

SPICES

December 27, 2005 - January 02, 2006

Overview:

- **Cardamom Prices Declines on Supply Pressure**
- **NAFED: Unable to Procure Chilli on Quality Norms**
- **Turmeric Prices Improve on Fair Demand**
- **Chilli Prices Steady Despite Fair Demand**
- **Indian Spice Exports Lacks Behind**

News Highlights:

Cardamom Prices Declines on Supply Pressure

Cardamom Prices declined by Rs 10-15 per kg against previous week on supply pressure. On the other hand, handpicked (8mm) variety, which was in demand but in short supply improved by Rs 25 per kg as against previous week's price level. According to market sources, Exporters and domestic buyers were active in the market for making stock. Major exporters of AGEB variety to West Asia and those exporting medium varieties to Japan were buying. The total arrivals up to December 27, 2005 were at 5249 tonnes as against 2992 tonnes in the same period last year. The sales this season were at 4923 tonnes compared with 2812 tonnes in the corresponding period last season. The weighted average price was Rs 225.45 against Rs 301.58 per kg last year. The peak season arrival was expected to decline in the coming days. Active participation of the exporters indicates of good enquiries and orders from the Gulf markets and Japan. Failure to meet the delivery schedule by Guatemala is said to be one of the reasons for the buyers to turn towards Indian. Trade sources reported that in coming days the Cardamom prices would remain steady to firm on good buying support and expectation of decline in supply pressure.

NAFED: Unable to Procure Chilli on Quality Norms

Nafed purchases chilli as per quality norms specified by state governments. The state government has prescribed stringent quality norms and the chilli available is of low quality and most of it has lost color. Nafed is waiting for the fresh crop to enter the market and if it matches the quality norms specified then buying might be visible. Chilli prices raised by 40-50 percent in past two months due to damage of crop by flood in major chilli growing regions.

Turmeric Prices Improve on Fair Demand

Turmeric prices at Erode market improved today on increased domestic demand. Market sources today reported that the prices of Turmeric improved today for both

finger and gattah grades. Arrivals increased today and the demand for turmeric is good. The demand is expected to remain good in coming days. Off take is of around 60 to 70 percent. The fresh crop is expected to arrive in the market from February month. The prices are expected to improve in coming days. The market will be closed tomorrow on occasion of Hanuman Jayanti festival. Market sources also revealed that, Turmeric prices are expected to remain firm in coming weeks.

Chilli Prices Steady Despite Fair Demand

Chilli Prices were steady from last two weeks despite fair demand. According to market sources, Spot prices of chilli are seen flat in the domestic market during the week low demand for the commodity fair average demand. Demand for chillies is average because most varieties have lost their colour and taste. Also, the warehouses in Guntur have a huge stock of around 25 lakh bags (1 bag = 40-45 kg). Though the new crop is 40-50 per cent lower, there are huge stocks lying in the cold storages in Guntur, which is likely to keep prices steady in near future. Chilli crop is estimated at 120 lakh bags, as farmers have switched to other crops owing to the bumper crop of 395 lakh bags last year. As carry over stock is not too much and production is also low. Experts are of the view that chilli prices would remain steady to slight firm through out the year.

Indian Spice Exports Lacks Behind

The current exports of spices for the year 2005-06 are lacking to reach the targets prescribed earlier. The exports this year till now is of around 87 percent of the targets fixed. The export of chilli this fiscal is around 78500 tonnes when compared to 75000 tonnes of the previous year and for turmeric around 34000 tonnes so far as against 30462 tonnes previous year. Pepper exports till now is of 10350 tonnes compared to 9155 tonnes. The exports have risen as against last year however they are still unable to reach their respective targets.

Domestic Prices For the week ending 10.12.2005:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (10.12.05)	Price (RS/KG) For The Week (3.12.05)	Last Month (RS/KG)Same Week (12..11.05)	Last Year Same Week (RS/KG) (11.12.2004)
Black pepper*	Malabar garbled (mg-1)	Cochin	72.83	71.42	65.66	64.67
Cardamom	(Small) Ungraded	Vandanmettu	212.95	218.67	253.77	302.70
Cardamom	Cardamom (large)	Gangtok	88.75	98.75	103.75	75
Chilli	Non -cold storage	Guntur	18.00	18.00	17.75	29.70
	Cold storage		29.00	29.00	28.40	20.80
Ginger	Unbleached (new)	Cochin	120.00	120.00	106.67	140.00
Turmeric	Alleppey finger (AFT) Selam	Cochin	50.00	50.00	50.00	55.00
		Mumbai	56.50	56.50	56.50	49
		Duggirala	30.75	31.00	30.75	-
Coriander	Indori 5%	"	23.25	24.75	21.25	20.88
Cumin	4%	"	64.38	65.63	63.75	75.50
Clove	Grade 1	Cochin, Nagarcoil	220.00	220.00	220.00	300.00
			245.00	245.00	240.00	250.00
Cinnamon		Delhi	51.00	60.00	51.00	52.50

International Spot Prices for the week ending 9.12.2005:

Spice	Origin/Grade	Market	Price For The Week (9.12. 05) (US\$/TON)	Price For The Week (2.12. 05) (US\$/TON)	Last Month Same Week (11.11.05) (US\$/TON)	Last Year Same Week (10.12.04) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1698	1698	1720	1610
Cardamom * (small)	Fancy green Indian Asta (8 mm)	New York	8820	8820	8820	8820
		Saudi Arabia	7650	7700	7730	9150
Chillies	Indian sannm-4 (stem less)	New York	1367	1367	1367	1300
Ginger	India cochin	New York	3418	3418	3484	-
	Chinese peeled	New York	3197	3197	3462	2646
Turmeric	Indian ground India Alleppey finger	New York	1213	1213	1213	1210
			2050	2050	2050	1985
Garlic	Chinese	New York	2822	2822	2756	1566
Coriander	Canada	New York	772	772	772	816
Cumin	Syrian	New York	1808	1830	1830	2028
	India		2315	2029	2315	2073
Fennel	Indian (Asta) Egyptian	New York	1521	1521	1455	1279
			1411	1411	1411	1300
Fenugreek	India/turkey	New York	750	750	750	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	3704	3704	3704	4079
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon (soft bark)	New York	5292	5292	5182	4630

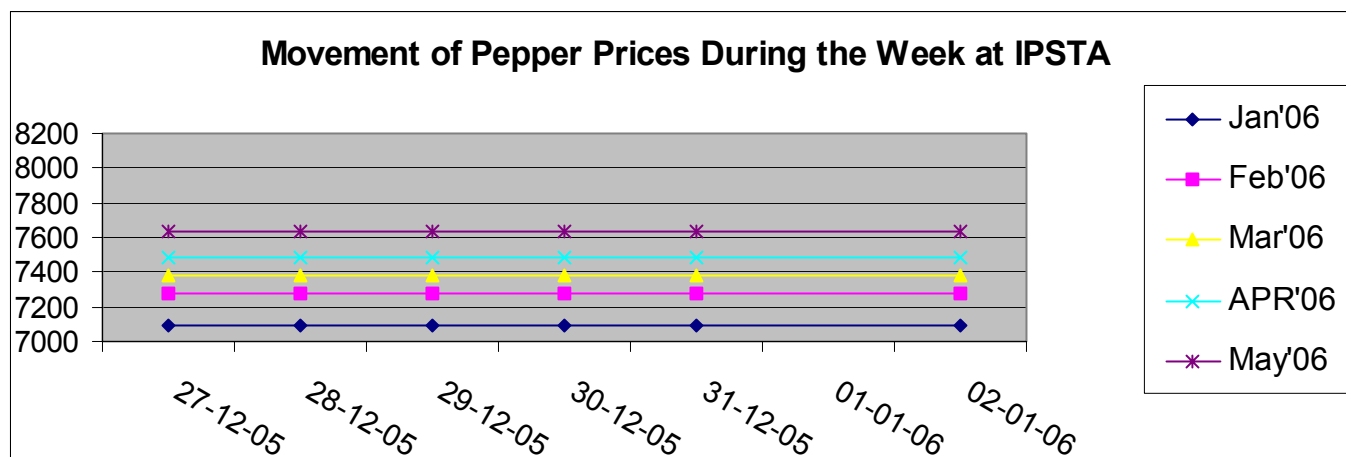
Market Analysis:

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 Tuesday to Monday in every 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	27.12.05	28.12.05	29.12.05	30.12.05	31.12.05	02.01.06
Ungarbled	6750	6700	6650	6650	6650	6650
Garbled	7150	7100	7050	7050	7050	7050

The prices of garbled and ungarbled varieties of pepper decreased by Rs.100 per quintal in Kochi market during the week. The stock of pepper is high at around 40000 tonnes to 60000 tonnes and fresh arrivals from some parts of Kerala started coming. 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 was low due to New Year celebrations. The demand for pepper is expected to improve 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 and traders are expecting the prices to reduce in coming days due to less demand from Punjab and Haryana and increased arrivals.

Pepper	Dec 20 - 26	Dec 27 - Jan02
Golden Unpolished	76-77	74
11.5	85-90	82-90
No. 12	98-105	98-104

Note: Prices are in Rs. Per Kg.

Turmeric:

Erode mandi: This 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 2500-4000 bags daily during this week the maximum 4000 bags per day. According to Trade sources the prices are expected to remain steady to weak and may decline gradually in near future. The demand for turmeric is moderate. The fresh crop is about to enter the market at some time in January end or February beginning. Also if weather remains normal then prices can see some more weakness in prices in coming weeks.

DATES	Dec 20 - 26	Dec 27 - Jan02
Loose Finger	2650-2725	2550-2600
Bilty	2900-2975	2800-2850
Loose Gattah	2650-2675	2650-2700
Bilty	2900-2925	2900-2950
Loose SP Gattah	2750-2800	2800
Bilty	3000-3050	3050
Loose DP Gattah (Salem)	2950	2900-3000
Bilty	3200	3150-3250
Kolkata Quality Bilty (75 kg)	2100	2100

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

Nizamabad Mandi

Prices improved by Rs.50 per quintal in finger and gattah grades in comparison with previous week levels. The Daily arrivals and off take in Nizamabad were reported to be around 500 bags. These include fresh crop arrivals of around 10-15 bags daily. The demand remained moderate this week. Due to entry of fresh crop in the market and its arrivals to gain momentum in coming days the prices of turmeric may decline.

DATES	Dec 20 - 26	Dec 27 - Jan02
Nizamabad Gattah	2470-2500	2550-2600
Nizamabad Finger	2570-2600	2450-2500

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

Delhi Mandi: Demand for turmeric was steady to weak. The Prices remained steady to weak in various grades. The prices for Nizamabad finger erode single polished gattah and Selam finger declined by Rs. 50-100. The, talks of sufficient stock and weak demand would keep the movement of prices steady to weak in coming week.

DATES	Dec 20 - 26	Dec 27 - Jan02
Nizamabad finger	3050-3100	3100-3050
E.Finger mini Selam	3500-3600	3600-3600
E. Single polish Gattah	3100-3200	3100-3050
E. Double polish Gattah	3600-3650	3600
Warangal polish	3050-3150	3050
Selam Finger	4050-4100	4100-4000

Note: Prices are in Rs/ Qtl.

Clove:

Delhi mandi Delhi clove market prices remained steady to slightly improved for certain grades. The demand for cloves remained steady on slight upper side. 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.

DATES	Dec 20 - 26	Dec 27 - Jan02
Indonesia	205-212	210-212
Ketan	215	215
Colombo	185-190	188
Madagascar	185-195	190
Zanzibar	215-220	215

Note: Prices are in Rs/Kg

Cumin:

Unjha Mandi: Cumin prices remained steady on firm side during the week at Unjha market. Prices improved slightly against previous week due to decrease in supply pressure. Sowing of jeera in Gujarat region is complete and in Rajasthan it is about to complete. Acreage in Gujarat has increased by around 50 percent. The demand for jeera has decreased and the prices are expected to remain steady to low in coming week.

DATES	Dec 20 - 26	Dec 27 - Jan02
Kisan Mal-FAQ	1150-1300	1200-1400
Ganesh	1260-1280	1280
M/c. Cleaned	1250-1400	1350-1550
Sup. M/c. Cleaned	1450-1550	1450-1650

Note: Prices are in Rs/20 Kg

Delhi Mandi:

Cumin prices witnessed weaker undertone in different grades. However the prices of machine cut variety improved. The demand for jeera is less in winter season. The Prices are expected to remain steady to weak in coming week.

Grade	Dec 20 - 26	Dec 27 - Jan02
Chalu	62-63	62
Ganesh	68	67-68
M/Cleaned	68-90	67-90
Best	72-85	72-90

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, as foreign markets remain closed due to New Year celebrations. The fresh crop is expected to come some time in February month. According to market sources chilli prices are expected to remain steady to firm in coming week due to expectation of improvement in foreign demand.

DATES	Dec 20 - 26	Dec 27 - Jan02
COLD	2300-3000	2300-3000
UNCOLD	-	-
WHB	3050-3100	3050-3100
Byadgi	3200-3300	3200-3300
Sannam Best	3050-3100	3050-3100
Sannam Med. Best	2650-3100	2650-3100
Namdhari	2750-3000	2750-3000
273	2850-3100	2850-3100
Guntur Fullcut	4200-4400	4200-4400
Ankur	3300-3500	3300-3500
Phatki	1100-1150	1100-1150
Indo5	2950-3050	2950-3050
Tejaseed	3175-3450	3175-3450
Roshni	2800-2900	2800-2900

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

Delhi Mandi:

Chilli prices remained same for various grades except Nagpur Pala variety whose prices fluctuated. The exports of chilli have improved a bit as against that of previous year however it still is far behind its target for this year. The traders this crop season are expecting a yield of around 60 percent. The prices for chilli are expected to trade steady to low in coming days ahead of fresh crop and less demand in domestic as well as international markets.

DATES	Dec 20 - 26	Dec 27 - Jan02
Guntur Pala	3000-3200	3000
Guntur Fullcut	3500-4700	4500
Guntur Packing (new)	3200-3600	3500
Nagpur Pala	2800-3000	2800-2900
Nagpur Fullcut	3300-3600	3500
Nagpur Packing	3000-3200	3000-3100

Note: Prices are in Rs/Qt

Cardamom:

Delhi mandi

Cardamom prices for all major varieties remained steady to firm due to increased demand and buying support. 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 20 - 26	Dec 27 - Jan02
Panwali	195-205	200-205
Colour Robin	195-220	200-205
C Bold 6.5mm	210-225	215-230
Extra Bold 7mm	230-260	230-250
Ex Bold 7.5mm	325-350	325-350
Handpicked	440-485	440-480

Note: Prices are in Rs/kg

Hyderabad Mandi

Prices in Hyderabad improved slightly on some improved domestic demand and despite heavy arrivals; prices improved slightly in each grade in comparison with previous week. Harvesting of Current crop in Guatemala is started now but with poor quality produce and lower production

also expected. Prices would remain steady with slight firm sentiment in coming week.

DATES	Dec 20 - 26	Dec 27 - Jan02
Colour Robin	178-180	180-185
C Bold 6.5mm	210-215	215-220
Extra Bold 7mm	220-225	225-235
Ex Bold 7.5mm	245-260	250-270
8.00 mm	350-360	360-370

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

Coriander:

Delhi Mandi

Coriander prices at Delhi market remained steady this week except for the green variety, which is a superior quality of coriander. The price for this quality improved by about Rs. 400-600 during the week. In coming week prices would remain steady.

Coriander Grade	Dec 20 - 26	Dec 27 - Jan02
FAQ (Chalu)	2400-2600	2500-2600
Medium	2700-3300	2800-3300
Green	2600-3200	3200-3600
Extra Green	3600-4500	3600-4500

Note: Rate Per Quintal

Rajasthan Mandi: Poor demand coupled poor arrivals prices decreased by Rs.25 per quintal with slight weak sentiment. Average daily arrivals of coriander in Ramganj 1500bags, Kota 1200 bags, Baran 700 bags and Guna 300 bags recorded during the week. There would be some steady to weak sentiments in demand and prices as expectation of some more decline in demand.

DATES	Dec 20 - 26	Dec 27 - Jan02
Kota Badami (40 kg)	880-890	870-880
Kota Eagle (40 kg)	910-921	900-910
Ramganj Badami (loose per qtls)	1625-1775	1600-1750
Ramganj Eagle (loose per qtls)	1725-1875	1700-1850
Kota Badami (loose per quintal)	1625-1775	1600-1750
Kota Eagle (loose per quintal)	1725-1875	1700-1850

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 and has slightly recovered. 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 6825 - 7260 in this week.

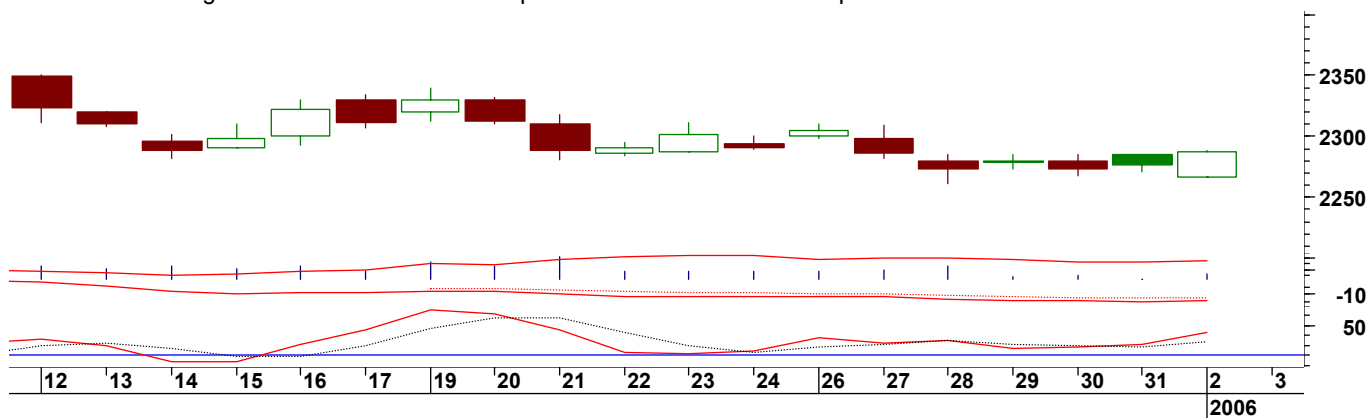
Commodity: Turmeric

Exchange: NCDEX

Contract Month: April 2006

Candlesticks showing bullish sentiments, stochastic oscillator and MACD is in negative region all technical indicators showing bullish sentiment in the prices with

maximum chances of negative technical correction. The Prices are expected to move range bound from steady to weak in spot market.



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. The prices would be in the range of 2238 - 2330 in this week.

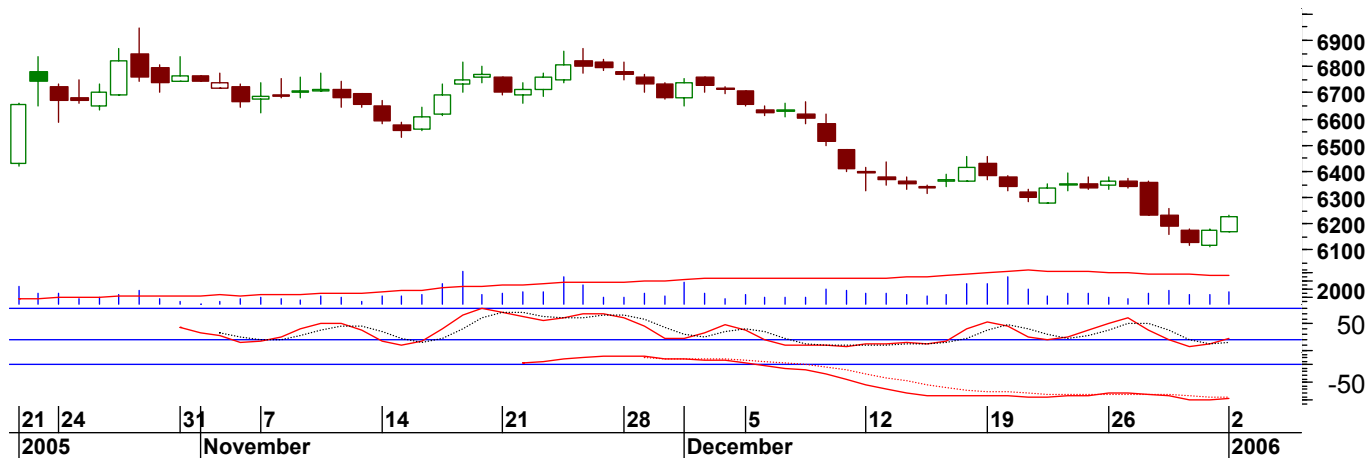
Commodity: Cumin (Jeera)

Exchange: NCDEX

Contract Month: January 2006

All the indicators are showing bullish sentiment in the market. Stochastic oscillator is moving towards neutral

region and bullish. MACD is in negative zone but slightly bullish.



Recommendation: Go for short positions on short term and intra day basis. Market would move downward after a firm

opening. Market would move in the range of 6082-6333 in this week.

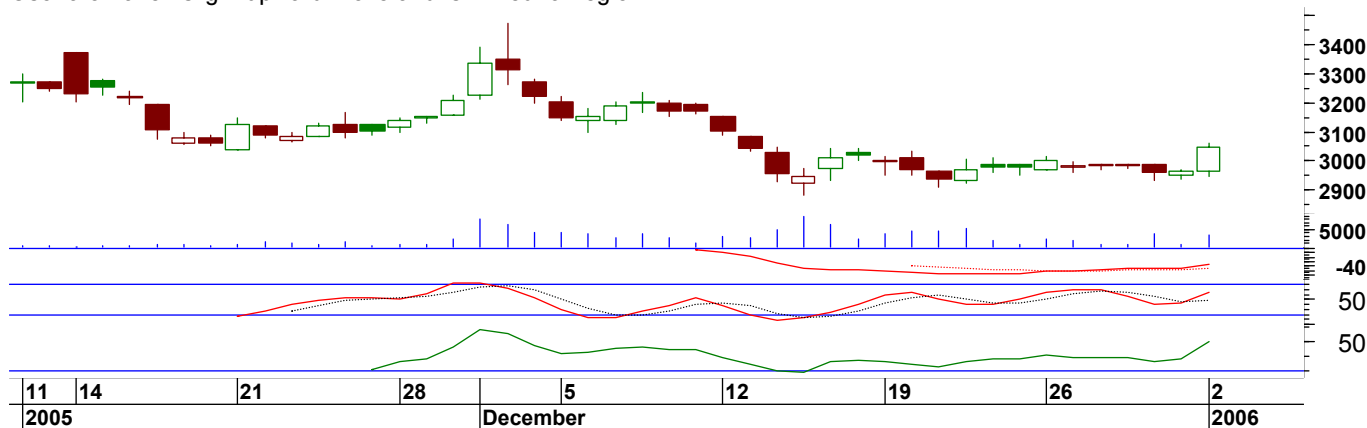
Commodity: Red Chili

Exchange: NCDEX

Contract Month: March 2006

Candlesticks showing bullish sentiments with chances of negative technical correction in couple of days. Stochastic Oscillator taken slight upward move and is in neutral region

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



Recommendation: As per Fundamental and technical analysis, market would move range bound in lower direction. So one can go for taking positions short near

resistance levels and long near support levels. Market would move in the range of 3139-2925 in this week.

WEATHER WATCH (As on 02.01.06)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

The western disturbance over north Pakistan and adjoining Jammu & Kashmir persists as an upper air system. Also, the associated induced low-pressure area persists over West Rajasthan and neighborhood. Under its influence, scattered to fairly wide spread snowfall/rain is likely over

the hilly region of NW India viz. J&K, Himachal Pradesh and Utranchal and scattered rainfall over the plains of NW India viz., Punjab, Haryana(including Chandigarh & Delhi), north Rajasthan during next 2 days. Predictions suggest rise in night temperatures by about 2 degree deg C over many parts of NW India during next 24 hours and fall in day temperature by about 2-3 deg Cover same areas during next 2 days. After the passage of western disturbance, the night temperatures are expected to fall at many places in the region by 3-4 deg C over NW India and reoccurrence of fog activity over plains of NW India and western Uttar Pradesh beginning from 3 January, 2006. Isolated rainfall

activity is likely over Andaman & Nicobar Islands and south Tamilnadu, Kerala and Lakshadweep during next 24 hours and during 5-6 January 2006.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Hilly regions of NW India viz. J&K, Himachal Pradesh and Uttaranchal are likely to receive scattered to fairly wide spread snowfall/rains and the plains of NW India viz., Punjab, Haryana (including Chandigarh & Delhi), north Rajasthan scattered rainfall during next 2 days.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES] Mainly dry weather may prevail over the region except over East Uttar Pradesh and Bihar where isolated rains are expected during 4-5 Jan., 2006.

CENTRAL I INDIA [MP, CHATTISGARH, VIDARBHA]

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Region is likely to experience mainly dry weather condition.

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

Isolated to scattered rainfall are likely over Andaman & Nicobar islands, south Tamilnadu, Kerala and Lakshadweep during next 24 hours and then during 5-6 Jan 06. Mainly dry weather may prevail of rest areas of the region.

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

Mainly dry weather is expected to prevail over the region except over North Rajasthan where isolated to scattered rains are likely during next 24-48 Hrs.

Source: GOI (NCMRWF& IMD)