

SPICES

January 16- January 21, 2006

Overview:

- Jan 27-29: Eighth World Spice Congress-2006 at Chennai
- Red Chilli Trades Firm
- Cardamom Prices Falls Steeply
- Indian seed Spice Exports Observes a Fall
- Turmeric: Harvesting to Gain Pace

News Highlights:

Jan 27-29: Eighth World Spice Congress-2006 at Chennai

Eighth World Spice Congress for 2006 is to be held at Chennai from January 27th to January 29th 2006. Mr. Menon the Union commerce Secretary will inaugurate this congress. The congress will cover sessions on crops, markets and business. Experts from the field of spices will participate in this congress.

Red Chilli Trades Firm

Red Chilli crop in Guntur market is expected to arrive in the market in its full swing from first week of February. The crop has already started arriving in other major markets of Warangal and Khammam. Trading of around 1000 bags of red chilli was visible and changed hands at a price of around Rs. 2600 - 2850 per quintal. The climate is favourable for crop as in the morning crop gets moisture from dew in chilli crop growing regions of Gujarat

Cardamom Prices Falls Steeply

Cardamom prices observed a significant decline of Rs.10-Rs.15 per Kg. The decline in prices was the result of lack of demand, bumper production this year and continued arrivals. Exporters remained aloof from buying cardamom on less demand. Another possible reason for less demand is the end of festival season in most of the major cardamom

importing countries. Looking at the demand scenario in our domestic market the demand for cardamom is less in winter season and most of the festivals are over. Traders are expecting that arrivals may get reduced due to severe fall in prices and the cultivators may not sell at such reduced prices and hold the stock.

Indian seed Spice Exports Observes a Fall

Indian seed spices have observed a 7 percent decline in the past 9 months. 2,44,666 tonne of spices were exported as against 2,62,067 tonne during the same period last year. All the seed spices observed a substantial decline in the past 9 months. Fennel witnessed a 42% fall in quantity. According to traders fall is due to better production in other seed spices producing countries.

Turmeric: Harvesting to Gain Pace

Trade sources are expecting greater crop of turmeric of about 4 - 5 lakh tonnes this year. The turmeric prices of gattah and finger grades are trading at Rs.2410 to 2560 per quintal. Harvesting of turmeric has begun in almost all the turmeric growing regions and fresh arrivals are expected to peak up in February and March. The traders are expecting a further steep fall in prices is likely on supply pressure. Traders are expecting a bumper crop in Vietnam this year, which is expected to reach markets by the end of January 2006

Market Analysis:

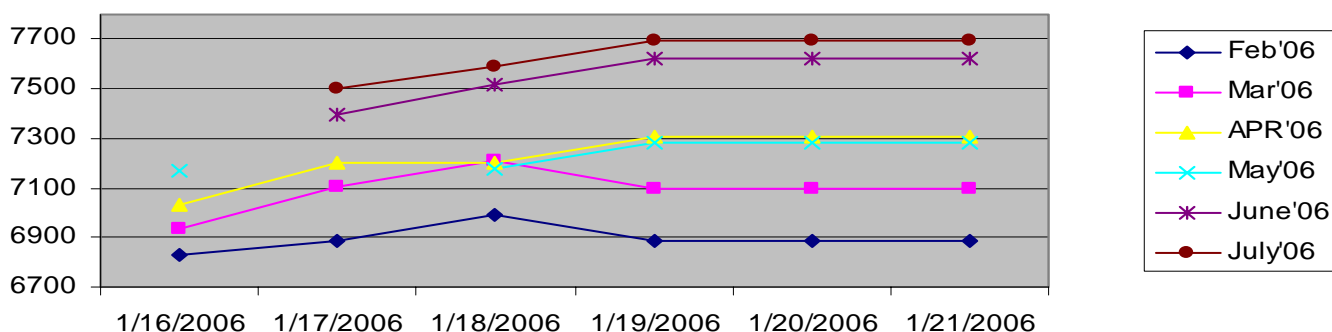
Pepper:

A Brief Weekly Fundamental Analysis of IPSTA Pepper Futures Trading

The graph below is presenting the closing prices for different contract months at the IPSTA in the week. Prices showed bullish trend throughout the week for almost all the contracts. In February and March contract prices improved

till Wednesday and thereafter decreased slightly and remained steady. The prices would most likely to move steady to weak sentiments in coming days.

Pepper prices during the week at IPSTA



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

Pepper	1/16/2006	1/17/2006	1/18/2006	1/19/2006	1/20/2006	1/21/2006
Ungarbled	6350	6350	6350	6350	6400	6400
Garbled	6750	6750	6750	6750	6800	6800

The prices of Garbled and Ungarbled variety most of the time traded steady and improved in the last two days by Rs 50 per quintal. Fresh arrivals started coming from some parts of Kerala and Karnataka but farmers are not selling at lower prices and are holding back to fetch better prices. According to market sources there is unconfirmed news that some of the major Commodities exchanges have inferior quality of pepper in their warehouses this created panic among traders and people are not interested in taking deliveries of pepper on expiry of contract and rolling over their positions. The demand from foreign markets is also not picking up due problem of price parity with Brazil but rupee condition is improving therefore prices may increase in coming days. Traders are expecting demand may increase in coming days. In coming week market may see steady to firm sentiments in prices.

Delhi Market

Black Pepper prices at Delhi market remained steady to low during this week due to release of stock of around 2500 tonnes of pepper by some stockists of North India, heavy tonnes of inferior quality of pepper with several major commodity exchanges and by reason of increased imports of inferior quality of black pepper from Srilanka. The demand for Indian pepper is likely to improve in both domestic and international markets. Another reason is less production expected this year by India and Vietnam. The traders are expecting the prices to be steady to firm in coming days.

Pepper	Jan 09-14	Jan 16-21
Golden Unpolished	74-74.50	74
11.5	85-90	85-90
No. 12	95-100	95-100

Note: Prices are in Rs. Per Kg.

Turmeric:

Erode mandi: During the week turmeric prices declined by Rs. Rs.100- 150 per quintal as against previous week prices. Average Arrivals of turmeric in Erode were reported between 3000 bags daily during this week the maximum 4000 bags per day. Daily off take was of around 60 percent. 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.

DATES	Jan 09-14	Jan 16-21
Loose Finger	2600-2650	2500 - 2650
Bilty	2800-2850	2700-2850
Loose Gattah	2550-2650	2500-2550
Bilty	2750-2850	2700-2750
Loose SP Gattah	2700-2750	2600-2700
Bilty	2950	2900
Loose DP Gattah (Salem)	3000-3050	-
Bilty	3400	-

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

Nizamabad Mandi:

At Nizamabad market during the week prices declined weak by Rs.75 per quintal for finger and for gattah grade by Rs.50-100 as against previous weeks range. 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.

	Jan 09-14	Jan 16-21
Nizamabad Gattah	2400-2500	2325-2425
Nizamabad Finger	2525-2600	2425-2550

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

Delhi Mandi:

The Prices remained weak for almost all the grades of turmeric. However for Warangal polish and Selam finger prices remained steady. The prices declined on increasing arrivals at major turmeric markets. 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 09-14	Jan 16-21
Nizamabad finger	3100	3000
E.Finger mini Selam	3600	3500
E. Single polish Gattah	3100	3000
E. Double polish Gattah	3600	3500
Warangal polish	3000	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. The demand for cloves may increase in coming days by reason of improved demand and due to some unconfirmed news hinting at lesser imports from Nepal. Traders are expecting improvement in prices in coming weeks following the low production reports from the origin countries like Guatemala and increase in demand.

	Jan 09-14	Jan 16-21
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 at Unjha market remained steady to weak during the week. Sowing of jeera in Gujarat and Rajasthan region is complete and in Rajasthan is 1.5 times of the previous year. Arrivals of jeera crop are expected to begin from first week of February month and peak in March month. The climate for jeera crop remained suitable. The demand for jeera is improving and the prices are expected to remain steady in coming week.

	Jan 09-14	Jan 16-21
Kisan Mal-FAQ	1290-1260	1100-1280
Ganesh	1280-1270	1180-1300
M/c. Cleaned	1340-1550	1250-1550
Sup. M/c. Cleaned	1440-1650	1400-1650

Note: Prices are in Rs/20 Kg

Red Chillies:**Guntur Mandi. :**

Red Chilli prices at Guntur Chilli Market remained steady in different grades. Guntur market witnessed very thin trading this week on some problems among traders relating to credit provided on trade. The demand for chilli was moderate 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 09-14	Jan 16-21
COLD	2000-2900	2000-2950
WHB	2400-2600	2400-2650
Guntur Fullcut	4000-4200	4000-4200
Phatki	1100-1200	1100-1200
Tejaseed	3000-3100	3000-3100

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

Delhi Mandi:

Chilli prices remained steady this week for most of the grades. The demand was steady and slightly more for superior quality. The traders this crop season are expecting a yield of around 60 percent. The climate for Chilli crop is suitable in major chilli growing regions of Andhra Pradesh. The prices for chilli are expected to trade steady to firm in coming days.

DATES	Jan 09-14	Jan 16-21
Guntur Pala	3000	3000
Guntur Fullcut	4000	4000
Guntur Packing (new)	3300-3500	3300-3500
Nagpur Pala	2700-2900	2700-2900
Nagpur Fullcut	3400-3500	3400-3500
Nagpur Packing	3200	4000

Note: Prices are in Rs/Qtl

Cardamom:**Delhi mandi**

Cardamom prices for most of the varieties remained steady to weak this week. The quality of cardamom in Guatemala is inferior to that of India. The crop yield this is year is more and most of the major markets in Karnataka are witnessing heavy inflow of Cardamom. Cardamom prices are expected decline on increased arrivals in coming days.

DATES	Jan 09-14	Jan 16-21
Panwali	200-205	195-205
Colour Robin	200-205	195-205

C Bold 6.5mm	215-230	210-230
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 coriander is steady to low. In the coming week prices may remain steady. The demand will

improve once the coriander seed crop starts coming in the market.

Coriander Grade	Jan 09-14	Jan 16-21
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:

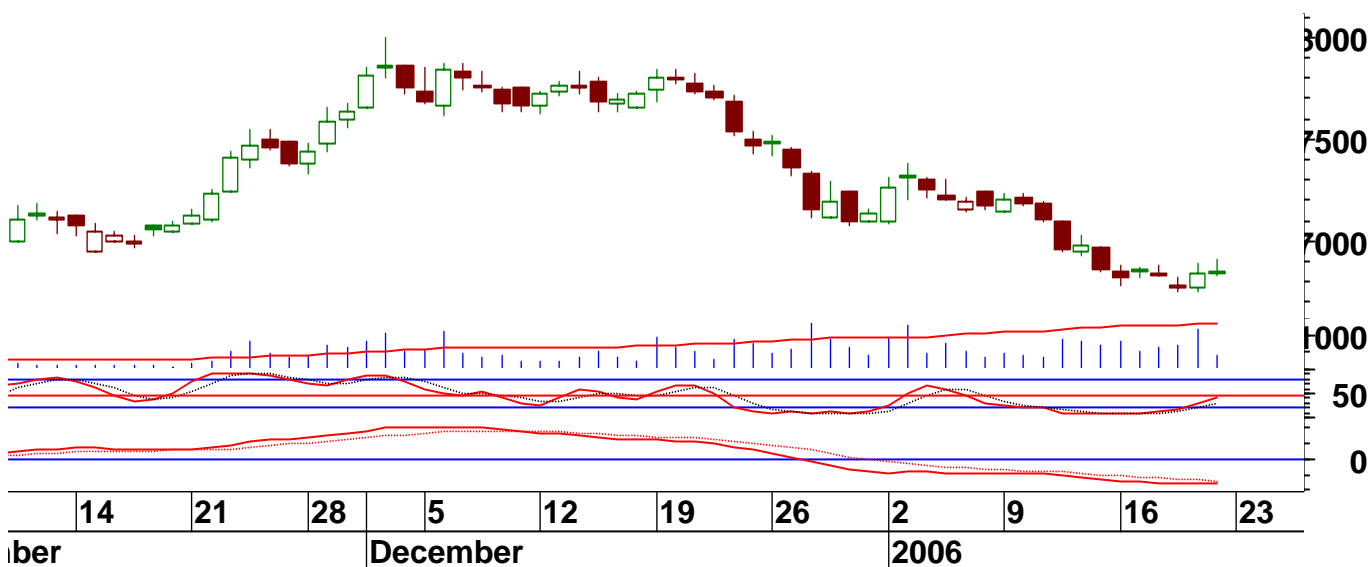
Commodity: Black Pepper

Exchange: NCDEX

Contract Month: February 2006

Candlesticks showing bullish sentiments, stochastic oscillator is in neutral region and is likely to remain bullish.

MACD is in oversold region. The prices may remain firm at the opening of this week and by mid week may observe slight correction and thereafter continue to be bullish.

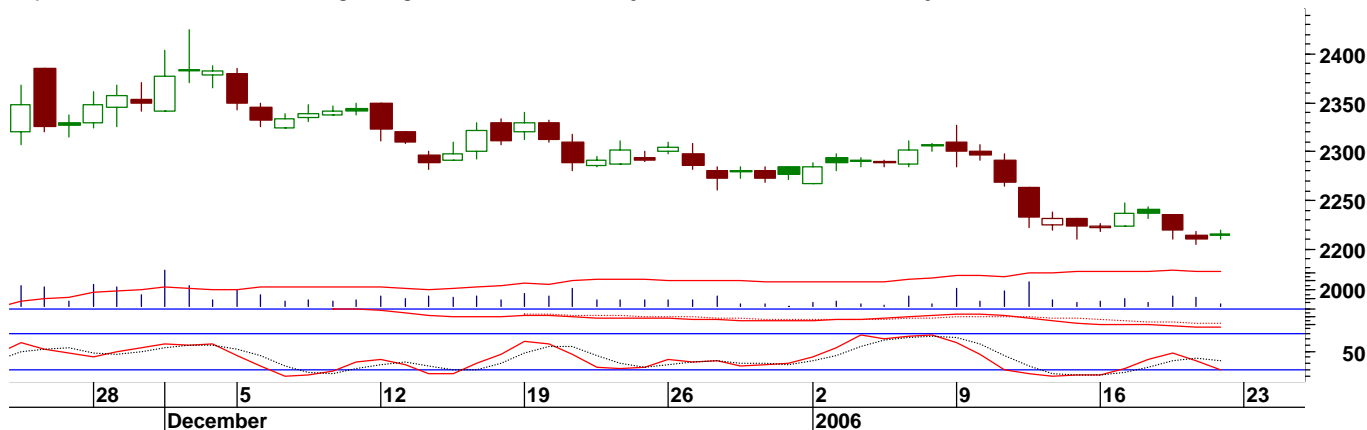


Recommendation: The prices most likely to remain firm during the week with a slight correction in mid week. The prices would be in the range of 7101-6725 in this week.

Commodity: Turmeric**Exchange: NCDEX****Contract Month: April 2006**

Candlesticks showing indecisiveness and stochastic oscillator is in neutral region moving towards oversold region, MACD is in negative region. The prices are expected to trade low in the beginning of the week and may

observe slight technical correction by late trading hours of Wednesday or on Thursday and thereafter may end bearish at the weekend. The Prices are expected to move range bound from steady to weak.



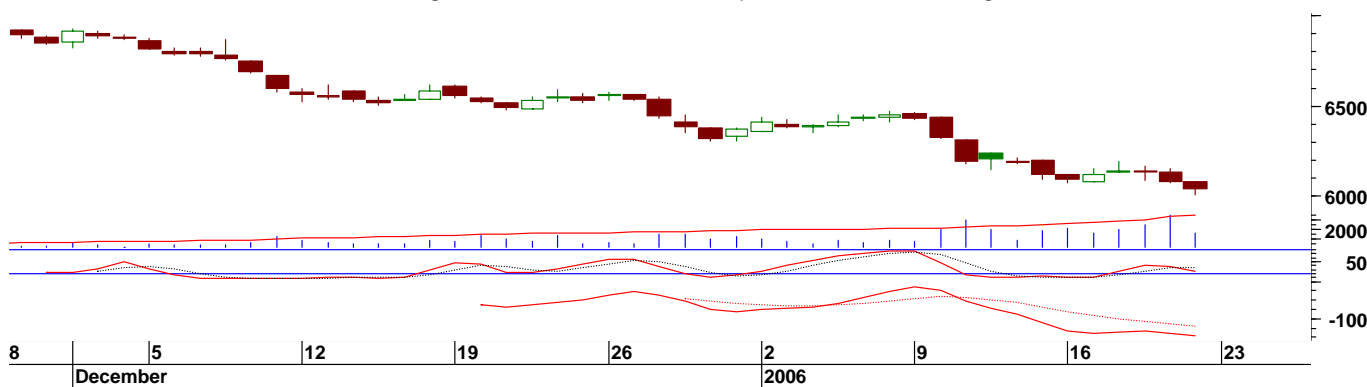
Recommendation: Go for very Short term as well as intra day selling near Resistance levels in the week and intra day

buying near support levels. The prices would be in the range of 2244- 2170 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 towards oversold

region. Moving averages are showing bearish sentiments to prevail. MACD is in negative zone.



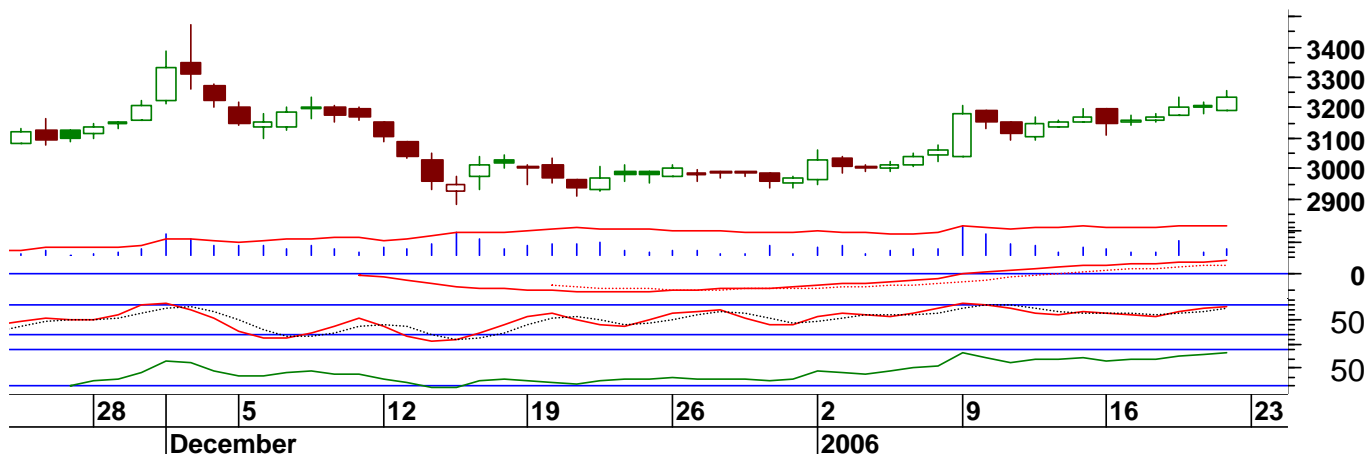
Recommendation: Go for Short positions on short term and intra day basis in the beginning of the week. However slight correction may take place after 2-3 days of bearish market.

At the weekend it may end slightly steady to firm. Prices would move in the range of 6141-5890 in this week.

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

Candlesticks showing firm opening and then a price decline is possible. The prices may recover from mid week and

may end firm by the week end. Stochastic Oscillator in neutral region. MACD is also moving in positive zone.



Recommendation: The prices are most likely to move on a firm side after mid week. So one can take long positions at that time and can square off at higher prices. Market would move in the range of 3314-3155 in this week.

WEATHER WATCH (As on 22.01.06)**ALL INDIA WEATHER FORECAST****BULLETIN VALID FOR NEXT 5 DAYS****Weather Outlook**

A western disturbance is likely to approach in next 24 Hrs. and affect NW India during next 2-3 days. Under its influence J&K, H.P. and Uttaranchal is likely to experience scattered snowfall/rains during 23-24 January 2006. Temperatures over NW India are likely to remain near normal during next 3-4 days. Some parts of Indogenetic Plains of north India are likely to experience light foggy condition in morning and evening hours during 24-26 January 2006.

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

Scattered snowfall/rains is likely over J&K, H.P. and Uttaranchal during next 2-3 days. Adjoining Punjab and Haryana may experience the cloudy conditions during 23-24 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 5 days. Moderate fog is likely in morning hours.

CENTRAL I INDIA [MP, CHATTISGARH, VIDARBHA] Mainly dry weather is likely.**SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]**

Mainly dry weather over the entire region except over Andman & Nicobar where cloudy sky conditions are expected during next 48 Hrs.

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

Mainly dry weather is expected to prevail.

Source: GOI (NCMRWF & IMD)

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