

SPICES

February 6- February 11, 2006

Overview:

- World Pepper Consumption Likely to Increase
- Fennel Seed Prices Touches Sky
- Vietnam Threats Indian Black Pepper

News Highlights

World Pepper Consumption Likely to Increase

International pepper community (IPC) conducted a survey and concluded the world pepper consumption is growing by 3.46 percent per annum. U.S. is the major consumer of pepper with consumption growing at the rate of 5.46 per cent per year. It occupies a share of 23 percent of the total market. The total exports of IPC during 2004 were of around 2.21 lakh tonnes. More and more countries are producing pepper however its per capita consumption in countries like China, Pakistan, Iran, Mexico and Turkey is low. IPC aims at improving consumption and stabilize prices. Exports of Brazil, Vietnam and Indonesia declined in the year 2005 however export of Srilanka's pepper increased during 2005. Srilanka's pepper export increased to 6853 tonnes during first 9 months of 2005 as against 3448 tonnes during the same period of previous year. During 2004 India bought around 90.4 percent of the total Srilankan black pepper exports. India purchases Srilanka's pepper as its available at lower prices and is in demand from India's Oleoresin industry. The rise in imports from Srilanka was also a result of 100 percent tariff concession available under Indo Srilanka free trade agreement. Srilanka is also exporting to other major consumers of black pepper including UK and US.

Fennel Seed Prices Touches Sky

Prices of Fennel seed this season have soared up on late crop cultivation in major fennel growing regions of the country. Fennel has already traded in the range of Rs 60 to

Rs. 70 per Kg as against previous years Rs.35 to Rs.45 per Kg. Fennel seed acreage increased this year and there are no carryover stocks. The production this year is expected to be of around 41500 - 44000 tonnes. Traders are expecting most of the production will be consumed this year on non-availability of previous stock of fennel. The prices are expected to be lower in April month when peak arrivals of fennel seeds are witnessed. The traders are expecting exports will be made to America, Europe, and some Gulf countries. Pakistan and Turkey are also the buyers of Indian fennel seeds.

Vietnam Threats Indian Black Pepper

Indian traders expected Vietnam to offer its pepper at higher prices this year due to lower crop estimates this year. But to the surprise of traders Vietnam came up with its produce at lower rates. Traders were expecting Vietnam's crop to arrive in markets at some time in early April bringing in chances of improvement in demand from India. But to the dismay of Indian pepper exporters the crop has already started arriving in Vietnam markets. Vietnam estimates its production at around 85000 tonnes which is lower than previous year's production. Vietnam reduced its prices by \$50 per tonne. This reduction was possible as Vietnam has huge stocks of pepper from its previous crop. In the year 2005 Vietnam exported 105000 tonnes of its pepper and this year expects to export around 100000 tonnes.

Domestic Prices For the week ending 04.02.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (04.02..06)	Price (RS/KG) For The Week (28.01.06)	Last Month (RS/KG)Same Week (7.01.06)	Last Year Same Week (RS/KG) (5.02.05)
Black pepper*	Malabar garbled (mg-1)	Cochin	67.50	67.50	70.33	65.33
Cardamom	(Small) Ungraded	Vandanmettu	202.49	207.39	227.93	335.53
Cardamom	Cardamom (large)	Gangtok	93.75	93.75	98.75	71.25
Chilli	Non -cold storage	Guntur	26.80	26.25	17.00	26.50
	Cold storage		27.20	24.51	26.00	29.00
Ginger	Best	Cochin	61.52	64.17	65.00	85.00
	Medium	Cochin	52.42	52.50	55.00	80.00
Turmeric	Alleppey finger (AFT)	Cochin	47.50	47.50	50.00	47.00

	Rajapuri	Mumbai	54.25	54.25	55.50	50.50
	Duggirala	Mumbai	26.00	26.50	27.75	28.25
Coriander	Indori 5%	Mumbai	22.13	22.13	24.25	20.13
	Kanpuri M/C	Mumbai	22.00	22.50	23.50	21.25
Cumin	1%	Mumbai	67.50	65.88	68.75	69.88
	4%	Mumbai	61.88	59.38	64.38	66.75
Clove	Grade 1	Cochin, Nagarcoil	235.00 245.00	235.00 250.00	235.00 240.00	270.00 240.00
Cinnamon		Delhi	51.00	51.00	50.50	52.50

International Spot Prices for the week ending 03.02.2006:

Spice	Origin/Grade	Market	Price For The Week (03.02.06) (US\$/TON)	Price For The Week (20.01. 06) (US\$/TON)	Last Month Same Week (06.01.06) (US\$/TON)	Last Year Same Week (01.01.05) (US\$/TON)
Black pepper	Malabargarbled (mg-1)	New York	1720	1720	1720	1610
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian 7mm bold	Saudi Arabia	8010	7880	7890	11960
Chillies	Indian sannm-4 (stem less)	New York	1477	1477	1477	3638
Ginger	India cochin	New York	3418	3418	3418	3308
	Chinese peeled	New York	2646	2866	2866	3197
Turmeric	Indian ground India	New York	1213	1213	1213	1213
	Alleppey finger		2051	2051	2051	1985
Garlic	Chinese	New York	2756	2756	2756	1566
Coriander	Canada	New York	772	772	772	816
Cumin	Syrian		1808	1808	1808	2073
	India	New York	2315	2315	2315	2095
Fennel	Indian (Asta)	New York	1521	1521	1521	1279
	Egyptian		1367	1367	1.367	1300
Fenugreek	India/turkey	New York	750	750	750	750
Clove	Mad/zanz/com/ Indo	New York	4299	3814	3748	4079
	Sri Lanka (hand picked)		7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon (soft bark)	New York	5843	5733	5292	4630

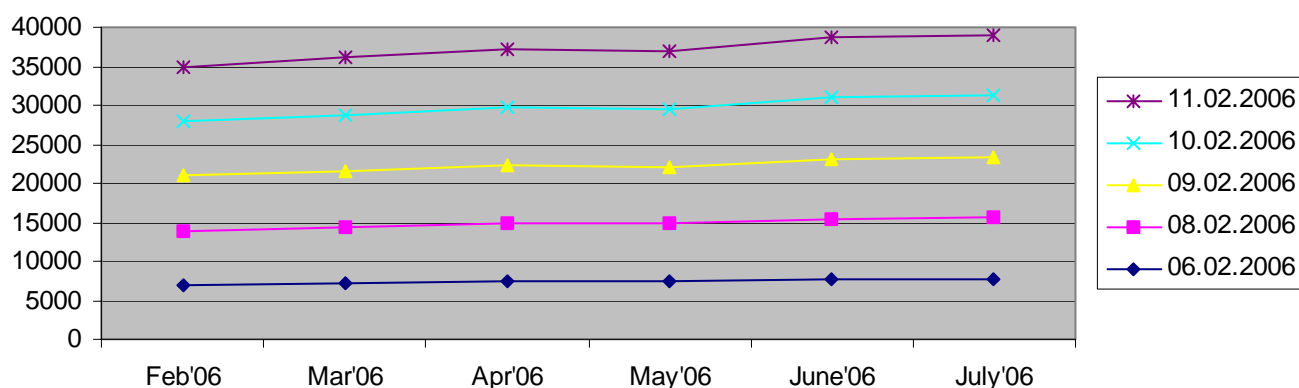
Market Analysis:

Pepper:

A Brief Weekly Fundamental Analysis of IPSTA Pepper Futures Trading

The graph below is displaying the closing prices for different contract months at the IPSTA during the week. Prices remained steady to slightly firm during the week. The prices would most likely to move with steady sentiments in coming days.

IPSTA Black Pepper Futures Price Movement for the Week



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

Pepper	2/6/2005	2/7/2006	2/8/2006	2/9/2006	2/10/2006	2/11/2006
Ungarbled	6500	6500	6550	6650	6600	6550
Garbled	6800	6900	6950	7050	7000	6950

The prices of both Garbled and Ungarbled in the beginning of the week remained bullish till middle week by reason of improved demand from North India and thereafter declined on low demand. Another reason for decline in prices was some news of arrival of Vietnam's crop. The carry over stock of Srilanka this year is reported to be less. The Government is planning to impose a cap on imports from Srilanka thus if it is declared it may encourage Indian domestic market. Traders are expecting demand may increase in coming days. In coming week market may see steady to range bound movement in prices.

Delhi Market

Black Pepper prices at Delhi Mandi remained steady to firm during this week due to increased demand and low arrivals at Kochi and other major spot markets as farmers were unwilling to sell their produce as they fetched good prices from rubber and coffee crops this year thus their holding capacity is strong this year. The demand for Indian pepper is likely to improve. 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.

	Jan 30-Feb04	Jan 06-Jan11
Golden Unpolished	72-77	75-77
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 remained slightly firm and increased by Rs. 50- 100. Average Arrivals of turmeric in Erode were reported between 6500-7000 bags daily during this week. Daily off take on an average was of around 75 to 80 percent.. The price increase was

due to demand for turmeric from domestic markets of North India. The demand is likely to continue. The prices are expected to be steady to slightly firm if demand continues. The fresh crop has started arriving in market and is expected to peak in March.

	Jan 30-Feb04	Jan 06-Jan11
Loose Finger	2400-2450	2400-2500
Bilty	2600-2650	2600-2650
Loose Gattah	2300-2400	2300-2450
Bilty	2500-2550	2500-2600
Loose SP Gattah	2500	2500- 2550
Bilty	2700	2700
Loose DP Gattah (Salem)	2900	2900
Bilty	3100	3100

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

Nizamabad Mandi:

Turmeric prices at Nizamabad market during the week improved for both the grades. The recovery in prices was observed mainly due to increased demand from North India ahead of Shivratri festival. The Daily arrivals and off take of fresh crop on an average ranged from 3000 - 9000 bags of 90 Kg each. The prices are expected to remain steady and in the peak time may however decline.

	Jan 30-Feb04	Jan 06-Jan11
Nizamabad Gattah (New)	1900-2090	1950-2120
Nizamabad Finger (New)	2000-2500	2150-2530

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

Delhi Mandi:

Turmeric at Delhi market traded low this week on increased arrivals in the market from major turmeric trading markets. The demand for turmeric was visible. The prices are expected to be steady in the coming week.

	Jan 30-Feb04	Jan 06-Jan11
Nizamabad finger	2700	2675
E.Finger mini Selam	3200	3200
E. Single polish Gattah	2850	2800
E. Double polish Gattah	3200	3200
Warangal polish	N.A.	N.A.
Selam Finger	3800	3800

Note: Prices are in Rs/ Qtl.

Clove:**Delhi mandi:**

The prices at Delhi clove market remained steady for all the grades during the week. The crop in Srilanka is less by around 25 percent and in Indonesia and Zanzibar less by 40 - 50 percent. Traders are expecting prices to remain steady to range bound in the coming days.

	Jan 30-Feb04	Jan 06-Jan11
Indonesia	220-270	265
Ketan	230-275	270
Colombo	200-235	235
Madagascar	210-235	235
Zanzibar	235-275	270

Note: Prices are in Rs/Kg

Cumin:**Unjha Mandi:**

Cumin prices at Unjha market traded weak during the past week. Crop expectation this year is high and acreage in Rajasthan and Gujarat has increased. Fresh Jeera crop has started arriving in the market and is increasing day by day. Fresh crop arrivals this week increased from 600 bags to 3000 - 4000 bags. The crop arrivals are expected to increase after mid February 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 to slightly weak in coming week.

	Jan 30-Feb04	Jan 06-Jan11
Kisan Mal-FAQ (old)	1235-1365	1200-950
Kisan Mal-FAQ (New)	-	1300-1100
Ganesh	1160-1200	1200
M/c. Cleaned	1310-1515	1220-1350

Note: Prices are in Rs/20 Kg

Red Chillies:**Guntur Mandi. :**

Red Chilli prices for different grades at Guntur Chilli Market remained steady to range bound. The demand for chilli was moderate throughout the week. The fresh crop has started

coming in the markets and may peak in by March end to April month. According to market sources the crop this year is less by around 40 - 50 percent. The chilli prices are expected to remain steady in coming days.

Grades	Jan 30-Feb04	Jan 06-Jan11
COLD (LCA334)	2500-2700	2500-2700
WHB	2400-2600	2400-2600

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

Delhi Mandi:

Chilli prices traded mixed this week for most of the grades. The demand for Chili was moderate to low. According to market sources the crop is likely to be less by around 40 percent this season. The carry over stock is high. The traders are expecting a rise in prices on reduced crop this year. However in the short term the prices for chilli are expected to trade steady in next few days.

	Jan 30-Feb04	Jan 06-Jan11
Guntur Pala	3000-3200	3000-3200
Guntur Fullcut	4000-4800	4000-4700
Guntur Packing (new)	3500-3800	2500-3600
Nagpur Pala	2800-3000	3000-3200
Nagpur Fullcut	3400-3600	3000-3500
Nagpur Packing	3000-3400	3200-3500

Note: Prices are in Rs/Qtl

Cardamom:**Delhi mandi**

Cardamom prices for most of the varieties remained steady to slightly firm this week. The demand for Cardamom improved. The quality of cardamom in Guatemala is inferior to that of India this may encourage Indian market. In India the crop outflow this is year is more and most of the major markets in Karnataka witnessed heavy inflow of Cardamom. Cardamom prices are expected to remain steady in coming days.

	Jan 30-Feb04	Jan 06-Jan11
Panwali	195-200	195-200
Colour Robin	195-200	195-205
C Bold 6.5mm	205-225	210-225
Extra Bold 7mm	225-250	230-250
Ex Bold 7.5mm	320-350	325-350
Handpicked	440-450	440-480

Note: Prices are in Rs/kg

Coriander:
Delhi Mandi

Coriander prices at Delhi market remained steady this week. Coriander seed crop hits the market by mid February thus increasing the supply. The demand for coriander is steady to low. In the coming week prices may remain steady to slightly low.

Coriander Grade	Jan 30-Feb04	Jan 06-Jan11
FAQ (Chalu)	2500-2600	2500-2600
Medium	2800-3000	2800-3000
Green	3200-3600	3200-3600
Extra Green	3600-4500	3600-4500

Note: Rate Per Quintal

Technical Analysis:

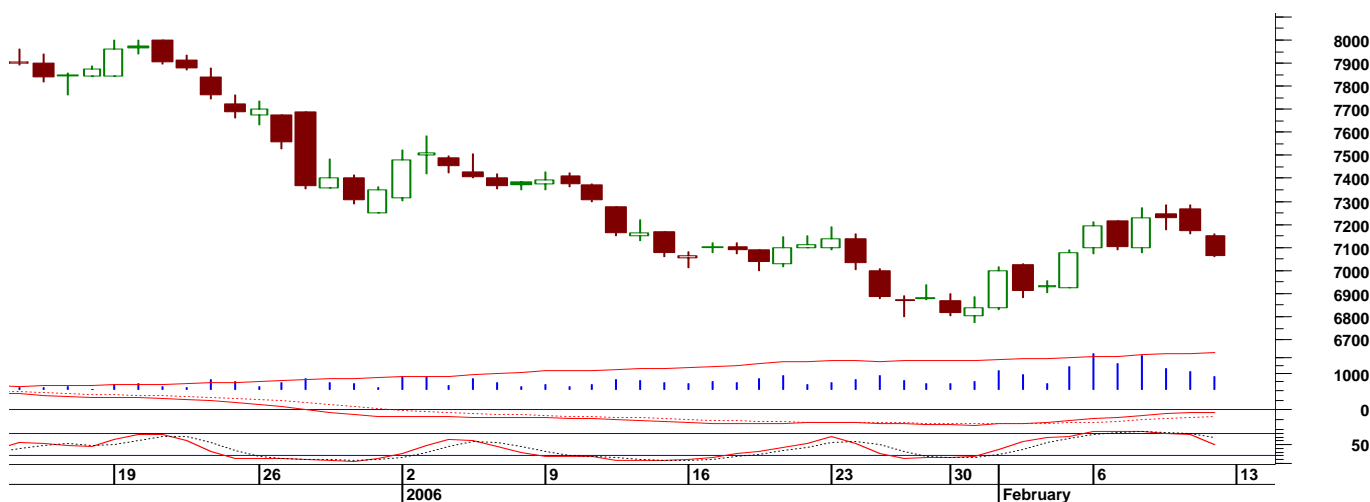
Commodity: Black Pepper

Exchange: NCDEX

Contract Month: March 2006

Candlesticks are showing bearish sentiments. Stochastic oscillator is in neutral region. MACD is in negative territory.

MA are indicating bearishness. The prices may remain bearish till the middle of the week thereafter may observe a slight bounce in prices.



Recommendation: The contract may most likely be bearish so go for Short positions. The prices would be in the range of 7308 - 6872 in this week.

Commodity: Turmeric

Exchange: NCDEX

Contract Month: April 2006

Candlesticks showing indecision and stochastic oscillator is in oversold region, MACD is in negative region. Moving averages are indicating bullishness. The Prices are

expected to move range bound from steady to firm in the beginning and then may end bearish by the weekend.

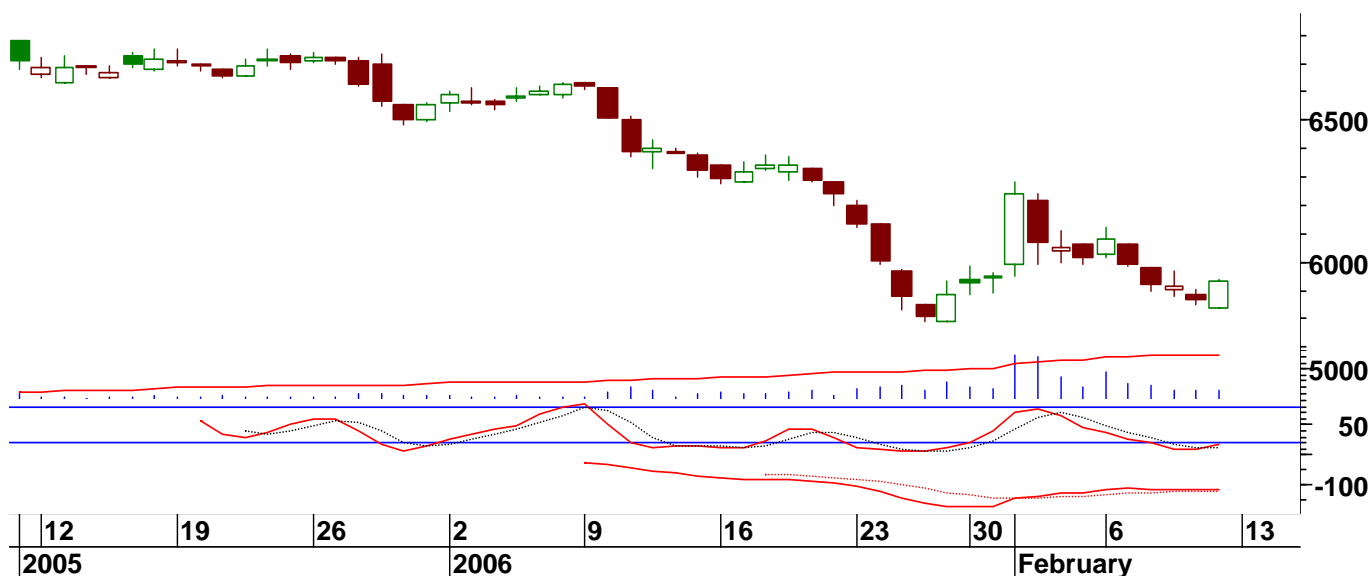


Recommendation: Go short at higher levels. The prices would be in the range of 2207 - 2107 this week.

Commodity: Cumin (Jeera)
Exchange: NCDEX
Contract Month: March 2006

Candlesticks are reflecting firm sentiments. MACD is in negative zone. Stochastic oscillator has just entered a neutral region after a bullish crossover. Moving averages

are showing bearish sentiments to prevail. The prices may move bullish in the beginning of the week and by the end of the week may witness slight correction in prices.

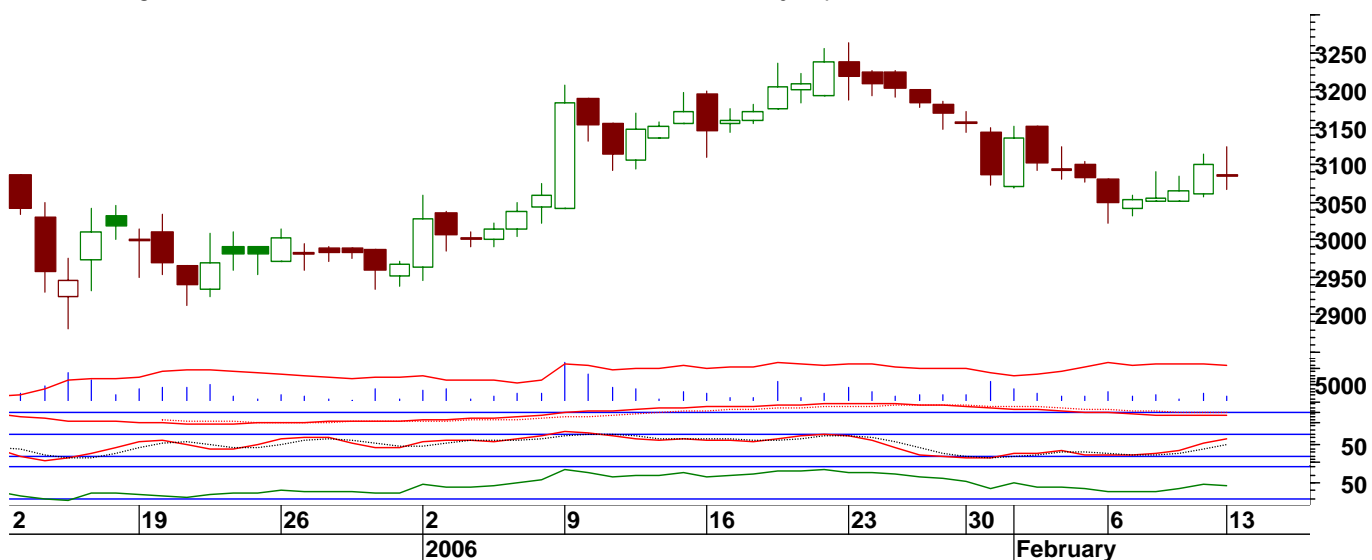


Recommendation: Go for Long positions on short term and intra day basis at price dips. Prices may move in the range of 6063 - 5883 in this week

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

Candlesticks are showing indecision. The prices may trade bullish during the week. Stochastic Oscillator is in neutral

region. MACD is in negative zone. The prices are most likely expected to move bullish.



Recommendation: The prices are most likely to move on higher side during the week. However slight fall in prices can be seen, as correction is likely by the weekend. The Market would move in the range of 3170 - 3051 in this week.

WEATHER WATCH (As on 12.02.06)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

Baring J&K and Himachal Pradesh where isolated light rain/ snowfall activity is expected during next couple of days in association with an approaching weak western disturbance, the entire country may continue to experience mainly dry weather situation for another 3-4 days. Most parts of the country are witnessing above normal day temperatures. These are 6-8 deg C above normal over Jammu & Kashmir, Rajasthan, Uttaranchal, Himachal Pradesh, 4-6 deg C above normal over Punjab, Haryana, Gujarat and 2-4 deg. C above normal over Uttar Pradesh, Madhya Pradesh, Bihar, Chhattisgarh and northeastern states. Large parts of Northwest India have registered rise in night temperatures by 1-2 deg. C during past 24 hours. These are above normal by 4-6 deg C over West Rajasthan, Saurashtra & Kutch, West Madhya Pradesh and parts of Vidarbha, 2-4 deg C above normal over remaining parts of northwest India, Gangetic plains and north-eastern states. With the approach of western disturbance, the night temperatures over northwest India are likely to increase further by 1-2 deg C during next 2 days followed by a fall by about 2-3 deg C.

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

Increase in night temperatures by about 1-2oC during next 2-days and a likely fall of 2-3oC subsequently. Isolated rainfall/snowfall is likely over J&K and H.P. during next 2-3 days.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Northeastern states may receive isolated rains/thundershowers during next 48 hours.

CENTRAL I INDIA NDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely to prevail during next 4-5 days.

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

Mainly dry weather is likely to prevail during next 3-days except over Andaman & Nicobar islands where some isolated showers are expected..

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

Mainly dry weather is expected to prevail.

Source: GOI (NCMRWF& IMD)

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