

■ BLACK PEPPER

■ Dec 13, 2007

SPOT MARKETS

Pepper markets remained steady on lack of activity. Reports of a good crop in Vietnam and large quantity of pepper available in Indonesia have cast a bearish shadow on pepper markets. This is seen as a market tactic to drive away buyers from other origins till the Vietnam crop arrives in the market. Though, there is 4000 tonnes of pepper for December delivery, buyers are apprehensive of the quality of the spice in the warehouses of the exchanges. Reduction in tolerance levels has resulted in declining deliveries. The quantity restrictions are also limiting buyers despite availability of December delivery at near farm gate price. Reports of Indian importers concluding business with Indonesia and Brazil have added pressure on the market.

FUTURES MARKETS

NCDEX pepper futures traded volatile to end marginally higher. The most active January contract opened Rs. 10 weak at Rs. 12880 and traded down to test a low of Rs. 12710. The contract improved later on some buying interest to test a high of Rs. 12948, before ending marginally higher at Rs. 12889. Open interest and volume were lower as compared to the previous session.

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 indecision in the market. Prices closed well below the short term EMAs, supporting sluggishness. All other indicators are flat and fail to provide any clue to the future direction of the market, except Stochastic which is rising slowly in the neutral region, hinting the underlying bullish posture of the market. Pepper futures are likely to trade range-bound to weak in the next session. However, it is ideally recommended to confirm the trend before initiating positions.

Pepper 0801(NCPEPF8)2007/12/12 - Daily B:12895.00 A:12916.00
O:12680.00 H:12948.00 L:12710.00 C:12899.00 V:7,818/9,996 +19
EMA(9) 13221 (18) 13448



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	12475	12580	12889	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	0
	Ungarbled	12,500	



■ CARDAMOM

■ Dec 13, 2007

SPOT MARKETS

Cardamom domestic auctions witness further weakness amidst improved arrivals. While the good quality coloured capsules fetched lower by Rs. 5/kg, there was a reduction of Rs. 10/kg in other grades. Export buying to the tune of 7 tonnes was reported at the auction held at Kumily. The strong domestic demand and improving export buying are likely to support the market in the short term. However, the lower production estimates at the major centres are seen propping up the cardamom markets. Indian cardamom continues to be quoted at a premium in the global market, restricting overseas demand.

FUTURES MARKETS

MCX Cardamom traded volatile to end lower on long liquidation. The most active January contract opened Rs. 3 weak at Rs. 589 and traded down initially to test a low of Rs. 584. The contract recovered in the closing session to test a high of Rs. 590, before ending 0.76% weak at Rs. 587.5. Open interest dipped amidst larger volumes traded, suggesting liquidation 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

Candlestick pattern suggests an indecisive market. Prices closed below the short term EMAs, suggesting weakness. RSI and Stochastic are steadily falling in the neutral region, supporting further downtrend. MACD is also sinking in the positive territory, favouring decreasing bullishness of the market. Cardamom futures are technically bound to trade weak in the next session with likelihood of some late recovery.



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX January	550.5	565.5	587.5	600	614

TRADE RECOMMENDATION

Sell MCX January Cardamom above 589 with a target of Rs. 585 and then 583 with a strict stop loss above Rs. 591. Trade cautiously with intraday outlook.

Auction Centre

Prices/Kg (7mm)

Arrivals (Kg)

Kumily

555

49,000

CUMIN

Dec 13, 2007

SPOT MARKETS

Jeera trade at the benchmark Unjha market extended the weakness in prices. The price for the spice reduced further by Rs.20 per 20kg as against previous session. Subdued buying interest and low demand weakened the prices for the spice. The arrivals and offtake continued to remain poor at 2500 and 2500 bags respectively. As per trade sources demand is likely to improve only 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

NCDEX Jeera January futures tested fresh lows and closed in negative region. The contract moved in the narrow range of Rs.9555 and Rs.9694. The contract then marginally up at Rs.9650 firm by 0.17% and witnessed profit booking amidst low volumes.

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 over Gujarat is favourable for the crop whereas Fall in night temperature by 2-3°C over West Rajasthan, where sowing is about to commence very soon.

TECHNICALS

Formation of doji is suggesting indecisive in the price movement. However the close below the EMA's as well MACD steadily descending in the negative territory is favouring the weak trend in prices. RSI is moving flat in the neutral region and lacks direction where as stochastic is dipping in the neutral region and inclined towards the oversold region is favouring the weakness in prices. However the low volumes traded is not a supportive feature to the weak trend and is suggesting remaining cautious while trading. Jeera futures are likely to trade weak during the early hours with a possibility of late recovery.

JEERA 0801 (NCJEEF8) 2007/12/12 - Daily B:9650.00 A:9654.00
O 9658.00 H 9694.00 L 9555.00 C 9650.00 V 4,536 I 6,852 0
EMA(9) 9798.3 (18) 9980.8



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX January	9283	9455	9650	9947	10137

TRADE RECOMMENDATION

Sell NCDEX January Jeera near Rs.9685 with a target of Rs. 9620 and then of Rs.9555 with a strict stop loss near Rs.9710. Trade with intraday outlook.

Centers	Variety	Prices/20 Kg	Arrival (Bags) 1 bag = 55 to 60 Kgs
Unjha	F.A.Q	2335-2345	
	Ganesh	2525-2565	2500
	Machine Cleaned	2605-2725	



■ TURMERIC

■ Dec 13, 2007

SPOT MARKETS

Domestic turmeric prices at the physical markets witnessed a firm trend as active buying was witnessed at lower levels. The arrivals and offtake at Nizamabad stood at 2000 bags while the prices improved by Rs.50 per qtl to Rs.2230 per qtl. At Erode the prices remained unchanged at Rs.2600-2650 per qtl and arrivals improved to 4000 bags out of which 75% 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 are likely to be steady to moderately firm in the near term on improving demand in the market.

FUTURES MARKETS

Turmeric April futures at NCDEX counter recovered and traded firm after previous weakness. The futures moved in the positive territory in the range of Rs.2583 and Rs.2629. The futures then closed at Rs.2620 firm by 1.08 % and witnessed covering 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 rains and thundershower are likely over the Tamil Nadu and in Andhra Pradesh.

TECHNICALS

Candlestick is suggesting initial weakness and thereafter buying at lower levels. The prices are facing a strong resistance at Rs.2625 levels a close above these levels is likely to support further firmness in prices. The close above the EMA's as well as the rising RSI is in the neutral region is favouring the near term firmness in prices. MACD in the positive territory is also a supportive feature to the uptrend in prices. Turmeric prices are likely to extend the firmness during next trading session.

Turmeric 0804(NCTMCJ8)2007/12/12 - Daily B:2619.00 A:2621.00
O 2590.00 H 2627.00 L 2583.00 C 2620.00 V 16,300 I 26,050 +27



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX April	2503	2526	2620	2694	2733

TRADE RECOMMENDATION

Buy NCDEX April Turmeric above Rs.2613 with a target of Rs. 2625 and then Rs.2636 with a strict stop loss below Rs.2607. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 90 Kgs
Nizamabad	Finger	2230	2000
	Gattah	2240	
Erode	Finger	2600-2650	4000
	Gattah	2600-2650	

SPOT MARKET

Chilli trade at the physical market recovered on slight improvement in the demand. The arrivals declined marginally to 30000 bags while offtake remained steady at 20000-25000 bags. Price for the spice improved on emerging demand from the retailers for the premium quality spice has firmed the prices. Overseas demand as well for the premium quality spice is seen emerging from Sri Lanka, Malaysia and Bangladesh. As per trade sources the high grade chillies are available at the Guntur markets and the fresh arrivals of similar variety are likely to hit the market only during later January. The current scenario is likely to support the near term firmness in prices.

FUTURES MARKETS

Chilli February futures at NCDEX witnessed a sluggish trade. The prices moved in the positive region after starting firm with a gap at Rs.3600 and witnessed a high at Rs.3650. The contract then closed at Rs.3640 firm by 1.76% and witnessed short covering.

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 at and likely rain and thundershower during this stage at the chilli growing areas of Andhra Pradesh is not favourable for the crop.

TECHNICALS

Formation of medium size marubuzu is indicating firmness in prices so as the close above the EMA's. Ascending RSI in the neutral region as well as the stochastic in the overbought region is a supportive feature to the firm trend. Gain in volumes traded amidst firm close price in comparison with the prior close is also a supportive feature. MACD is steadily rising in the negative territory is also favouring the firmness in prices. Chilli futures are likely to extend the uptrend during the next trading session with slight profit booking towards the close.

CHLL334GTR 0802(NCOTRG8)2007/12/12 - Daily B:3626.00 A:3645.00
O 3600.00 H 3650.00 L 3600.00 C 3640.00 V 51511,965 +62

EMA(9) 3541.6 (18) 3556.5



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NCDEX Feb	3459	3504	3640	3741	3800

TRADE RECOMMENDATION

Buy NCDEX February Chilli near Rs. 3630 or below with a target of Rs. 3675 and then Rs.3695 with a strict stop loss of Rs. 3618. Trade cautiously with intraday outlook.

Centers	Variety	Price/Qtl	Arrival (Bags) 1 bag = 40 to 45 Kgs
Guntur	LCA 334 (Cold Storage)	3000-3600	30000

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