

SPICES

January 02- January 07, 2006

Overview:

- Kerala Markfed Extends Time for Pepper Auction
- Pepper Prices to Remain Firm
- Indian Cardamom Exports to West Asia Declines
- Vietnam: Year 2005 Pepper Production and Exports Up

News Highlights:

Kerala Markfed Extends Time for Pepper Auction

Kerala Markfed procured pepper at the rate of Rs.7500 per quintal in the month of March -April 05. It is offering to sell at Rs. 7100 per quintal that is below the spot price of Rs. 6700-7100. However buyers are showing some disinterest and are waiting for it to sell at reduced prices. Markfed has extended the date for tender cum auction sale till 13th of January this year. The exporters are not willing to buy as they fear the export demand for Indian pepper is not high and the rates offered by it is too high when compared with other exporting nations. However it has a benefit this year as crop in Vietnam, which is the largest exporter, is expected to be around 10 percent less than previous year and its crop usually arrives in March. So Indian exporters can take advantage of this and can cash in.

Pepper Prices to Remain Firm

Pepper prices this year are expected to be firm on increased global demand and less availability. Vietnam one of the major producers of pepper may come up with its crop in March and this time its production is expected to be lower by around 10 percent. This may bring in better opportunities from overseas markets for the Indian traders.

According to traders in Kochi the demand for black pepper is expected to come in next week. This may further bring a rise in prices.

Indian Cardamom Exports to West Asia Declines

India's cardamom export to West Asian countries has declined over some past few years. The demand for cardamom from Saudi Arabia is usually good and India was one of the major exporters of cardamom. But now its facing severe competition from other cardamom growing nations as they are offering it at lower prices. India's sales to Saudi Arabia in the year 2000-01 were of 496.10 tonnes, which declined to around 400 tonnes in 2003-04

Vietnam: 2005 Pepper Production and Exports Up

Vietnam's share in global export of pepper has increased to 50 percent. The production of pepper in Vietnam was high in 2005 and its exports were also significantly up. White pepper export was around 35 percent out of the total exports of pepper made by Vietnam. However this year production of pepper in Vietnam is expected to be lower by 10 percent when compared to 115000 tonnes produced last year.

Domestic Prices For the week ending 31.12.2005:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (31.12.05)	Price (RS/KG) For The Week (24.12.05)	Last Month (RS/KG)Same Week (4.12.05)	Last Year Same Week (RS/KG) (1.1.05)
Black pepper*	Malabar garbled (mg-1)	Cochin	71	73.60	71.42	71.66
Cardamom	(Small) Ungraded	Vandanmettu	222.71	223.83	218.67	341.91
Cardamom	Cardamom (large)	Gangtok	100	98.13	98.75	78.75
Chilli	Non -cold storage	Guntur	16.20	18.00	18.00	29.00
	Cold storage		28.00	29.00	29.00	27.00
Ginger	Unbleached (new)	Cochin	70.42	81.00	120.00(old)	140.00(old)
Turmeric	Alleppey finger (AFT)	Cochin	50.00	50.00	50.00	55.00
	Rajapuri	Mumbai	55.50	55.50	56.50	55.25
	Duggirala	Mumbai	28.13	28.50	31.00	-
Coriander	Indori 5%	Mumbai	22.75	22.75	24.75	20.60
Cumin	4%	Mumbai	64.38	64.38	65.63	74.75
Clove	Grade 1	Cochin, Nagarcoil	230.83 240.00	225.00 245.00	220.00 245.00	300.00 265.00
Cinnamon		Delhi	51.00	51.00	52.50	52.50

International Spot Prices for the week ending 31.12.2005:

Spice	Origin/Grade	Market	Price For The Week (30.12.05) (US\$/TON)	Price For The Week (23.12.05) (US\$/TON)	Last Month Same Week (2.12.05) (US\$/TON)	Last Year Same Week (30.12.04) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1720	1720	1698	1610
Cardamom * (small)	Fancy green Indian Asta (8 mm)	New York	8820	8820	8820	8820
		Saudi Arabia	7840	7830	7830	8820
			7840	7830	7830	10590
Chillies	Indian sannm-4 (stemless)	New York	1477	1477	1477	1300
Ginger	India cochin	New York	3418	3418	3418	3638
Turmeric	Chinese peeled	New York	2866	2977	3197	3197
	Indian ground India	New York	1213	1213	1213	1213
	Alleppey finger		2051	2051	2050	1985
Garlic	Chinese	New York	2756	2756	2822	1566
Coriander	Canada	New York	772	772	772	816
Cumin	Syrian		1830	1808	1830	2073
	India	New York	2315	2315	2029	2095
Fennel	Indian (Asta)	New York	1521	1521	1521	1279
	Egyptian		1367	1367	1411	1300
Fenugreek	India/turkey	New York	750	750	750	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	3748	3748	3704	4013
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon (soft bark)	New York	5292	5292	5292	4630

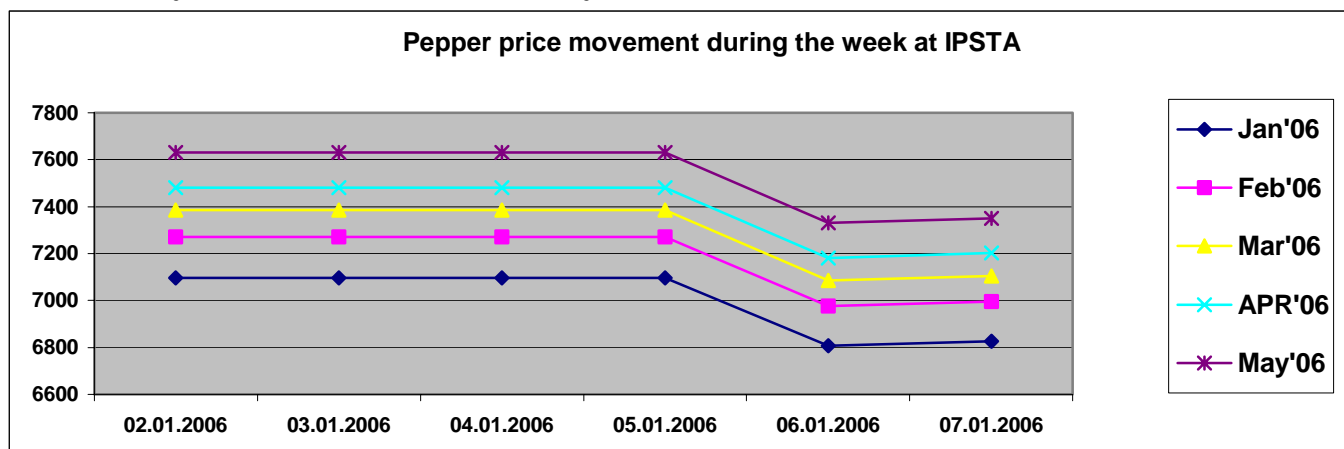
Market Analysis:

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 remained steady for the whole week from Monday to

Thursday and thereafter declined and ended slightly recovered in the entire presently trading contract; the prices would most likely to take steady to slight firm movement in coming days.



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

Pepper	02.01.06	03.01.06	04.01.06	05.01.06	06.01.06	07.01.06
Ungarbled	6650	6750	6700	6600	6700	6550
Garbled	7050	7150	7100	7000	7000	6950

The prices of garbled variety traded mixed and declined by Rs. 100-150 during the week. Ungarbled pepper decreased by Rs.200 per quintal in Kochi market during the week. Fresh arrivals from some parts of Kerala and Karnataka are reaching the markets. 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 for black pepper from foreign markets improved in the beginning of week due to opening of foreign markets. 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

The prices at Delhi market remained steady to weak due to low demand in winters. However prices of Number 11.5 variety improved due to few arrivals in market. The traders are expecting the prices to improve due to increase in demand in coming days.

Pepper	Dec 27 - Jan02	Jan02 - Jan07
Golden Unpolished	74	74
11.5	82-90	85-90
No. 12	98-104	95-100

Note: Prices are in Rs. Per Kg.

Turmeric:

Erode mandi: During the week turmeric prices improved by Rs. Rs.50 -100 per quintal as against previous week prices. Average Arrivals of turmeric in Erode were reported between 3500 bags daily during this week the maximum 7000 bags per day. According to Trade sources the prices are expected to remain steady to weak and may decline gradually in near future. The fresh crop is expected to come in January month. The demand for turmeric is moderate. Weather is cloudy and if it rains heavily it may affect coming crop adversely.

DATES	Dec 27 - Jan02	Jan02 - Jan07
Loose Finger	2550-2600	2650-2750
Bilty	2800-2850	2850-2950
Loose Gattah	2650-2700	2650-2700
Bilty	2900-2950	2850-2900
Loose SP Gattah	2800	2750-2800
Bilty	3050	3000
Loose DP Gattah (Salem)	2900-3000	3000-3100
Bilty	3150-3250	3400
Kolkata Quality Bilty (75 kg)	2100	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.25 per quintal for finger grade and remained same for gattah grade in comparison with previous week levels. The Daily arrivals and off take in Nizamabad were reported to be around 330 to 700 bags. These include fresh crop arrivals of around 30-40 bags daily. The supply is increasing and demand remained moderate resulting in steady to weak prices. Traders are expecting arrivals to increase after pongal and therefore prices may decline.

	Dec 27 - Jan02	Jan02 - Jan07
Nizamabad Gattah	2550-2600	2550-2600
Nizamabad Finger	2450-2500	2500-2525

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

Delhi Mandi: The Prices remained steady in various grades. The demand for turmeric remained moderate. The, talks of sufficient stock and weak demand would keep the movement of prices steady to weak in coming week.

	Dec 27 - Jan02	Jan02-Jan07
Nizamabad finger	3100-3050	3100
E.Finger mini Selam	3600	3600
E. Single polish Gattah	3100-3050	3100
E. Double polish Gattah	3600	3600
Warangal polish	3050	3100
Selam Finger	4100-4000	4000

Note: Prices are in Rs/ Qtl.

Clove:

Delhi mandi Delhi clove market prices remained. The demand for cloves remained steady to moderate. Traders are expecting improvement in its prices in coming week or so following the low production reports from the origin countries like Guatemala. Prices would remain firm in coming week also.

	Dec 27 - Jan02	Jan02-Jan07
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 range bound during the week at Unjha market. Sowing of jeera in Gujarat and Rajasthan region is complete. Acreage in Gujarat has increased by around 50 percent. The climate remained cold which is not suitable for the crop and if it further remain cold the crop may get affected. The demand for jeera has decreased and the prices are expected to remain steady to low in coming week unless the weather remains suitable for the growth of crop.

	Dec 27 - Jan02	Jan07
Kisan Mal-FAQ	1200-1400	1290
Ganesh	1280	1280
M/c. Cleaned	1350-1550	1350-1550
Sup. M/c. Cleaned	1450-1650	1450-1650

Note: Prices are in Rs/20 Kg

Red Chillies:

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

Grades	Dec 27 - Jan02	Jan02-Jan07
COLD	2300-3000	2000-3000
WHB	2800-3050	2400-2600
Guntur Fullcut	4200-4400	4000-4200
Phatki	1100-1150	1100-1200
Tejaseed	3175-3450	3000-3100

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

Delhi Mandi:

Chilli prices remained same for most of the grades. 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	Dec 27 - Jan02	Jan02-Jan07
Guntur Pala	3000	3000
Guntur Fullcut	4500	4500
Guntur Packing (new)	3500	3500
Nagpur Pala	2800-2900	2800-2900
Nagpur Fullcut	3500	3500
Nagpur Packing	3000-3100	3000-3100

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 and thus stockists are buying to build up stocks and sell at higher rates when demand picks up pace. The prices are expected to improve in coming week.

DATES	Dec 27 - Jan02	Jan02-Jan07
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	Dec 27 - Jan02	Jan02-Jan07
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: January 2006

Candlesticks showing bullish sentiments, stochastic oscillator is bullish and MACD is in oversold region. The prices may remain firm at the opening of this week and

thereafter may decline and by the end of the week may trade range bound. Overall the coming week may see mixed sentiments ahead.



Recommendation: The prices most likely to open firm and remain firm in the beginning of the week and thereafter may decline. So one should take long position near support

levels and when prices decline take short position. The prices would be in the range of 6753-7030 in this week.

Commodity: Turmeric

Exchange: NCDEX

Contract Month: April 2006

Candlesticks showing bearish sentiments, stochastic oscillator is indicating a bearish crossover may take place and MACD is in negative region all technical indicators showing bearish sentiment in the prices. However at the

end of the week the prices may witness slight correction. 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. But one should be cautious, as there are chances of positive

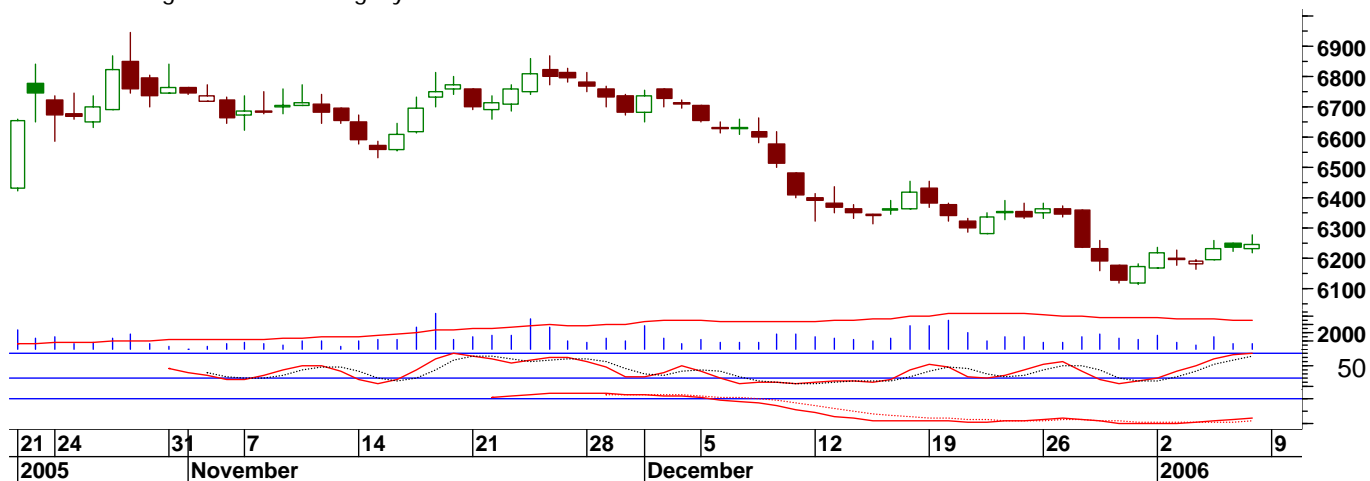
correction too during weekend. The prices would be in the range of 2267 -2322 in this week.

Commodity: Cumin (Jeera)

Exchange: NCDEX

Contract Month: January 2006

All the indicators are showing bullish sentiment in the market. Stochastic oscillator is moving in neutral region. MACD is in negative zone but slightly bullish.



Recommendation: Go for Long positions on short term and intra day basis. Market would move upward after a firm opening and may decline slightly. However at the weekend it may again be bullish. The resistance level of 6380 is of

significance and if it gets breached prices are most likely to be bullish. Market would move in the range of 6193-6364 in this week.

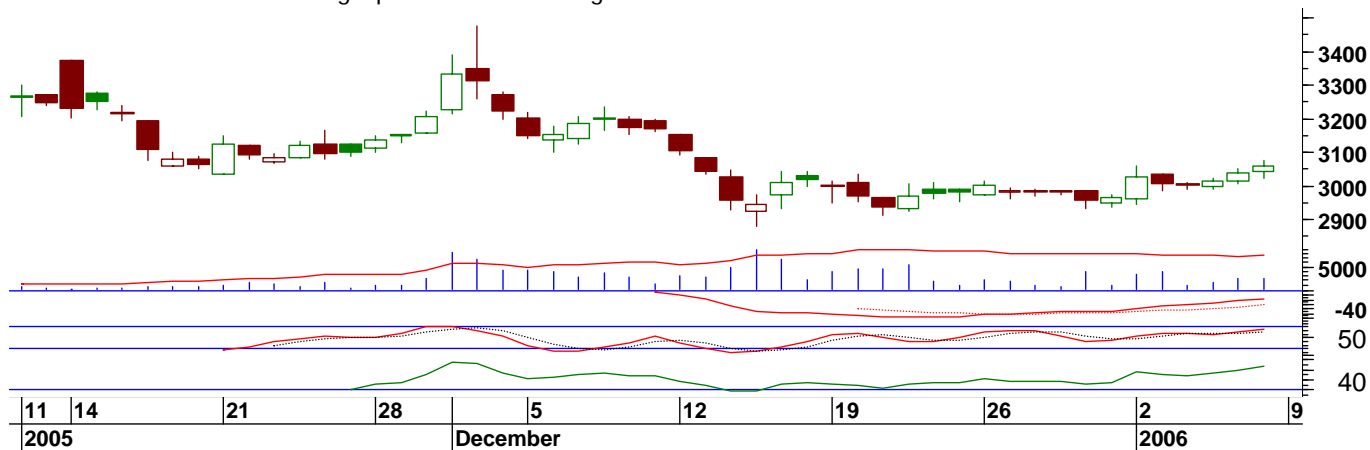
Commodity: Red Chili

Exchange: NCDEX

Contract Month: March 2006

Candlesticks showing bullish sentiments with chances of negative technical correction by the end of this week. Stochastic Oscillator is moving upward in neutral region.

RSI is bullish. MACD is also showing slightly bullish sentiments but in negative region.



Recommendation: The prices are most likely to move on a firm side. So one can take long positions Slight correction can be seen after a couple of days. Market would move in the range of 3001-3140 in this week.

WEATHER WATCH (As on 08.01.06)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

A western disturbance (W.D.) over J&K and north Pakistan still persists. It is likely to move away in northeastward direction causing isolated snowfall in hilly regions of J&K during next 24 Hrs. Another western disturbance is likely to approach north Pakistan and adjoining J&K region by 11th January 2006. Under its influence parts of NW India viz. J&K, H.P. and Uttaranchal likely to experience scattered to fairly wide spread snowfall and adjoining plains of Punjab, Haryana, north Rajasthan and west U.P. are likely to experience isolated to scattered rains during 11-12 January. The trough of low pressure over southwest Bay of Bengal is likely to intensify in to low pressure area during next 24-48 Hrs. and move in westward direction. Under its influence, scattered rainfall activity is expected over southern Peninsular India during next 10-12 January 2006.

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

Scattered to fairly wide spread snowfall is likely over J&K, H.P. and Uttaranchal during 10-12 January and isolated rainfall over adjoining Punjab, Haryana, north Rajasthan, Delhi and west U.P. during 11-12 January 2006.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES] The region is likely to experience mainly dry weather during next 4-5 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely. Night temperatures are likely to raise about 2-3 degree C starting from 10 January.

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

South Tamilnadu, Kerala and Lakshadweep are likely to receive scattered rainfall during 10-12 January 2006.

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

Mainly dry weather is expected to prevail except over north Rajasthan where isolated rainfall may occur during 11-12 January 2006.

Source: GOI (NCMRWF& IMD)

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