



■ BLACK PEPPER

■ Dec 01, 2008

SPOT MARKETS

Pepper prices at the benchmark Kochi market remained unchanged on Monday owing to no fresh arrivals or emergence of demand in the domestic market, largely due to year-end trading. Pepper's new crop harvesting has begun though Kochi market has not yet witnessed any fresh inflows however some meager quantity is being harvested these days, that might pick up momentum gradually. Pepper crop for the year 2007 was estimated at about 50,000-55,000 metric tonnes that is likely to remain at nearly similar levels in 2008 according to the market sources. Pepper prices may ease in the near term as seasonal harvesting factor may pressure the prices, though possibility of abnormal steep declines is ruled out as buying may emerge near the lows on anticipated shortage of global pepper crop and stock levels. Pepper prices may continue slightly weak in the near term.

FUTURES MARKETS

NCDEX Pepper most active February futures contract opened weak by Rs 29 at Rs 13,520 a quintal, since then the prices moved volatile in the range of Rs 13390-13578 a quintal and finally closed at Rs 13525 a quintal. The volumes declined though open interest increased during the session.

PRICE DRIVERS

Bullish:

1. India's pepper crop in 2008 is estimated to be around 50,000 metric tonnes
2. Depletion of inventories at major origins

Bullish:

1. Pepper Harvesting begins in India
2. Weak demand as festive buying ends

WEATHER

Dry weather prevailing over major pepper growing areas is favorable for harvesting of crop.

TECHNICALS

Pepper Chart is displaying a downtrend. Doji pattern of candlestick is showing indecision in the market. The close below short as well as medium term EMA is suggesting weakness. MACD is rising in the negative zone reflecting decreasing bearish momentum. Stochastic Oscillator is dipping in the neutral region, supporting further downtrend. Pepper prices may try to recover initially and thereafter a pull back may be seen in the later trading hours of the session.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX February	13270	13380	13525	13650	13770

TRADE RECOMMENDATION

Sell NCDEX February Black Pepper below 13620 with a target of Rs. 13435 and then Rs. 13375 with a strict stop loss of Rs. 13720. Trade with an intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Tonnes)
Kochi	Garbled	13500	Nil
	Ungarbled	12900	



■ CARDAMOM

■ Jan 01, 2008

SPOT MARKETS

Cardamom at the auctions traded firm on low arrivals. The prices for the capsules were quoted firm at Rs.640/kg. The arrivals of 10000 kg's were sold completely. The arrivals at the auctions have declined considerably to 1/3rd in comparison with week ago. The fresh arrivals are likely to gain its pace during the month of January. Prices for the spice is likely to trade steady to firm during the days ahead. Meanwhile FMC has directed the exchanges to reduce the VaR based Initial margin to 5% of the contract value for the commodities traded, this move is likely to induce active trading in the market. Low production estimates for the spice at 9700 tonnes for the season is a supportive feature for firmness in prices in long run.

FUTURES MARKETS

MCX Cardamom most active January futures traded firm and tested fresh contract highs. The contract started up at Rs.630 and contract did not slip to witness any lows and surged up to Rs.643.5 and witnessed buying at lower levels. The contract then closed at Rs.640 up by 1.91 % in comparison with prior close price and witnessed long accumulation.

PRICE DRIVERS

Bearish:

1. Higher prices limiting export queries.
2. Exports during April- Nov 2007 declined by 23% in quantity terms over last year

Bullish:

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

WEATHER

Mainly dry weather likely over Kerala and Tamil Nadu however prolonged dry climate is likely to affect the formation of capsules.

TECHNICALS

Formation of candlestick is suggesting active bulls in the market amidst slight profit booking towards the close. The bulls in the market were supported by significant surge in volumes traded and surge in open interest. The close above the EMA's is also a favouring the near term firm trend in the market so does the MACD in the positive region. However the rising RSI in the overbought region is warning the traders to remain cautious as a correction is due any time soon. Cardamom futures are likely to trade rangebound to slightly firm.

CARDAMOM 0801(MXCAMF8)2007/12/31 - Daily B:639.00 A:641.00
O 630.00 H 643.50 L 630.00 C 640.00 V 606 T 193,046 I 601 +12
EMA(9) 619.32 (18) 609.81



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX January	607.5	613	640	654	658

TRADE RECOMMENDATION

Buy MCX January Cardamom below 636 with a target of Rs. 640.5 and then 645.5 with a strict stop loss below Rs. 633.5 levels. Trade with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Bodinayakanur

640

10000

CUMIN

Jan 01, 2008

SPOT MARKETS

Jeera trade at the auction witnessed a quiet session with no major activity. The prices remained unchanged at Rs.2705- 2825 for machine cleaned variety while the arrivals and offtake stood at 3000 and 5000 bags respectively. Domestic demand is likely to improve at a steady pace. However it is anticipated to improve during mid January. Overseas enquiries from China, Bangladesh, Singapore and European nations are seen emerging in the market. Mean while FMC has directed the exchanges to reduce the VaR based Initial margin to 5% of the contract value for the commodities traded, this move is likely to induce active trading in the market.

FUTURES MARKETS

Jeera most active February futures at NCDEX counter traded volatile amidst tug of war between bulls and the bears. The bears during the early hours pulled down the prices to test an intraday low at Rs.10520 and thereafter the bulls pulled the prices up to Rs.10710 on buying at lower levels. The futures then settled at Rs.10630 up by 0.19% and witnessed long accumulation.

PRICE DRIVERS

Bullish:

1. Withdrawal of additional margin.
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 cold wave conditions are likely over some parts of East Rajasthan during next 24 hours and abate thereafter. Dry weather is favorable for the crop.

TECHNICALS

Formation of doji is lacks direction in the market. However the close above the EMA's amidst firm close and surge in open interest is supportive to the bulls in the market. RSI is ascending in the neutral region and MACD in the positive territory is also a supportive feature to the firm trend in the market. Jeera futures are likely to trade range bound to firm during next trading session.

JEERA 0802(NCJEE68)2007/12/31 - Daily B:10625.00 A:10630.00
O 10628.00 H 10710.00 L 10520.00 C 10630.00 V 4,890 I 7,716 +18
EMA(9) 10549 (18) 10412



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	10340	10463	10630	10874	10985

TRADE RECOMMENDATION

Buy NCDEX February Jeera near Rs.10630 with a target of Rs. 10700 and then of Rs.10775 with a strict stop loss near Rs.10601. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2430-2450	
	Ganesh	2625-2665	3000
	Machine Cleaned	2705-2825	

TURMERIC

Jan 01, 2008

SPOT MARKETS

Turmeric trade at all the major markets witnessed a steady to slightly firm trade. The prices for the spice at the benchmark Nizamabad centre remained steady at Rs.2650 per qtl the participants remained sidelined on the eve of New Year celebrations. At Erode active bulls pushed up the prices to Rs.2900-3000 per qtl. Domestic as well overseas demand from Gulf, Japan and Europe are reported to be good. Turmeric prices are likely to be moderately firm in the near term. FMC has directed the exchanges to reduce the margin to 5%, this is likely to favour active participation.

FUTURES MARKETS

Turmeric, April futures at NCDEX counter traded volatile and witnessed profit booking as well as liquidation of long positions. The futures started weak at Rs.2840 and during the early hours inched marginally up to Rs.2842 and thereafter active bears pulled down the prices to witness a low at Rs.2805. The contract then settled at Rs.2818 down by 0.88 percent.

PRICE DRIVERS

Bullish

1. Demand from domestic & overseas markets.
2. Fall in acreage around 25%

Bearish:

1. Good stock level for the season at the major growing areas.
2. Apr-Nov 2007 export down 3% in terms of quantity

WEATHER

Turmeric crop is maturing now and excess rain is likely to damage the crop, dry weather over T N and A P is favourable for the crop.

TECHNICALS

Candlestick is suggesting active bears in the market. The trend in the market is still in the favour of the bulls amidst the close above the EMA's favouring the firm trend in the market. MACD is likely to witness a bearish crossover is inclined towards slight weakness in the prices so does the dipping RSI in the neutral region. Turmeric futures are likely to trade range bound to weak during next trading session.

Turmeric 0804(NCTMCJ8)2007/12/31 - Daily B:2817.00 A:2820.00
O 2840.00 H 2842.00 L 2805.00 C 2818.00 V 24,860 I 28,900 -24

EMA(9) 2807.5 (18) 2759.4



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2722	2754	2818	2877	2905

TRADE RECOMMENDATION

Sell NCDEX April Turmeric above Rs.2825 with a target of Rs. 2813 and then Rs.2801 with a strict stop loss below Rs.2830. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	2650	Nil
	Gattah	2700	
Erode	Finger	2900-3000	6500
	Gattah	2800-2850	

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

SPOT MARKET

Red chillies at Guntur markets traded steady to weak on subdued participation by the market players. Surge in the arrivals to 30000 bags amidst low offtake of 15000 bags dampened the prices for the spice to Rs.3400-3800 per qtl. The lower availability of the good quality spice amidst anticipation of demand from the traditional overseas Bangladeshi, Malaysian buyers at steady pace during the month of February at the time of fresh arrivals in the market is likely to support a slight firmness in prices. Chilli prices are likely to trade steady during the days ahead on improving demand.

FUTURES MARKETS

NCDEX chilli February futures traded sluggish in a narrow range. The contract started with a gap of Rs. Rs.3765 and thereafter did not witness any lows and surge up to Rs.3788 on active buying. The open interest declined marginally amidst good volumes traded supportive to the weakness in close price. The futures then closed at Rs.3770 down by 1.13 % suggesting long liquidation.

PRICE DRIVERS

Bullish:

1. Exports during April- Nov 2007 improved by 56% 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, dry weather at the Andhra Pradesh is favourable for the crop.

TECHNICALS

Candlestick is suggesting initial uptrend and thereafter active selling in the market. The bears in the market were supported with surge in volumes traded so did the dipping RSI. The close below the 9-day EMA's is also a supportive feature to the near term weakness in prices. However the MACD in the market is supportive to the overall firm trend in the market. Chilli futures are likely to trade range bound to weak during next trading session.

CHLL334GTR 0802(NCGTRG8)2007/12/31 - Daily B:3766.00 A:3770.00
O 3765.00 H 3788.00 L 3765.00 C 3770.00 V 40512,525 -32

EMA(9) 3796.4 (18) 3759.9



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3657	3696	3770	3840	3892

TRADE RECOMMENDATION

Sell NCDEX February Chilli near Rs. 3770 or below with a target of Rs. 3750 and then Rs.3730 with a strict stop loss of Rs. 3788. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3400-3800	30000

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