



Technical Recommendations

Commodity	Contract	S2	S1	R1	R2	Recommendation
Pepper NCDEX	Dec-10	20800	21500	22650	22850	Sell below 21800 TP 20960 SL 22450
Turmeric NCDEX	Apr-10	6320	6400	6900	7250	Sideways
Jeera NCDEX	Dec-10	13520	13710	14130	14320	Sideways
Chilli NCDEX	Dec-10	6300	6580	7000	7180	Sideways
Cardamom MCX	Jan-10	1452	1425	1320	1280	Buy 1300-1310 TP 1380-1400 SL 1250

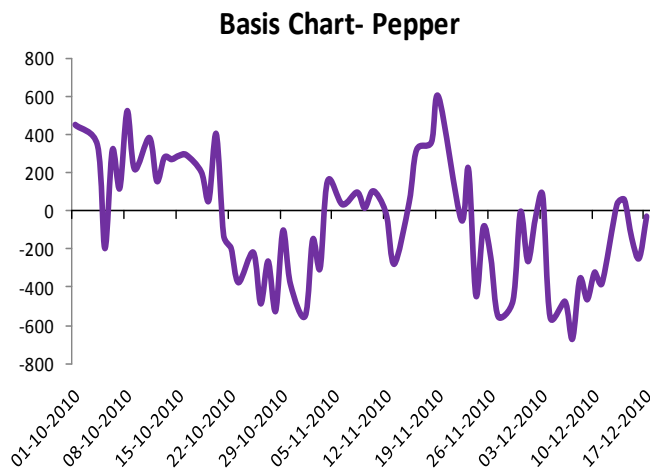
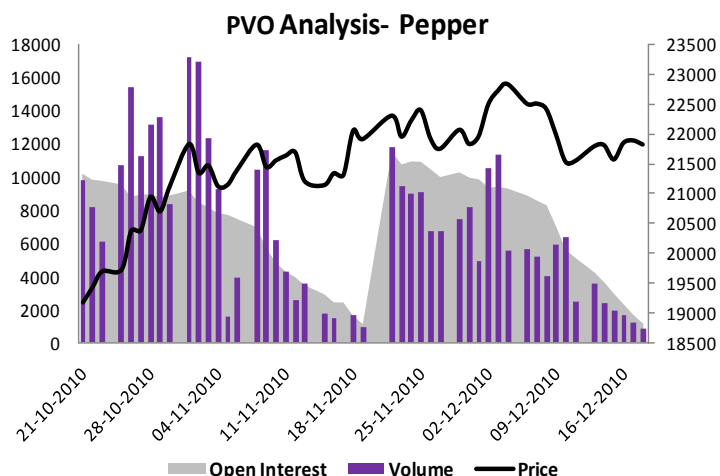


Pepper

Review

Pepper futures traded range bound to positive during the week ended on December 18, 2010. Futures started the week on higher note on fresh buying at lower levels. However, futures reversed the direction and fell on active selling. Depleting stocks at spot market and reports of delay in fresh crop arrival supported the prices. But, overall spot market remained steady as traders are waiting for next crop. Therefore, on cues from spot market prices at futures remained subdued whole week. Rainy weather in major growing region of Kerala hampered the harvesting activity and further added to the upside and futures ended the week on positive note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jan	21950	22437	21805	22158	1.33	32412	47.11	11209	39.71
Feb	22008	22674	22008	22406	1.77	2070	112.96	872	83.58
Mar	22404	22850	22250	22581	1.26	165	-28.57	195	24.20



Outlook

The NCDEX pepper futures are expected to trade in bearish mode in coming week. Extended selling at futures platform is likely to pressurize the prices. As per trade sources, fresh crop is expected to hit the market in 8-10 days which will create pressure in market. Poor export demand may further add to the down side. According to market sources, some traders are selling farm grade poor quality pepper much below the contract prices, further adding to the down trend. However, short covering on higher levels can not be overruled. But this recovery is expected to short lived due to overall weak trend in pepper market.

Factors to watch out

- ❖ Average daily prices at spot market of Kochi are for Ungarbled and MG-1 grade are quoting steady at ₹20,700 and ₹21,200 per quintal respectively
- ❖ Indian parity in International market is reported at \$5100-5200 a ton. Lampung ASTA is at \$4900 per ton and Vietnam ASTA is at \$5150-5250
- ❖ Heavy rains in Kerala region are hampering the harvesting activity but some traders are expecting crop arrival in next 12 days



- ✿ However, Weak trend in global market as most of investors are in holiday mood ahead of Christmas and New Year may pressurize the prices
- ✿ Stock positions at the NCDEX accredited warehouses are at 1361 tons as on 15th December 2010
- ✿ As per Spices Board data, international price of pepper in New York market was unchanged to \$5.51 per kg during the week ended 10th December 2010 but was higher against \$3.46 per kg quoted in the same period last year

Derivative Analysis

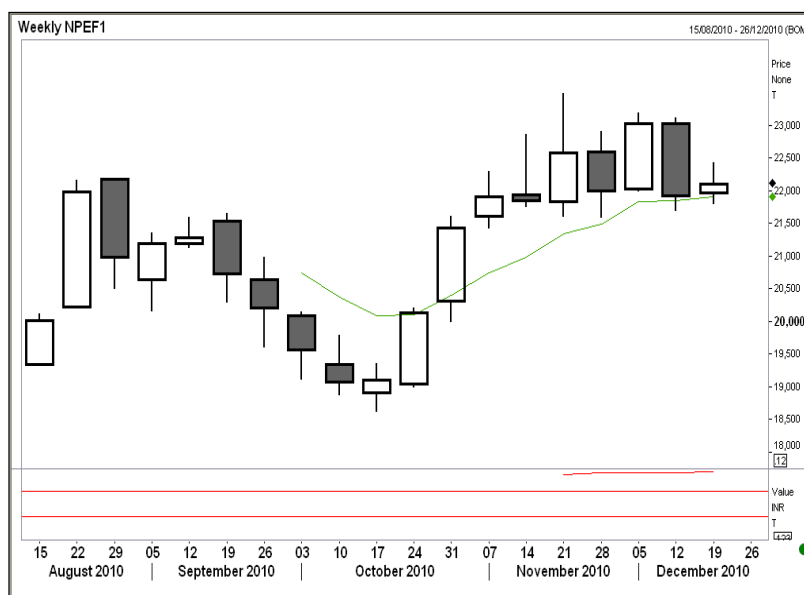
The NCDEX Pepper January contract prices, Volume and open interest have gone up by 1.33%, 47.11% and 39.71% respectively. Market is attracting larger numbers of traders willing to open positions from the long side and hold them. Traders are more confident that prices will continue to climb in favor of a working long.

Technical

Pepper Jan NCDEX futures traded in a volatile mode during last week and settled flat at 22158.

In weekly chart of pepper, a Doji candle stick is witnessed indicating indecision in the trend. If closely watch the behavior of 6 weeks candle sticks we can analyze that there is a lot in indecision at higher levels in the pepper prices. Next important support level to watch in the chart is 21800 (Previous swing high) from this level market bounced back previous week. If market breaches this given support level then there may be some bearish moves seen in the market. Meanwhile, the technical indicator RSI (14) is not moving in line with the prices and negative divergence is witnessed in the chart. It shows bearish mode for the coming few weeks but only after if it breaches and sustains below the given support level of 21800.

We expect pepper prices to remain bearish and suggest traders to going short on the break of 21800.



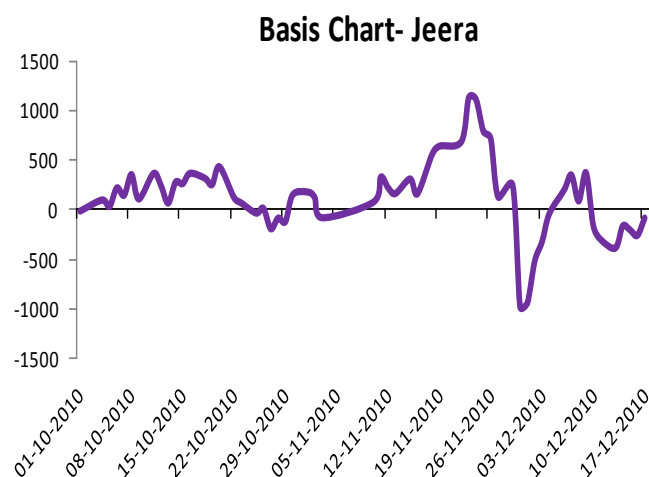
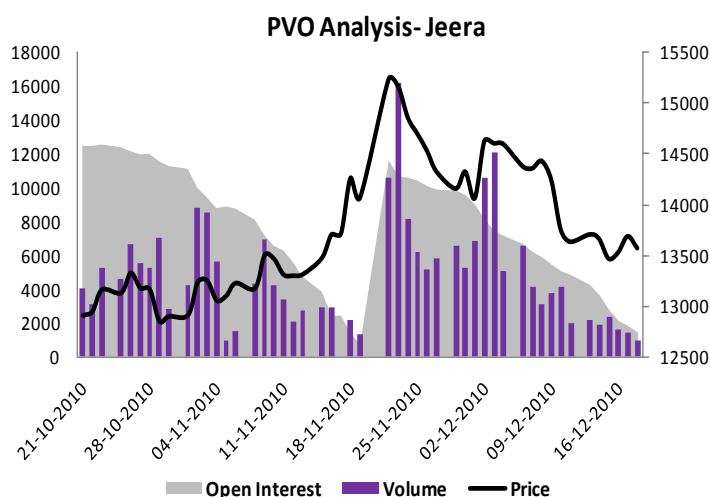


Jeera

Review

The jeera futures traded on a flat note last week. Futures started the week on positive note on short covering at futures platform. However, prices remained range bound to positive whole week. In absences of fresh market cues spot market also remain steady. Improvement in weather supported the sowing activity which weighed on prices. However, news of some export inquires support the prices. As per trade sources, lower carry over stocks are supporting the prices at spot market. Therefore, on mixed fundamentals prices traded highly volatile with biased towards upside and ended the week on slightly positive side.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jan	13950	14175	13791	14000	0.38	33693	-12.15	12699	-1.26
Feb	14338	14466	14080	14302	0.60	8097	15.24	11067	37.60
Mar	14440	14650	14260	14511	0.27	696	55.70	435	137.70



Outlook

Jeera futures are expected to trade range bound in coming week. Selling at futures platform may pressurize the prices. However, prices are likely to reverse the direction on short covering at these losses during the week. Fresh buying can also be seen at futures plat form. However, the gains may be limited.

Factors to watch out

- ✿ Arrivals at Unjha market were around 3500-4500 bags during last week (each bag= 55 kg)
- ✿ Average daily prices at spot market of Unjha were in the range of ₹13,375-13500 per quintal for uncleaned and ₹14000-14,250 per quintal for NCDEX quality Jeera from last week
- ✿ According to Gujarat State Agriculture Department, around 56% of jeera sowing for season has been completed as on December 5th 2010 in major growing region of Gujarat
- ✿ As per trade sources, in some major growing district of Gujarat 30-50% of jeera acreage has been shifted to wheat which may support the prices in coming days
- ✿ NCDEX accredited warehouses are at 5827 tones as on 15th December 2010

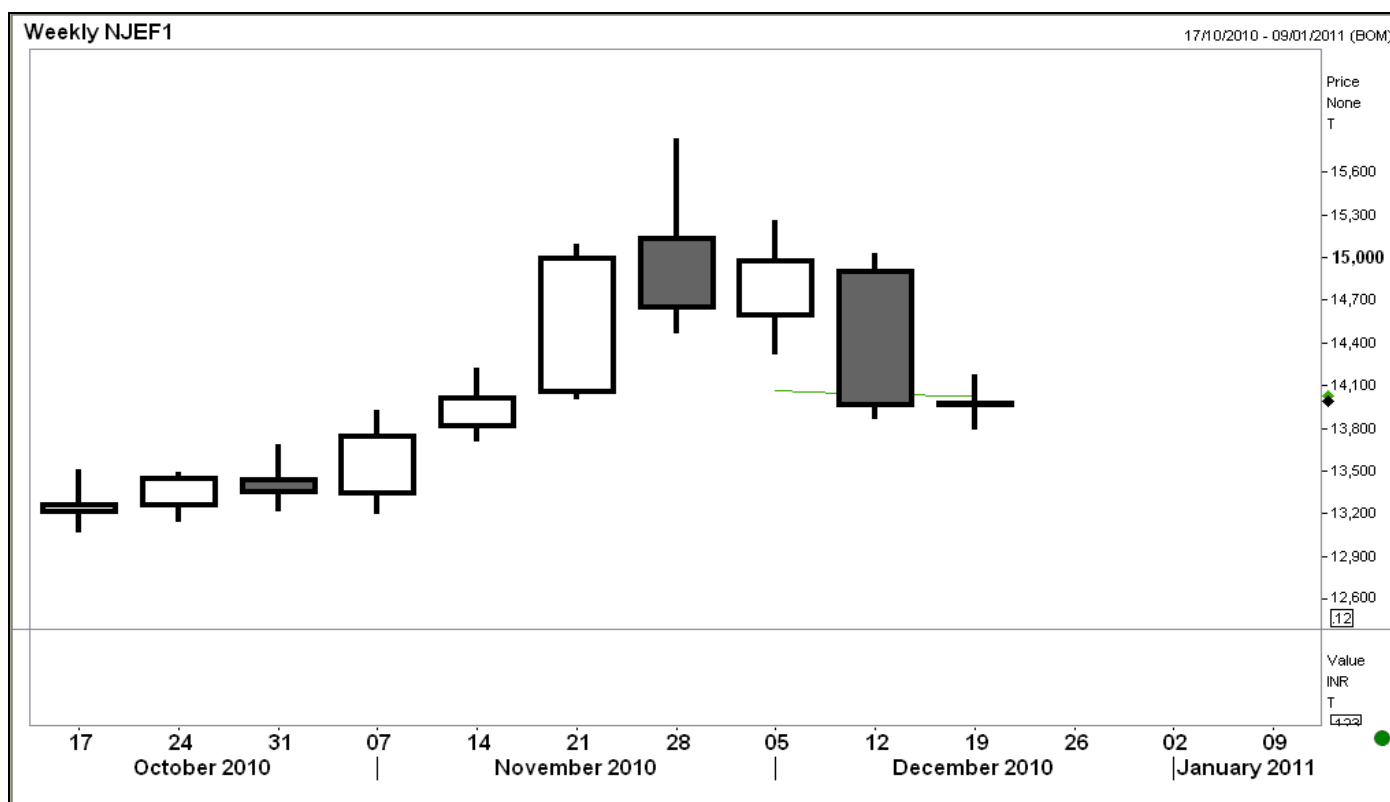


- As per Spices Board data, international price of Jeera in New York market was almost unchanged to \$3.64 per kg during the week ended 10th December 2010 against \$2.93 per kg quoted in the same period last year.

Derivative Analysis

The NCDEX Jeera January contract prices gone up by 0.38% while volume and open interest have moved down by 12.15%, and 1.26% respectively. Traders are liquidating both losing short positions & closing winning long positions. A higher probability the market is set to retrace in price lower at some point forward. Should prices be falling when this scenario develops, the market has a higher probability of a price rise at some point forward.

Technical





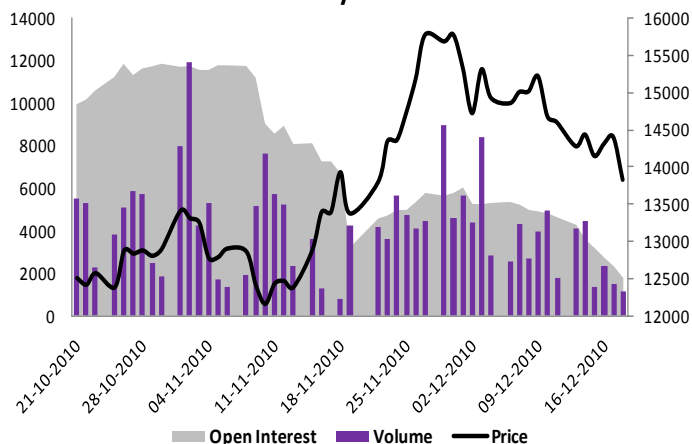
Turmeric

Review

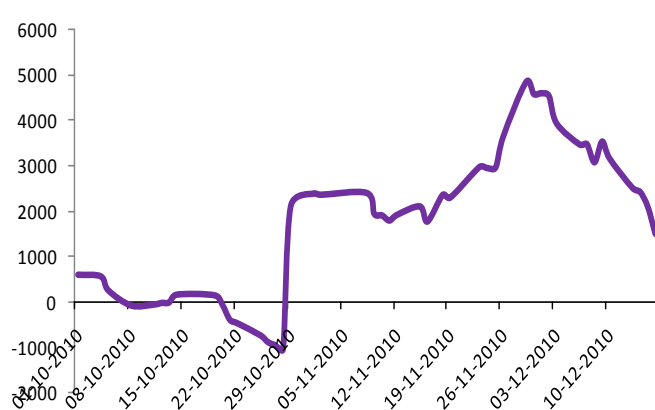
The NCDEX turmeric after witnessing corrections bounced back during the week ended on December, 18. Futures started the week on slightly negative note on profit booking. However, prices reversed back the direction on fresh buying. Buying from North India also supported the prices. Lower stocks available at spot market further added to the upside. Buyers from other part of India bought heavily as they are expecting delay in crop arrival. However, prices took small correction on last day of week on profit booking but overall positive trend limited the fall and futures ended on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Apr	9560	10190	9210	9946	4.30	12220	81.44	3905	28.45
May	9412	9650	9340	9488	1.67	495	164.65	560	41.96
Jun	9432	9682	9308	9580	1.57	135	145.45	90	260.00

PVO Analysis- Turmeric



Basis Chart- Turmeric



Outlook

Turmeric futures are expected to trade positive initially in coming week on extended buying. However, prices are likely to take corrections on profit booking. Good domestic demand may support the prices. Overall lower stocks may further add to the prices. However, prices may trade range bound during the week in absences of fresh spot cues.

Factors to watch out

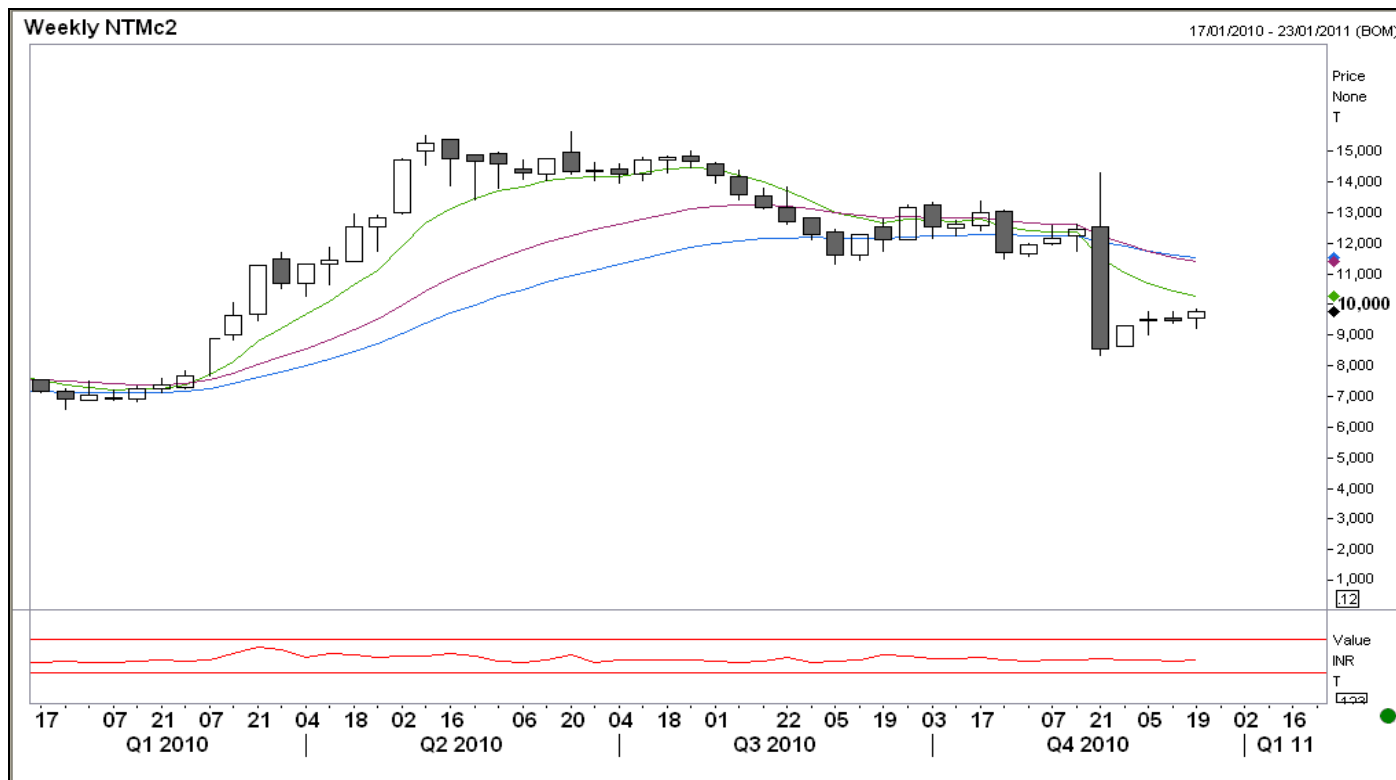
- ✿ Average daily prices at Nizamabad and Erode hovered in the range of ₹16,800-17,100
- ✿ Arrivals at Nizamabad and Erode market were 200 bags and 4000-6,000 bags respectively (each bag=70 kg)
- ✿ As per trade sources, stocks available at spot market is around 3-4 Lakh bags and Erode market is the only market which is having major portion of stocks(each bag=70 kg)
- ✿ Available stocks may not be sufficient to meet the demand till fresh crop hit the marker. Therefore, buyers from rest of the India are buying actively
- ✿ Stock positions at the NCDEX accredited warehouses is 2792 tons as on 15th December 2010
- ✿ As per Spices Board data, international price of Turmeric in New York market increased to \$5.73 per kg during the week ended 10th December 2010 against \$2.65 per kg quoted in the same period last year.



Derivative Analysis

The NCDEX Turmeric April contract prices, Volume and open interest have gone up by 4.30%, 81.44% and 28.45% respectively. Market is attracting larger numbers of traders willing to open positions from the long side and hold them. Traders are more confident that prices will continue to climb in favor of a working long.

Technical



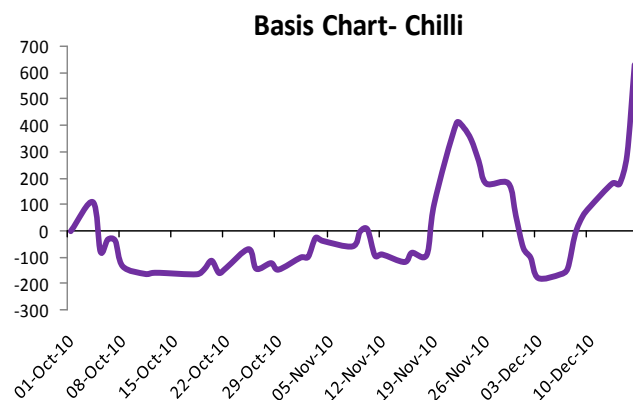
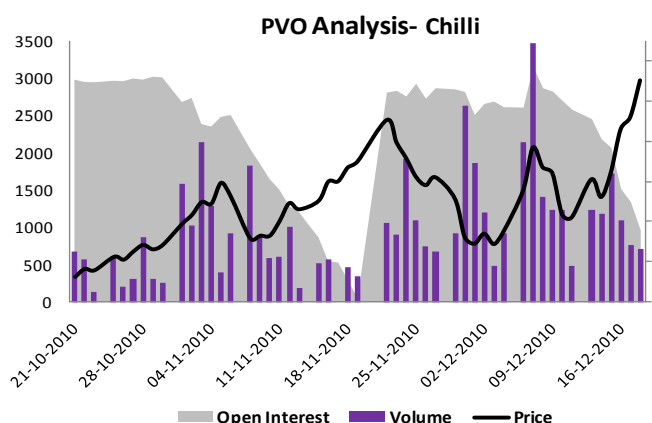


Chilli

Review

The Chilli futures extended the rally on active buying during last week. Extending the previous gains futures started the week on higher note. Prices took small corrections but these corrections created buying point for uptrend. Heavy buying on reports of crop damage to kharif crop in Guntur region supported the upside. Reports of cloudy weather from last 3-4 days further added to the upside. Good export demand also supported the rally and futures ended the week on higher note.

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Feb	5750	6788	5750	6788	16.87	7655	62.53	2440	33.33
Mar	5866	6736	5790	6736	15.42	4290	244.58	1310	100.00
Apr	5780	6470	5776	6470	11.86	70	55.56	70	250.00



Outlook

The NCDEX Chilli futures are expected to trade positive initially in coming week. Extended buying may support the prices at futures platform. However, prices are likely to take good corrections on profit booking at higher levels. Nonetheless, overall bullish sentiments on crop damage and higher demand may support the prices.

Factors to watch out

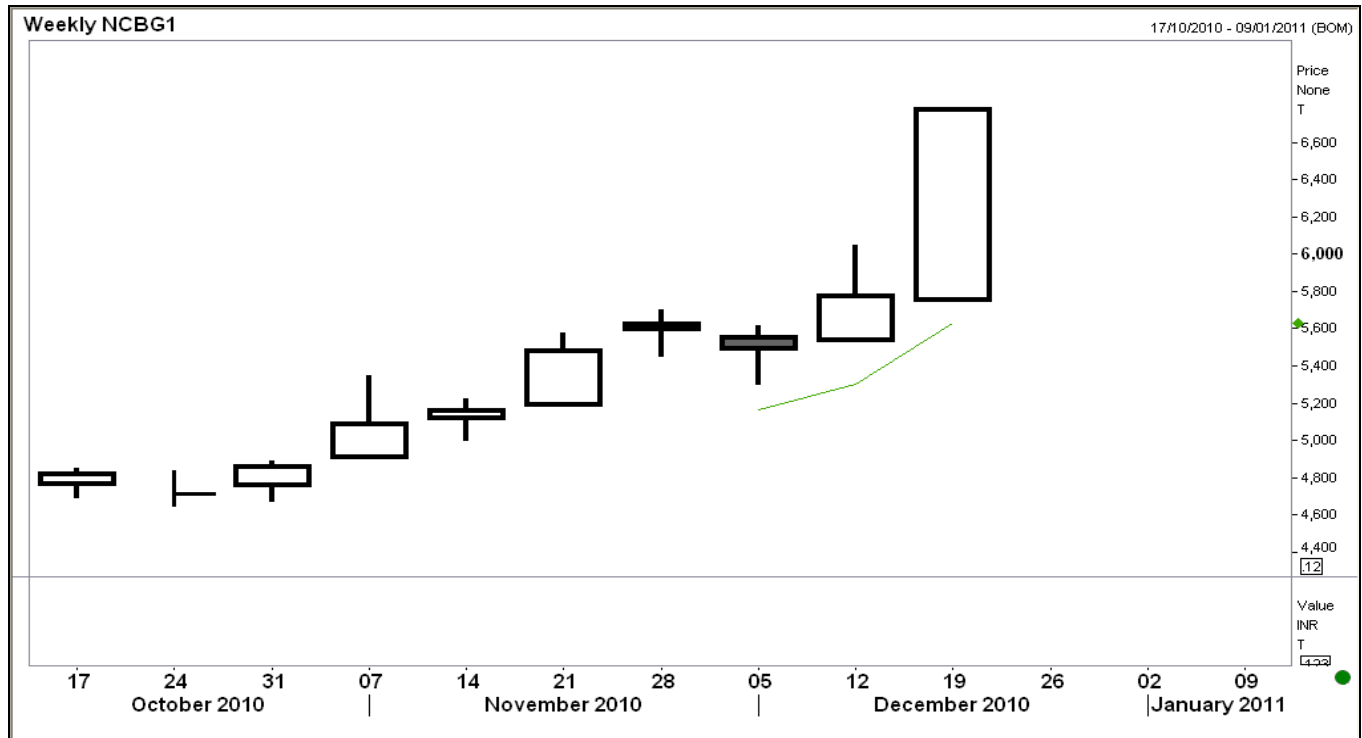
- ❖ Daily average arrivals at Guntur market were reduced to 25,000-45,000 bags (each bag=40 kg) and prices were hovering in the range of ₹5000-5500 up by ₹300 per quintal
- ❖ As per trade sources, around 20% of crop has been damage due to heavy rains in recent past in Guntur region
- ❖ Good export demand from Pakistan and Malaysia is supporting the prices
- ❖ As per data released by AP Agriculture Department, till December 15th acreage under chilli sowing is around 0.41 lakh hectares as compared to 0.44 lakh hectares in the same period last year
- ❖ As per Spices Board data, international price of chilli in New York market was almost unchanged to \$2.54 per kg during the week ended 10th December 2010 against \$2.54 per kg quoted in the same period last year.
- ❖ Stock positions at the NCDEX accredited warehouses is 825 tons as on 15th December 2010



Derivative Analysis

The NCDEX chilli February contract prices, volume and open interest have gone up by 16.87% and 62.53% and 33.33% respectively. Market is attracting larger numbers of traders willing to open positions from the long side and hold them. Traders are more confident that prices will continue to climb in favor of a working long.

Technical





- As per Spices Board data, international price of Cardamom in Saudi Arabia market was higher to \$27.99 per kg during the week ended 10th December 2010, however, it was higher than \$20.12 per kg quoted in the same period last year.

Derivative Analysis

The MCX cardamom January contract prices and Open interest have gone up by 4.62%, 4.69% respectively, while Volume has gone down 10.17%. Market is attracting larger numbers of traders willing to open positions from the long side. However, they fear of holding the positions in anticipation of sudden fall in prices.

Technical

Cardamom January futures traded higher previous week and settled at 1380.2 levels.

In weekly chart of Cardamom January contract a Long White Candle Stick is witnessed during last weeks trading sessions indicating continuation of current bullish trend. As per Fibonacci principle, market settled above the 1324 i.e. 38.6% natural retracement level. This suggests that the cardamom prices may remain in the strong in the coming week. Bullish Crossover witnessed in short and mid term WEMA suggesting strength in the trend. The technical indicator RSI (14) is at 0.51 indicating upside potentials for the commodity. We expect cardamom prices to remain upside and suggest buying in cardamom for the coming week.





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