

## SPICES

January 09- January 14, 2006

### Overview:

- **Weekly Price Trend of IPSTA Pepper Futures Trading**
- **Chilli prices Jumps on Spec Buying**
- **Bears Dominated Spices Spot Markets**
- **Cardamom Prices Falls on Bumper Crop**
- **Pink Pepper: Comes as a Substitute for Black Pepper**

### News Highlights:

#### Weekly Price Trend of IPSTA Pepper Futures Trading

The trend lines for the different contract months at the IPSTA in the week. Prices shown bullish trend from Monday to Wednesday then bearish on Thursday and Friday. On Saturday prices taken significant upward move as its settlement day for January contract which settled on 6716 with a delivery of 4 MT; the prices would most likely to move steady to weak sentiments in coming days.

#### Chilli prices Jumps on Spec Buying

Chilli prices at NCDEX futures contract raised by Rs.124 today on speculative buying. However prices at Guntur market remained steady. Fresh crop is expected to arrive in markets after Sankranti and may peak in February month. According to market sources around 30000 bags arrived today and most of which were sold. Chilli prices are expected to remain steady in coming days. At futures market prices may open firm and lately decline.

#### Bears Dominated Spices Spot Markets

Prices of all major spices in Domestic market dominated by bears during the week. Turmeric prices at both the Nizamabad and Erode market witnessed bearish sentiments. At Nizamabad market prices for finger grade declined from Rs. 2600 per quintal to Rs 2525 per quintal and for gattah grade from Rs.2500 to Rs. 2400. At Erode market prices for finger grade traded between Rs. 2700-2550 per quintal. In Nizamabad market fresh crop arrivals were of 100-150 bags and in Erode market arrivals increased from 5000 bags to 6000 bags and on Thursday declined to 4000 bags. The demand for fresh turmeric was good. Black Pepper prices at Kochi market decreased by Rs. 100 per quintal for both garbled and Ungarbled grades. Market didn't witness much arrival due to closure of markets on occasion of Eid. Fresh crop started arriving

from Kerala and Karnataka. Red chilli prices remained steady to weak at Guntur market and traded in the range of Rs. 2700-2900 per quintal. Jeera prices at Unjha market remained steady to weak and declined from Rs. 1290- 1280 per 20 Kg. For Fair average quality and from Rs. 1280 to 1270 per 20 Kg. The weather for growth of crop was favourable and off take was more than the arrivals in the market. In coming week to prices would remain weak.

#### Cardamom Prices Falls on Bumper Crop

Bumper crop of Cardamom undermined its prices this year. The auction sales are of record levels particularly in Bodinayakannur and Idukki markets. In Kozhikode auction sales of around 2500 tonnes has been reported. Prices decreased even when buying was strong as supply is relatively too high. The estimated production in the year 2005-06 is of around 13500 tonnes when compared to previous years 11500 tonnes. Buyers from overseas markets bought lesser quantity as festival season at most of the places is over. Arrivals this season were of 5835 tonnes when compared to 3220 tonnes in previous season.

#### Pink Pepper: Comes as a Substitute for Black Pepper

Black Pepper consumers can help themselves with pink pepper in absence of it. A new variety of Pepper known as pink pepper has been found by the farmers of Indore that can be consumed as a substitute of Black pepper. The taste, pungency and scent is same as that of black pepper. Black pepper is used as spices in cooking and in medicines to cure various diseases and pink pepper can serve as a substitute for it. Pink pepper can be cultivated in plains however black pepper is cultivated only in coastal regions. However black pepper is not at threat as 2-3 Kg of pink pepper costs around Rs. 400 to 600 and black pepper for the same quantity costs at Rs 150-210.

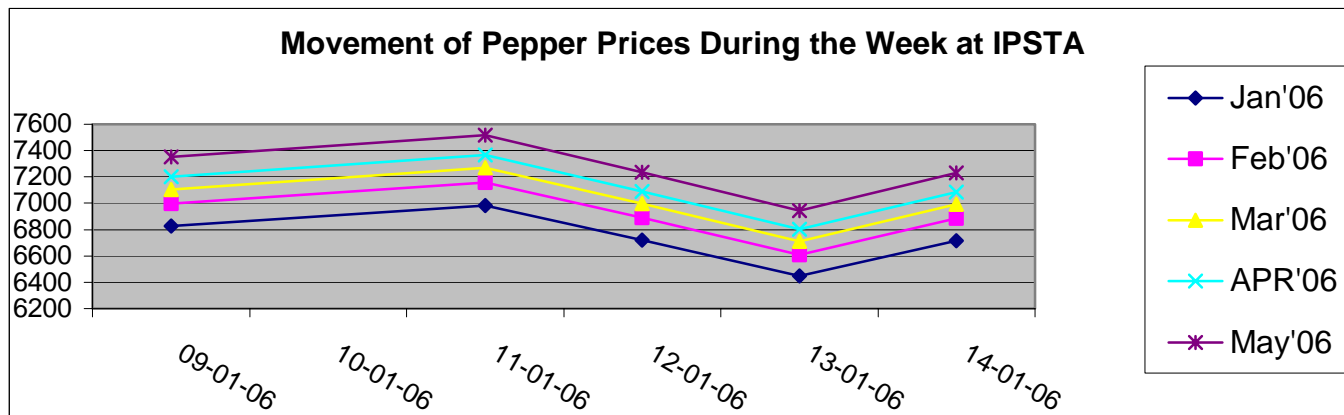
## Market Analysis:

### 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 the week. Prices shown bullish trend from Monday to Wednesday then bearish on Thursday and Friday. On Saturday prices taken

significant upward move as its settlement day for January contract which settled on 6716 with a delivery of 4 MT; the prices would most likely to move steady to weak sentiments in coming days.



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

Pepper	09.01.06	10.01.06	11.01.06	12.01.06	13.01.06	14.01.06
Ungarbled	6550	Market closed	Market closed	6450	6450	6350
Garbled	6950	Market closed	Market closed	6850	6850	6750

Note: Prices are in Rs. Per Kg.

The prices of Garbled and Ungarbled variety traded mixed and declined by Rs. 200 per quintal during the week in Kochi market. Fresh arrivals started coming regularly from some parts of Kerala and Karnataka but still in low quantity as poor demand farmers expecting improvement in prices in near future. According to market sources there is unconfirmed news that India has received heavy quantity of inferior quality of pepper from Srilanka through illegal routes. The demand from foreign markets is also not picking up due to weakness in US Dollar and price parity with Brazil. The prices might see some more weakness on supply pressure and as fresh pepper crop also coming regularly to the market on good weather conditions. In coming week prices would see steady to weak sentiments in prices.

#### Delhi Market

Black Pepper prices at Delhi market remained steady due to low demand in winters. However prices of Unpolished variety improved due to few arrivals in market. The traders are expecting the prices to be steady to weak in coming days.

Pepper	Jan 02 - 07	Jan 09-14
Golden Unpolished	74	74-74.50
11.5	85-90	85-90
No. 12	95-100	95-100

### Turmeric:

**Erode mandi:** During the week turmeric prices declined by Rs. Rs.50 -100 per quintal as against previous week prices. Average Arrivals of turmeric in Erode were reported between 5000 bags daily during this week the maximum 600 bags per day. Trading this week was low due to festival time and market remained closed for last two days. According to Trade sources the prices are expected to remain steady to weak and may decline gradually in near future. The fresh crop has started arriving in market and is expected to peak in coming weeks. The demand for turmeric is low.

DATES	Jan 02 - 07	Jan 09-14
Loose Finger	2650-2750	2600-2650
Bilty	2850-2950	2800-2850
Loose Gattah	2650-2700	2550-2650
Bilty	2850-2900	2750-2850
Loose SP Gattah	2750-2800	2700-2750
Bilty	3000	2950
Loose DP Gattah (Salem)	3000-3100	3000-3050
Bilty	3400	3400
Kolkata Quality Bilty (75 kg)	2050	2050

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

### Nizamabad Mandi:

At Nizamabad market during the week prices remained steady to weak by Rs.75 -100 per quintal for both finger and gattah grade in comparison with previous week levels. The Daily arrivals and off take of fresh crop was of 100-150 bags in Nizamabad. The supply is expected to increase in coming days and demand is low this may result in weak prices.

	Jan02 - 07	Jan 09-14
Nizamabad Gattah	2550-2600	2400-2500
Nizamabad Finger	2500-2525	2525-2600

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

### Delhi Mandi:

The Prices remained steady in various grades except Warangal polish grade that declined by Rs.100 on low demand. The demand for turmeric remained low. The, talks of sufficient stock, increased arrivals and weak demand would keep the movement of prices steady to weak in coming week.

	Jan 02- 07	Jan 09-14
Nizamabad finger	3100	3100
E.Finger mini Selam	3600	3600
E. Single polish Gattah	3100	3100
E. Double polish Gattah	3600	3600
Warangal polish	3100	3000
Selam Finger	4000	4000

Note: Prices are in Rs/ Qtl.

### Clove:

#### Delhi mandi:

Delhi clove market prices remained steady throughout the week. The demand for cloves remained steady to moderate. Traders are expecting improvement in prices in coming weeks following the low production reports from the origin countries like Guatemala.

	Jan 02- 07	Jan 09-14
Indonesia	210-212	210-212
Ketan	215	215
Colombo	188	188
Madagascar	190	190
Zanzibar	215	215

Note: Prices are in Rs/Kg

### Cumin:

#### Unjha Mandi:

Cumin prices remained steady to weak during the week at Unjha market. Sowing of jeera in Gujarat and Rajasthan region is complete and in Rajasthan is 1.5 times of the previous year. The climate for jeera crop remained suitable.

The demand for jeera is low and the prices are expected to remain steady to low in coming week.

	Jan07	Jan 09-14
Kisan Mal-FAQ	1290	1290-1260
Ganesh	1280	1280-1270
M/c. Cleaned	1350-1550	1340-1550
Sup. M/c. Cleaned	1450-1650	1440-1650

Note: Prices are in Rs/20 Kg

### Red Chillies:

#### Guntur Mandi. :

Red Chilli prices at Guntur Chilli Market remained steady in different grades. The demand for chilli was moderate to weak throughout the week. The fresh crop is expected to come by January end and may peak in February month. According to market sources chilli prices are expected to remain steady in coming days.

Grades	Jan 02- 07	Jan 09-14
COLD	2000-3000	2000-2900
WHB	2400-2600	2400-2600
Guntur Fullcut	4000-4200	4000-4200
Phatki	1100-1200	1100-1200
Tejaseed	3000-3100	3000-3100

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

### Delhi Mandi:

Chilli prices remained weak for most of the grades. However the prices for Nagpur packing increased by Rs.100 per quintal. The demand for superior quality is more. The traders this crop season are expecting a yield of around 60 percent. The prices for chilli are expected to trade steady to firm in coming days ahead of fresh crop.

DATES	Jan 02- 07	Jan 09-14
Guntur Pala	3000	3000
Guntur Fullcut	4500	4000
Guntur Packing (new)	3500	3300-3500
Nagpur Pala	2800-2900	2700-2900
Nagpur Fullcut	3500	3400-3500
Nagpur Packing	3000-3100	3200

Note: Prices are in Rs/Qt

### Cardamom:

#### Delhi mandi

Cardamom prices for all major varieties remained steady this week. The quality of cardamom in Guatemala is inferior to that of India. The crop yield this is year is more and demand from Saudi Arabia for 728 colour 7 mm is good so prices for this variety can rise by Rs. 5 to 10 per Kg. in the coming days. Cardamom prices are expected to trade range bound in coming days.

DATES	Jan 02- 07	Jan 09-14
Panwali	200-205	200-205
Colour Robin	200-205	200-205
C Bold 6.5mm	215-230	215-230
Extra Bold 7mm	230-250	230-250
Ex Bold 7.5mm	325-350	325-350
Handpicked	440-480	440-480

Note: Prices are in Rs/kg

### Coriander:

#### Delhi Mandi

Coriander prices at Delhi market remained steady this week. The demand for fresh coriander is high however of coriander seeds is low. In the coming week prices may remain steady. The demand will improve once the fresh coriander seed crop starts coming in the market.

Coriander Grade	Jan 02- 07	Jan 09-14
FAQ (Chalu)	2500-2600	2500-2600
Medium	2800-3300	2800-3300
Green	3200-3600	3200-3600
Extra Green	3600-4500	3600-4500

Note: Rate Per Quintal

### Technical Analysis:

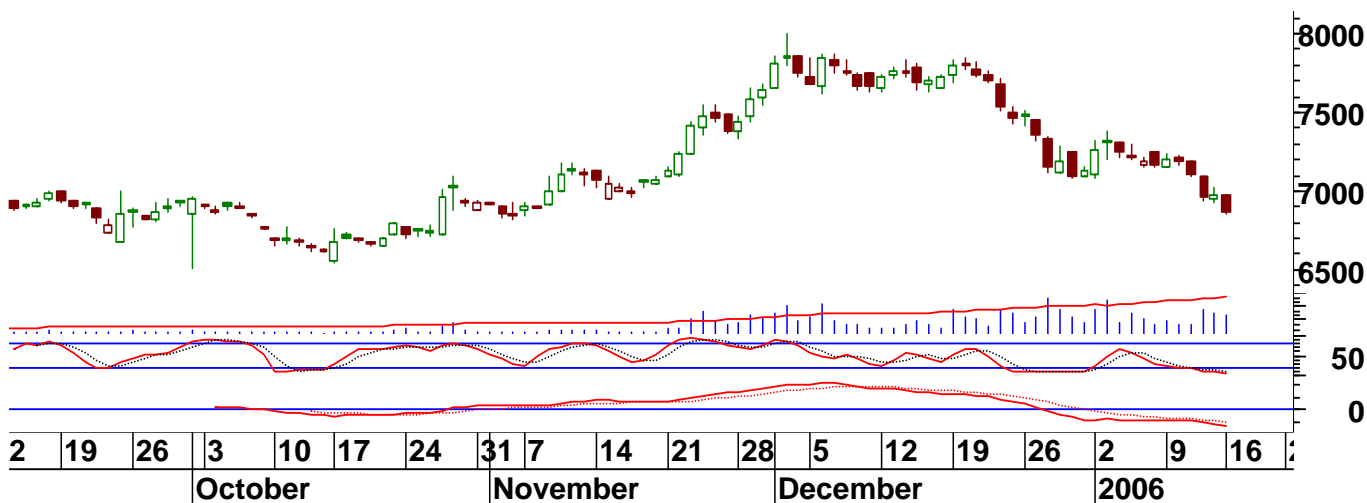
**Commodity: Black Pepper**

**Exchange: NCDEX**

**Contract Month: February 2006**

Candlesticks showing bearish sentiments, stochastic oscillator is in oversold region and is likely to give a bullish

confirmation. MACD is in oversold region. The prices may remain low at the opening of this week and thereafter may improve. However at the weekend prices may again close low.



**Recommendation:** The prices most likely to open low and remain firm and at the end of the week may decline. The prices would be in the range of 6950- 6768 in this week.

## Commodity: Turmeric

Exchange: NCDEX

Contract Month: April 2006

Candlesticks showing bearish sentiments, stochastic oscillator is in oversold region and is most likely to take a crossover and MACD is in negative region. The prices are expected to trade low on the first trading day of the week

and thereafter may take a correction and finally by the weekend may again be bearish. The Prices are expected to move range bound from steady to weak.



**Recommendation:** Go for very Short term as well as intra day selling near Resistance levels in the week and intra day

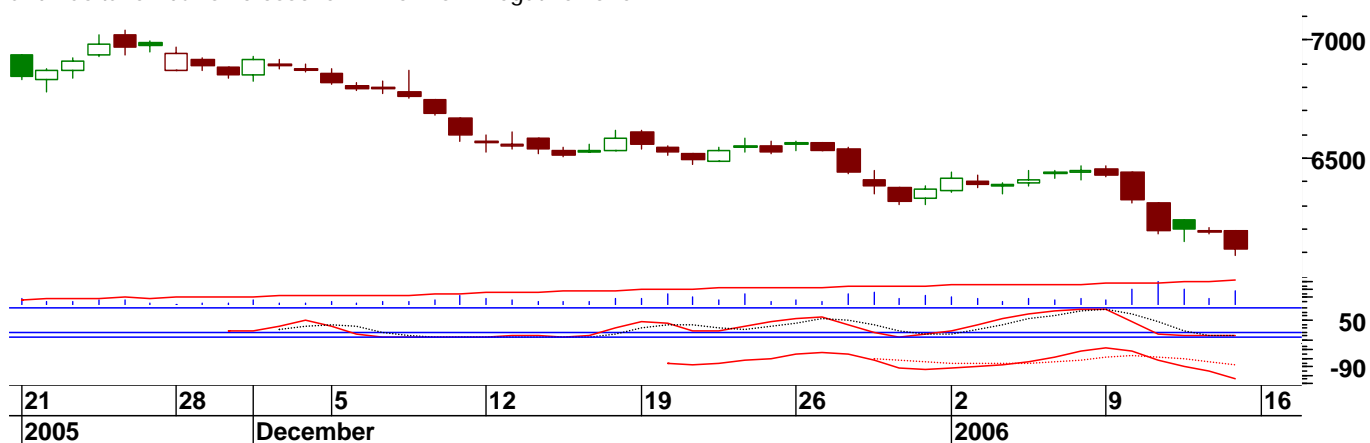
buying near support levels. The prices would be in the range of 2263 -2182 in this week.

## Commodity: Cumin (Jeera)

Exchange: NCDEX

Contract Month: February 2006

Most of the indicators are showing bearish sentiment in the market. Stochastic oscillator is moving in oversold region and has taken bullish crossover. MACD is in negative zone.



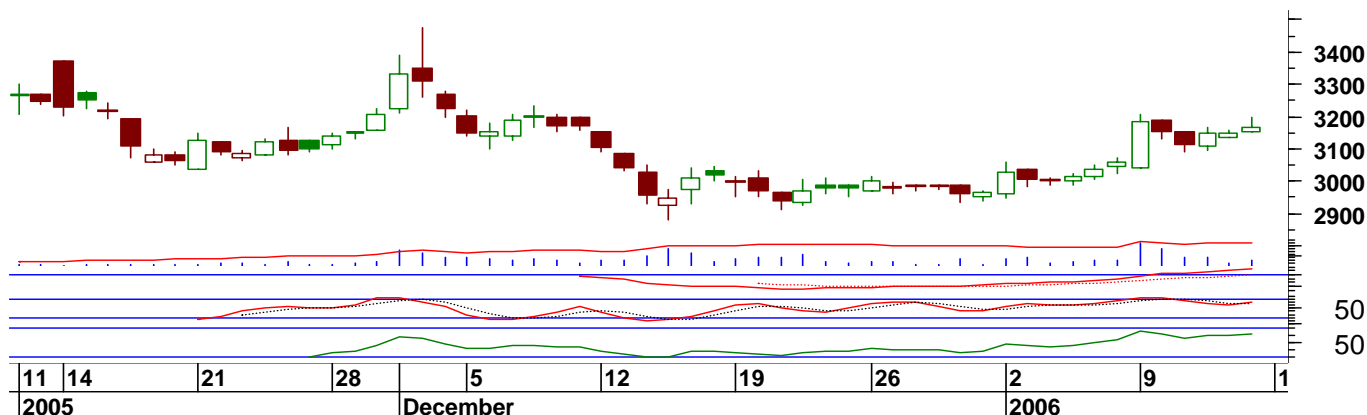
**Recommendation:** Go for Short positions on short term and intra day basis. However slight correction may take place after 2-3 days of bearish market. At the weekend it may

again be bearish. Market would move in the range of 6240-6027 in this week.

**Commodity: Red Chili****Exchange: NCDEX****Contract Month: March 2006**

Candlesticks showing downward correction. Stochastic Oscillator is moving upward in neutral region. RSI is bullish. MACD is also moving in positive zone. Open interest is

increasing thus indicating fresh position taking in the market in anticipation of price rise.



**Recommendation:** The prices are most likely to move on a firm side. So one can take long positions Slight downward correction can be seen in the beginning of the week. Market would move in the range of 3234-3128 in this week.

**WEATHER WATCH (As on 15.01.06)****ALL INDIA WEATHER FORECAST  
BULLETIN VALID FOR NEXT 5 DAYS****Weather Outlook**

As per the earlier assessment, the movement of a western disturbance towards J&K and adjoining parts of NW India has resulted in to warmer nights and the same conditions are to continue over NW India till 18-19 January, 2006. Under its influence, scattered to fairly widespread snowfall over hilly regions of NW India(J & K, Himachal and Uttaranchal) and isolated to scattered rains over adjoining plains of NW India(Punjab, Haryana-including Chandigarh and Delhi, Western Uttar Pradesh, Rajasthan) is expected in coming days. Scattered to fairly widespread rains have been realized over south coastal Tamilnadu, Kerala, Lakshadweep, NE States, J & K, Himachal, Uttaranchal for the last 24-hrs. Yesterday's DEPRESSION over the southeast Arabian Sea has moved in predominant west-northwesterly direction during the last 24-hrs and persists as a low pressure area now over the southeast Arabian Sea. It is likely to move in predominant westnorthwesterly direction and dissipate gradually. Hence, only a isolated to scattered rainfall activity is now expected over Lakshadweep and Kerala for next 24-48hrs or so.

**NORTH & NORTH NORTHWEST INDIA  
[J&K, HP, UTTARANCHAL, PUNJAB,  
HARYANA, DELHI, WEST UP]**

Scattered to fairly widespread snowfall/rains is likely over J&K, H.P. and Uttaranchal and isolated rains over adjoining

Punjab and Haryana in coming 3-days. Subsequently, cold-wave conditions are likely to set in all over the region.

**EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]** The region is likely to experience mainly dry weather with fog in morning and late evenings particularly over parts of east U.P. and Bihar.

**CENTRAL I INDIA [MP, CHATTISGARH, VIDARBHA]** Mainly dry weather is likely.

**SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]**

Kerala and Lakshadweep are likely to receive isolated to scattered rainfall in coming 1-2days. Subsequently, dry weather is likely to prevail.

**WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]**

Scattered rainfall activity is expected over Rajasthan for next 2-3days only and mainly dry weather is expected to prevail over rest of the region.

Source: GOI (NCMRWF& IMD)

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