

SPICES

September 12-17, 2005

Overview:

- Sentiments improve in Pepper market
- Downtrend persists in Chilli markets
- Cardamom down on fresh early harvest
- Turmeric Prices hold steady levels

Market Analysis:

Price Trends Analysis:

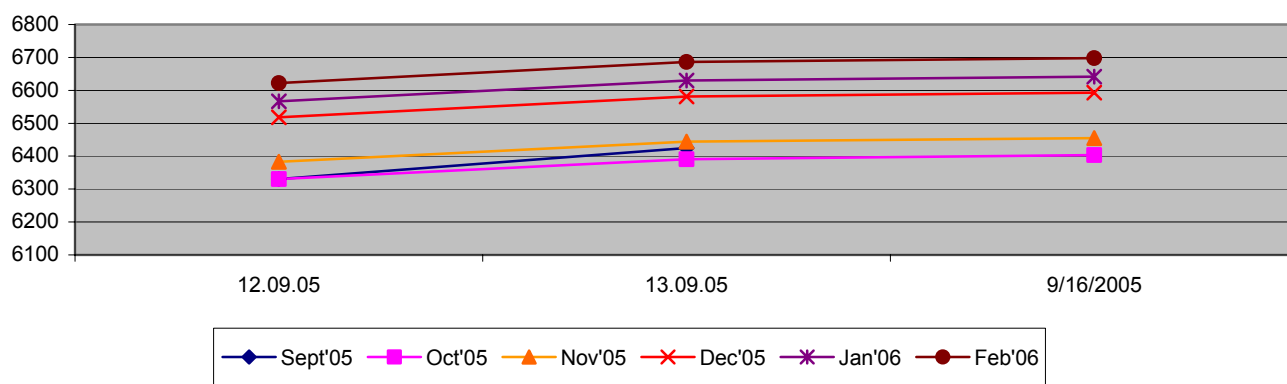
Pepper:

A Brief Weekly Fundamental Analysis of IPSTA Pepper Futures Trading

The graph below is showing the closing prices for the different contract months at the IPSTA in this week. Hopes of export subsidy and unconfirmed reports of likely imposition of levy on import from Sri Lanka were the bullish

factors through the week. Sources reported that high level meeting of ministry of commerce is scheduled with various trade associations and pen pushers from Kerala government in second half of this week. Movements however, remain low, as markets remain closed for two days due to festivity in South India (Onam festival)

Movement of Pepper prices during the week



Movement of Garbled and Ungarbled prices at Kochi during the week (Rs/quintal):

Pepper	12.08.05	13.08.05	14.08.05	15.09.05	16.09.05	17.09.05
Ungarbled	5950	6000	Closed	Closed	6000	6000
Garbled	6350	6400	Closed	Closed	6400	6400

The prices of garbled and ungarbled varieties of pepper improved slightly in Kochi market during the week. Production of Black Pepper in the country is expected to decline by 25%. Production of Black Pepper is expected to

remain at around 65,000 ton. Demand for black pepper remained confined from local consumption centers. Demand from the export remained low.

Delhi terminal mandi

Activities in Delhi market remained low due to persistent rains for most of the week in northern regions. Prices of black pepper however, slightly appreciated on couple of factors. Traders are expecting its demand to improve for festival season ahead. Reports of likely imposition of tax on pepper import from Sri Lanka have an added bullish impact in the market.

Pepper	Sep 05-10	Sep 12 - 17
Golden Unpolished	64 -65	65 - 67
11.5	85-90	90 - 95
No. 12	95-100	100 - 103

Note: Prices are in Rs. Per Kg.

Turmeric:

Erode mandi

Turmeric prices hold steady levels through the week. Arrivals of turmeric in the Erode were reported between 3000-4000 bags daily during the week. Arrivals were affected partially due to festivity (Onnam). Since, stock is sufficient till next harvest, traders rule out any big movement in near future.

DATES	Sep 03-Sep10	Sep 12 - 17
Loose Finger	2850	2850
Bilty	3100	3100
Loose Gattah	2750-2800	2750-2800
Bilty	3000	3000
Loose SP Gattah	2850-2900	2850-2900
Bilty	3200	3200
Loose DP Gattah (Salem)	3100	3100
Bilty	3500	3500
Kolkata Quality Bilty (75 kg)	2150	2150

Note: Prices are in Rs/ Qtl.; NR: Not Reported;(1 bag=75 Kg)

Nizamabad Mandi

Weather situation in turmeric growing areas is perfect for crop growth. Harvest of turmeric starts in January. Traders are expecting crop this year to reach at 50-55 lakh bags. According to trade sources, stock of turmeric in different producing markets like Erode, Nizamabad and Sangali etc is aggregated at 12 lakh bags. Apart from that, sufficient stock is reported in terminal markets. So, offtake from producing centers till fresh harvest is likely to remain around 8 lakh bags. Arrivals in Nizamabad were reported between 800-1000 bags during the week.

DATES	Sep 03 - 10	Sep 12 - 17
Nizamabad Gattah	2400	2400
Nizamabad Finger	2350-2400	2350-2400

Note: Prices are in Rs/ Qtl.; NR: Not reported

Warangal mandi:

Market activities thinned down due to festival mood. Prices for turmeric in the market continued to hold steady levels. Prices of gattah and finger were quoted at Rs 2350-2500 per qtl.

Delhi Mandi

Trading activities in Delhi were hampered due to continued rains. Demand for turmeric was bit improved for increased demand of spicy stuff with the atmospheric change. However, talks of sufficient stock kept the upward movement of prices under control.

DATES	Sep 03 - 10	Sep 12- 17
Nizamabad finger	2950-3100	3000-3100
Erode Finger mini Selam	3550-3600	3600-3600
Erode single polish Gattah	2900-2950	2950-3000
Erode Double polish Gattah	3550-3600	3600-3650
Warangal polish	2650-2700	2650-2700
Selam Finger	4200-4300	4250-4300

Note: Prices are in Rs/ Qtl.

Clove:

Delhi mandi

Downtrend persisted in the Delhi clove market due to its poor demand from the consumer end. Traders are expecting improvement in its prices in a week or so following the low production reports from the origin countries.

DATES	Sep 03 - 10	Sep 12 - 17
Indonesia	202-205	202-205
Ketan	210	210
Colombo	180	180
Madagascar	185-190	185-190
Zanzibar	210	210

Note: Prices are in Rs/Kg

Hyderabad mandi continued to see the downtrend following poor demand from the retail end. Indonesian clove grade was offered at Rs. 195 200 per kg. While Colombo grade was traded at Rs. 180 per kg. The price of Zanzibar was recorded at Rs 200.

Cumin:

Unjha Mandi:

Unjha market continued to see dull trend. Average trade of cumin in Unjha were reported at 5000 - 6000 bags daily. Stock of cumin is comfortably good. Current stock of Cumin is pegged at 11-12 lakh bags. Traders are expecting likely decline in farmers' inclination towards this crop owing to sluggish trend in the markets. Sowing of cumin crop is to start in October/November.

DATES	Sep 03-10	Sep 12-17
Kisan Mal-FAQ	1250-1450	1250-1450
Ganesh	1360-1380	1360-1380
M/c. Cleaned	1400-1500	1400-1500
Sup. M/c. Cleaned	1575-1625	1575-1625

Note: Prices are in Rs/20 Kg

In **Hyderabad mandi** the rates of kisan mal-FAQ grade was reported between Rs.1360-1365/20kg.during this week also. Prices are likely to see slight improvement in the coming week.

Delhi Mandi:

In the Delhi mandi too the prices hovered high on good demand. Uptrend in key markets also had positive impact. Best quality was offered at Rs 85-90 per 20 kg.

Grade	Sep 03 - 10	Sep 12 - 17
Chalu	66-67	66-68
Ganesh	73-74	73-75
M/c Cleaned	70-85	70-85
Best	85-90	85-90

Red Chillies:

Guntur Mandi:

Chilli markets have been beleaguered with bumper harvest this year. Chilli crop in 2004-05 is pegged at 12 million bags, almost double as compared to last year crop. Traders are expecting likely increase in carry-over stocks following meager chances of improvement in its export. India is getting tough competition with China on the export front. Traders are expecting Chilli export to go down by 25% this year compared to last year. Stock of previous year crop is also good..

DATES	Sep 03-10	Sep 12-17
COLD	1500-2150	1500-2150
UNCOLD	800-1500	800-1500
WHB	2200	2200
Byadgi	2400-2600	2400-2600
Sannam Best	2100	2100
Sannam Med. Best	1500	1500
Namdhari	1800-2150	1800-2150
273	2000-2100	2000-2100
Guntur Fullcut	3250	3250
Ankur	2400-2500	2400-2500
Phatki	600	600

Indo5	2200-2300	2200-2300
Tejaseed	2400-2500	2400-2500
Roshni	1800-2000	1800-2000

Note: Prices are in Rs/Qt, NR-Not Reported

Delhi Mandi:

Delhi market continued to see dull trend. Talks of big crop this year continued to weigh on its values. Traders are expecting bearish trend to persist in short to medium term. .

Note: Prices are in Rs/Qt

DATES	Sep 03- 10	Sep 12- 17
Guntur Pala	2200-2450	2200-2450
Guntur Fullcut	3400-3950	3400-3950
Guntur Packing (new)	2500-2800	2500-2800
Nagpur Pala	2000-2100	2000-2100
Nagpur Fullcut	2900-3000	2900-3000
Nagpur Packing	2200-2450	2200-2450

Note: Prices are in Rs/Qt

Cardamom:

Delhi mandi

Talks of fresh arrivals of early harvest in key centers in Tamilnadu and Kerala weighed on values in terminal markets as well. Weather situation has been favourable for crop, so far. Traders are expecting crop to reach at 15000 ton. Traders in Delhi have started aggressive buying from the sources markets to build up inventory ahead of festivals.

DATES	Aug 29-Sep 03	Sep 03 -10
Panwali	205-210	205-210
Colour Robin	210-220	210-220
C Bold 6.5mm	225-235	225-235
Extra Bold 7mm	260-280	260-280
Ex Bold 7.5mm	330-360	330-360
Handpicked	430-470	430-470

Note: Prices are in Rs/kg

Hyderabad Mandi

Downtrend persisted in Hyderabad markets. Downtrend in overseas markets also had negative impact on the prices. Harvesting of Current crop in Guatemala is expected to start in December. Traders in Singapore have been offering Guatemala cardamom (old crop) at \$6 per kg.

DATES	Aug 29-Sep03	Sep 03- 10
Colour Robin	185	185
C Bold 6.5mm	200	200
Extra Bold 7mm	240	240
Ex Bold 7.5mm	300	300

8.00 mm	450	450
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Note: Prices are in Rs/kg; IO=Indian origin

Coriander:

Delhi Mandi

Delhi market continued to see lacklustre trade. Total stock in the country was reported at 40-45 lakh bags. Prices of coriander are unlikely to move up amidst comfortable stock-situation.

Coriander Grade	Sep 03 - Sep 10	Sep 12-17
FAQ (Chalu)	2000-2250	2000-2250
Medium	2800-3150	2800-3150
Green	3500-3700	3500-3700
Extra Green	4400-4600	4400-4600

Note: Rate Per Quintal

Rajasthan Mandi

Sentiments for coriander remained dull in Rajasthan markets. Traders are putting average monthly consumption of coriander at 5 lakh bags. Harvest of new crop will start in March. Prices however, unlikely to appreciate amidst good stock situation. Rains affected arrivals of coriander in Rajasthan during the week. Arrivals of coriander in Ramganj mandi were reported between 1000-1500 bags daily. Arrivals in Guna mandi remained below 1000 bags daily, while Kota mandi received 2000 bags daily.

DATES	Sep 03 - 10	Sep 12- 17
Kota Badami (40 kg)	730	720 - 730
Kota Eagle (40 kg)	780	780
Ramganj Badami (loose per quintal)	1500	1500
Ramganj Eagle (loose per quintal)	1600-1650	1600-1650
Kota Badami (loose per quintal)	1500	1500
Kota Eagle (loose per quintal)	1650	1650

Methi

Kota mandi:

Methi markets observed steady trend through the week. Increased selling interest offset its demand. Demand for Methi in northern belt will pick up after diwali. Customarily, Methi is fed to buffaloes in northern belt in November. It's believed that methi enhances fertility and act as an appetizer,

Methi price at Kota Mandi

Methi Grade	Sep 03 - 10	Sep 12 - 17
Methi (Uncleaned)	1200-1550	1200-1550
Methi	1450-3250	1450-3250

(Cleaned)		
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Note: Rate Per bag (90 Kg. each)

Prices of coriander moved in narrow range through the week. Delhi market witnessed dull trade. Sowing of methi is done in Nov/Dec., while harvesting is done in Feb-March.

Methi price at Delhi Mandi

Methi Grade	Sep 03 - 13	Sep 12 - 17
Chalu	1350-1500	1350-1500
Jabara	2150-2450	2150-2450
Better	2500-3200	2500-3200

Note: Rate Per quintal

Prices of Major Spices available in Major Rajasthan Mandi as on 17th September, 2005:

The prices of major spices in major Rajasthan mandis remained on an average steady this week as compared to the last week. At the Jaipur grain mandi the prices of jeera hold steady levels through the week. Arrivals of Chilli (dry) and cumin remain thin in Jaipur mandi. Arrival of methi was recorded around 4 quintals.

Prices of Major Spices

Name of Spice	Place	Rate (Rs. Per quintal)
Chilly Dry	Jaipur (Grain) Mandi	2500
Jeera (Cumin)	Jaipur (Grain) Mandi	6000
Methi	Jaipur (Grain) Mandi	1200-1250

Others Spices during week at Delhi Mandi

At the Delhi mandi the prices of other spices remained steady during this week as compared to the last week. Rains have affected the routine trading. It is expected that the prices of other spices in Delhi mandi would maintain the prevailing trend in the coming week.

Rs. Per quintal		
Other Spices	Seo 03 - 10	Sep 12 - 17
Bishop's weed (Ajwain)-Jawara	4000-4400	4000-4400
Bettlenut (Mettaplayam)	8800-9200	8800-9200
Cardamom brown (Jhundiwali)	10700-10800	10700-10800
Cardamom brown (Kanchicut)	12000-15000	12000-15000
Tamarind (seedless)	1800-3200	1800-3200
Dry ginger (superior quality)	16000-16500	16000-16500
Amchur (Khapta)	1800-2000	1800-2000
Mace (Jabetri)-(Cochin)	35500-36000	35500-36000
Nutmeg (Jaifal)-(Cochin)	19500-21500	19500-21500

Kalaunji	3600-4200	3600-4200
Poppy seed (Turkey)	18500	18500

Saffron (Irani)	15000-16000	15000-16000
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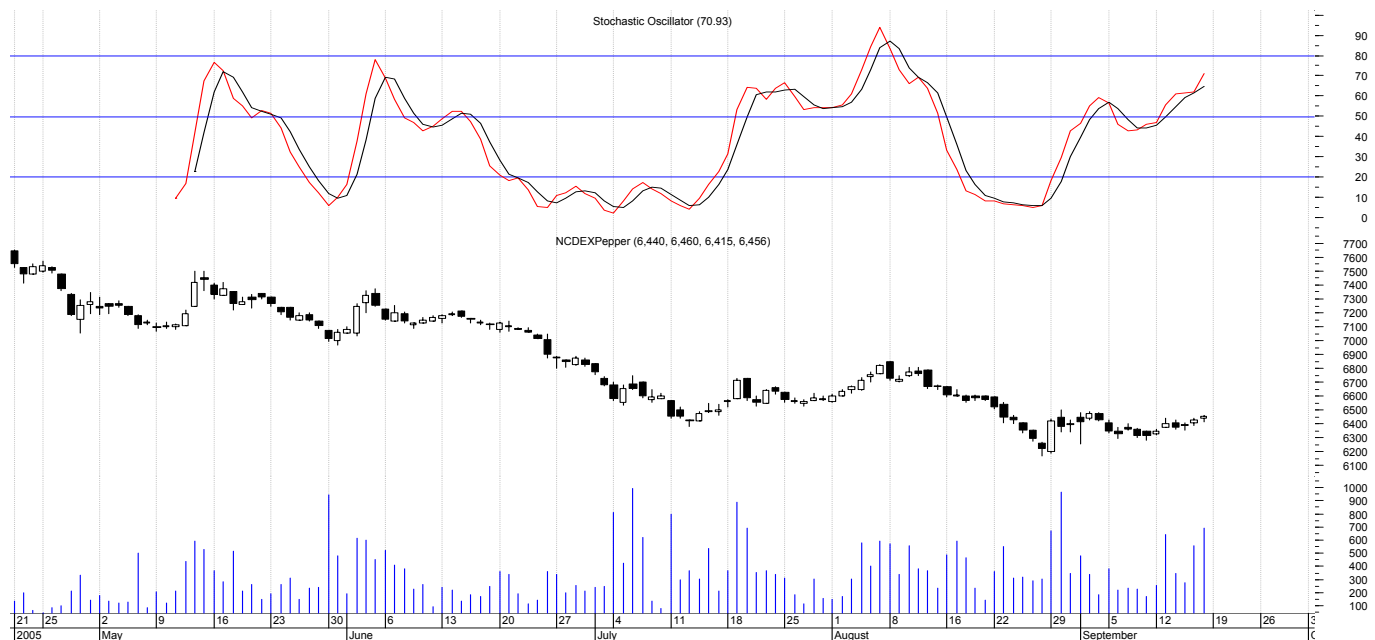
Technical Analysis:

Commodity: Black Pepper

Contract Month: October 2005

Exchange: NCDEX

The indicators are showing strength and the prices are likely to go up in the coming week.



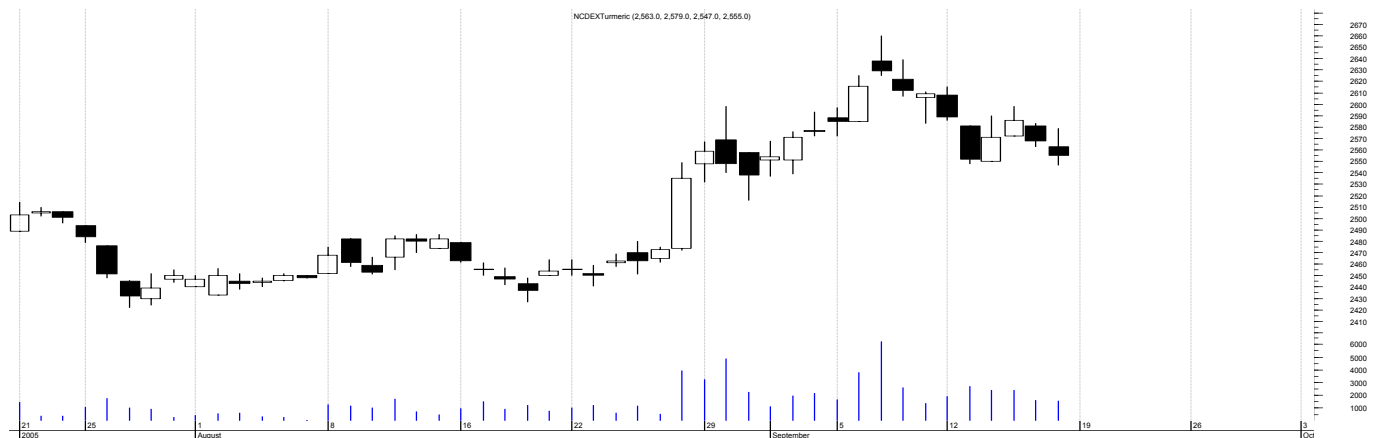
Recommendation: maintain the long position.

Commodity: Turmeric

Contract Month: October 2005

Exchange: NCDEX

All the indicators are showing weakness. Prices may move down further in the coming week.



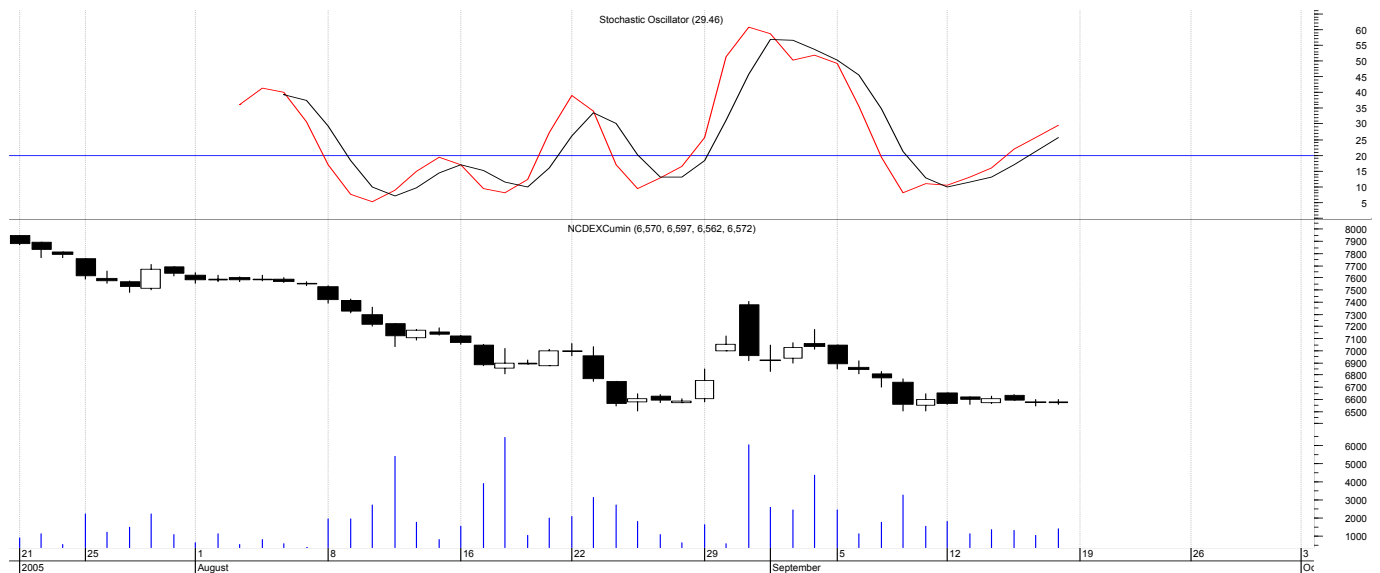
Recommendation: Maintain the Short position in the coming week.

Commodity: Cumin (Jeera)

Contract Month: October 2005

Exchange: NCDEX

All the indicators are showing further weakness.



Recommendation: there may be steadiness in the prices.
Remain short.

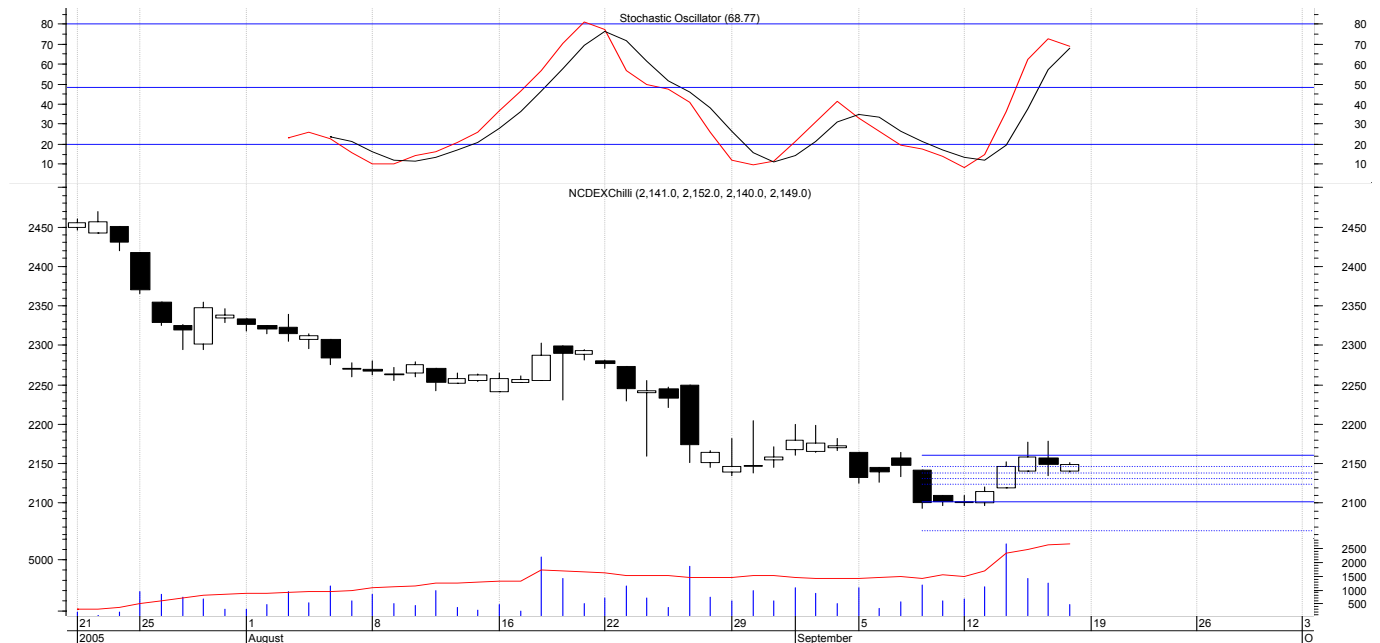
Commodity: Red Chili

Contract Month: October 2005

Exchange: NCDEX

Market found support at 2140. As reflected from Stochastic Oscillator, %K line is about to cut % D line from the above, which would be a bearish signal. Next resistance would be 2160.

Recommendation: Don't go long for medium term.



WEATHER WATCH (IMD)

ALL INDIA WEATHER FORECAST

Monsoon Outlook

(As on Sept 19, 2005)

During past 24 hours, fairly widespread rains with heavy to very heavy rainfall have occurred over north Andhra Pradesh-south Orissa coasts and south Chhattisgarh. Light to moderate scattered rainfall have also occurred over Andaman & Nicobar Islands, interior Orissa, Konkan & Goa, Telangana, Gujarat Region, Madhya Pradesh, Jharkhand, East Uttar Pradesh, Himachal Pradesh and Uttaranchal. Chief amounts of rainfall recorded (in cms) are: Kalingapatnam-35, Koraput-17, Visakhapatnam-13, Udaipur-11, Tikabali-10, Nawrangpur-9, Bhubaneshwar-7 and Jagdalpur-7.

Yesterday's deep depression over northwest Bay of Bengal moved in a west-southwesterly direction and intensified into a cyclonic storm at 1730 hours IST of yesterday, i.e. 18.09.05, near Lat. 19.5° N/ Long. 86.5° E. It crossed north Andhra Pradesh near Kalingapatnam this morning and lies centered at 0830 hours IST of today near Lat. 18.5° N/ Long. 84.0° E close to Kalingapatnam over land. The system is likely to move in a west-northwesterly direction and weaken gradually. Under its influence widespread rainfall with heavy to very heavy falls at a few places is likely over Coastal Andhra Pradesh, Telangana, south Orissa and south Chhattisgarh during next 24 hours. The belt of heavy rainfall may gradually shift westwards into Maharashtra and North Interior Karnataka.

The upper air cyclonic circulation over Uttaranchal and neighbourhood now lies over Uttaranchal and adjoining Himachal Pradesh and extends upto 3.1 km a.s.l.

The upper air cyclonic circulation over Gujarat state and adjoining south Rajasthan moved westwards and now lies over southeast Pakistan and neighbourhood extending upto 3.1 km a.s.l.

Zone-wise weather forecast for next 5 days

NORTH: Rain/thundershowers likely at a few places over Himachal Pradesh and Uttaranchal and isolated in the rest region.

EAST: Rain/thundershowers likely at most places over south Orissa and south Chhattisgarh; at a few places over rest Orissa, rest Chhattisgarh and Jharkhand and isolated in the rest region.

SOUTH: Rain/thundershowers likely at most places over north Coastal Andhra Pradesh and Telangana; at many places over Andaman & Nicobar Islands and rest Andhra Pradesh; at a few places over Karnataka and Lakshadweep and isolated in the rest region. Rainfall over Karnataka is likely to increase after 24 hours.

WEST: Rain/thundershowers likely at many places over Gujarat Region, West Madhya Pradesh and Maharashtra; at a few places over East Rajasthan and isolated in the rest region. Further increase in rainfall over Maharashtra after 24 hours.

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