00 L 2587.00 C 2593.00 V 18,360 I 26,130 -32



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2481	2534	2593	2587	2707

### TRADE RECOMMENDATION

Sell NCDEX April Turmeric above Rs.2598 with a target of Rs. 2584 and then Rs.2571 with a strict stop loss below Rs.2603. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	1980	3500
	Gattah	2210	
Erode	Finger	2600-2650	3300
	Gattah	2550-2600	

### SPOT MARKET

Chilli trade at the benchmark Guntur market witnessed a quiet session. The prices however declined marginally at the lower levels by Rs.100 per qtl to Rs.2800-3500 per qtl. The arrivals and offtake remained steady at 35,000 bags and 20,000 bags respectively. Arrivals at the spot market comprised mainly comprised of low quality spice this pulled back the prices slightly. Domestic demand for the spice is reported to be subdued with buying interest for the premium quality spice. Overseas buying from the traditional buyers is subdued to exert any impact on prices. Chilli prices are likely to trade range bound and traders are likely to offload the huge inventories before the onset of full fledged arrivals of new crop in the market.

### FUTURES MARKETS

NCDEX Chilli February futures started firm at Rs.3560. The contract during the early hours surged to witness a high at Rs.3610, however did not breach the opening levels to witness any lows. The futures closed steady at Rs.3578 in comparison with 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

Chilli crop is at its maturity stage at and heavy and dry weather at the chilli growing areas of Andhra Pradesh is favourable for the crop.

### TECHNICALS

Formation of candlestick is suggesting initial uptrend and thereafter slight profit booking towards the close. However the close above the EMA's and MACD ascending steadily towards the positive territory is also favouring the firmness in prices. Rising RSI as well as stochastic in the neutral region is leaving room for further uptrend in prices. The firmness in close price amidst gain in open interest is featuring fresh buying in the market. Chilli futures are likely to trade range bound to firm during next trading session with a possibility of slight profit booking towards the close.

CHLL334GTR 0802(NCOTR08)2007/12/11 - Daily B:3575.00 A:3585.00  
O 3560.00 H 3610.00 L 3560.00 C 3578.00 V 30012,030 +20  
EMA(9) 3517.0 (18) 3546.7



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3468	3504	3578	3650	3710

### TRADE RECOMMENDATION

Buy NCDEX February Chilli near Rs. 3565 or below with a target of Rs. 3598 and then Rs.3625 with a strict stop loss of Rs. 3543. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	2800-3500	35000

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