



Commodities Weekly

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SPICES

April 24 - April 29, 2006

Overview:

- **Chilli Prices Surge at Guntur Market**
- **Nutmeg Lower Output Help Prices Surge**
- **IPC Index Declines by 1.3 Points**

News Highlights:

Chilli Prices Surge at Guntur Market

The prices of Red Chilli are reflecting the pungent flavour of chilli these days. The production of chilli this year is less thus it has provided ample opportunity to the chilli cultivators to fetch good prices for their produce. The prices of red chillies in the recent months have improved rapidly for most of the varieties. LCA 334 has almost doubled this year and is trading at Rs. 4400 - 4500 per quintal as against previous years Rs. 2000 - 2100 per quintal during the same period. Chilli Teja is trading firm at Rs. 4800 per quintal as against Rs.2100 per quintal at the same time previous year. Guntur market is receiving a regular inflow of an average of around 50000 bags of chillies. According to trading sources some farmers with a good holding capacity are holding their produce in anticipation to sell at higher prices in the near future. The Market sources informed Guntur market would remain closed for about a fortnight at around middle of May. Traders at Delhi market are still bullish about chilli prices on low production from reduced acreage and high consumption this year.

Nutmeg Lower Output Help Prices Surge

The production of Nutmeg this season is expected to be low, as untimely rains have destroyed the crop in its flowering stage. Nutmeg prices are already trading high on increased demand due to lower production estimates this year. High demand from markets of North India has also pushed the prices up. The prices of Nutmeg have increased Rs. 10 to 15 from Rs. 175 per Kg a few weeks earlier. The crop might enter the market from mid May and might be at its peak in the month of June.

IPC Index Declines by 1.3 Points

According to International Pepper Community the IPC Price index for black pepper has declined by 1.3 points in March 2006. The white pepper price index was however up by 2.2 points. The decline in price index was mainly by reason of price decrease by Vietnam on increasing supply due to peak harvesting season in Vietnam. Vietnam is offering its black pepper at the lowest prices as against its other major competitors. At present Vietnam is offering its ASTA grade at \$ 1500 C&F. Brazil is selling at \$ 1550, Indonesia at \$ 1650, Malaysia at \$1700 and India at \$ 1650 – 1700.

Domestic Prices For the week ending 22.04.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (22.04..06)	Price (RS/KG) For The Week (15.04.06)	Last Month (RS/KG)Same Week (25.03.06)	Last Year Same Week (RS/KG) (23.04.05)
Black pepper*	Malabar garbled (mg-1)	Cochin	71.67	71.88	70.80	66.67
Cardamom	(Small Auction Price) Ungraded	Vandanmettu	213.27	-	196.71	313.26
Cardamom	Cardamom (large Bada Dana)	Gangtok	98.75	96.25	95.00	72.50
Chilli	Non -cold storage	Guntur	36.20	34.33	34.50	21.34
Ginger	Best	Cochin	47.00	47.00	48.50	120.00
	Medium	Cochin	37.00	37.00	37.00	100.00

Turmeric	Alleppey finger (AFT)	Cochin	47.50	47.50	47.50	50.00
	Rajapuri	Mumbai	53.50	54.50	51.50	50.25
	Duggirala	Mumbai	24.88	24.75	26.75	24.88
Coriander	Indori 5%	Mumbai	28.75	29.00	28.75	18.63
	Kanpuri M/C	Mumbai	30.75	30.00	29.00	20.75
Cumin	1%	Mumbai	60.00	60.00	60.00	73.75
	4%	Mumbai	53.75	55.63	53.75	66.88
Clove	Grade 1	Cochin, Nagarcoil	255.00	285.00	285.00	218.33
			270.00	255.00	275.00	240.00
Cinnamon		Delhi	50.00	50.00	50.00	48.50

Source: Spices Board

International Spot Prices for the week ending 21.04.2006:

Spice	Origin/Grade	Market	Price For The Week (21.04.06) (US\$/TON)	Price For The Week (13.04. 06) (US\$/TON)	Last Month Same Week (17.03.06) (US\$/TON)	Last Year Same Week (22.04.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1720	1720	1720	1654
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian 7mm bold	Saudi Arabia	7720	7750	7720	10580
Chillies	Indian sannm-4 (stem less)	New York	1654	1654	1610	1257
Ginger	India cochin	New York	2381	2381	2536	3528
	Chinese peeled	New York	1918	1985	2072	3197
Turmeric	Indian ground India Alleppey finger	New York	NIL	NIL	1213	1213
			1962	1852	NIL	1985
Garlic	Chinese	New York	2977	2866	2756	1610
Coriander	Canada	New York	772	772	772	772
Cumin	Syrian India	New York	1764	1764	1764	1830
			1764	1808	1808	2073
Fennel	Indian (Asta) Egyptian	New York	1698	1698	1742	1279
			1610	1610	1610	1300
Fenugreek	India/turkey	New York	750	750	750	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	4740	4740	4740	4123
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon (soft bark)	New York	5843	5843	5843	4630

Source: Spices Board

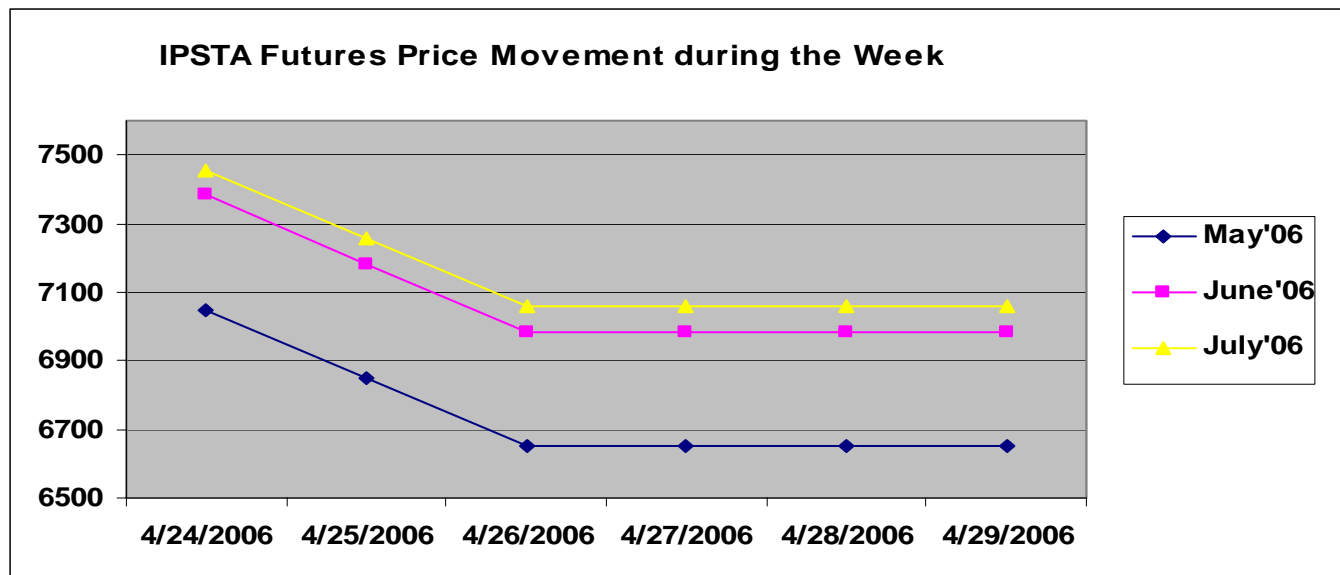
Market Analysis:

Pepper:

Kochi Market:

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 declined in the beginning of the week and thereafter remained almost steady till the weekend. The prices would most likely to continue to move steady to range bound in coming days.



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

Pepper	4/24/2006	4/25/2006	4/26/2006	4/27/2006	4/28/2006	4/29/2006
Ungarbled	6750	6700	6600	6600	6600	Closed
Garbled	7150	7100	7000	7000	7000	Closed

The prices of both Garbled and Ungarbled grades remained mostly bearish during the whole week. On Monday market was hit by arrivals of 32 tonnes of black pepper that declined to 2 tonnes on Tuesday followed by no fresh arrivals on the remaining days. The prices declined in absence of any fresh news that could give the market any boost. Increasing harvesting pressure of Vietnam and reduction in prices by it has lost exporters interest from Indian markets. Further Government has not taken any steps to encourage domestic exporters. According to trade sources as rupee has strengthened in recent days as against dollar some of the buyers have withdrawn from the market. Another reason that's not letting the pepper market to gain strength is the hefty stocks held by some of the major futures exchanges that are supposed to be of inferior quality and thus keeping off buyers from the market. As the prices of Vietnam ASTA grade has increased to \$1525 per tonne (c&f) the price difference compared to Indian prices has narrowed and thus might show a possibility of rise in prices if export orders flows in the

market. In Delhi market the prices declined on lack of buying interest in anticipation of further fall in prices. Most of the EOU's and SEZ are still not allowed with any extension of Export subsidy. The traders are expecting some export demand likely to be seen in coming days as India's prices might come in parity with international prices once harvesting in Vietnam gets over. However some rumours of inflow of pepper from Sri Lanka are also heard in the market. According to trading sources the crop is less by around 50 percent this year. In the coming week market may see steady to range bound movement in prices with a slight bearish undertone.

Delhi Market

Black Pepper prices at Delhi Mandi remained slightly bearish this week. The market is indecisive on demand supply uncertainties. The traders are expecting the pepper prices to show mixed sentiments and move range bound in coming days.

	April 17 - April 22	April 24 - April 29
Golden Unpolished	75 - 78	74 - 78
11.5	85 - 90	85 - 90
No. 12	100 - 105	95 - 105

Note: Prices are in Rs. per Kg.

Turmeric:

Erode Mandi:

Turmeric at Erode market continued to trade range bound with a slightly bearish undertone on moderate demand and reduced arrivals. The arrivals reduced to on an average of 8000 – 10000 bags as against previous week's 10000 – 12000 bags. The off take during this period was of 60 – 70 percent. The supply of turmeric is expected to decrease in coming days and the demand is likely to shift to other markets of Andhra Pradesh and Maharashtra as the arrivals in that market might increase thereby lowering the prices. At Erode market the prices of turmeric might continue to remain range bound with bearish undertone.

	April 17 - April 22	April 24 - April 29
Loose Finger	2300 - 2400	2250 - 2400
Bilty	2500 - 2600	2500 - 2600
Loose Gattah	2150 - 2250	2100 - 2150
Bilty	2350 - 2550	2300 - 2450

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

Nizamabad Mandi:

Nizamabad market saw range bound movement in turmeric prices during this week. The fresh crop arrivals in the market are increasing day by day and arrivals during the week were in the range of 8000 – 17000 bags as against previous week's average arrivals of 25000 – 10000 bags. The demand for turmeric is high and stockists are buying at current prices and export demand is also seen at present. According to trade sources 60% – 65% crop has been harvested. The traders are expecting arrivals will decrease with a simultaneous increase in demand this might keep the prices of turmeric slightly firm in the coming days.

	April 17 - April 22	April 24 - April 29
Nizamabad Gattah (New)	1675 - 1900	1700 - 1900
Nizamabad Finger (New)	1825 - 2100	1850 - 2000

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

Delhi Mandi:

Turmeric prices for most of the grades at Delhi market remained range bound on a slightly higher side. The prices recovered due to improvement in demand ahead of marriage season. Arrivals from Erode and Nizamabad market reduced and the crop in Warangal and Sangli is arriving with an increasing pace. The prices are expected to be range bound.

	April 17 - April 22	April 24 - April 29
Nizamabad finger	2450 - 2575	2400 - 2650
E.Finger mini Selam	2875 - 3000	2725 - 3250
E. Single polish Gattah	2475 - 2625	2425 - 2700
E. Double polish Gattah	2875 - 3000	2825
Warangal polish	2425 - 2550	2400 – 2650
Selam Finger	3950 - 4000	3800 - 3950

Note: Prices are in Rs/ Qtl.

Clove:

Delhi mandi:

The prices of various grades of Clove at Delhi market traded firm this week. According to market sources the crop in major clove producing region is less this year. Srilanka crop is less by around 25 percent and in Indonesia and Zanzibar less by 40 – 50 percent. India is an importer of Cloves and with lower domestic production the prices are expected to improve in coming days. The market sources revealed delivery of hefty quantity of cloves is pending for 3rd of April. The prices of cloves are increasing on high demand on fear of less supply and on high demand ahead of marriage season. Traders are expecting prices to remain firm particularly of cloves that are imported from Zanzibar.

	April 17 - April 22	April 24 - April 29
Indonesia	285 - 310	310 - 315
Ketan	290 - 315	315
Colombo	255 - 275	275 - 280
Madagascar	253 – 275	275 - 280
Zanzibar	300 - 330	330 - 335

Note: Prices are in Rs/Kg

Cumin:

Unjha Mandi:

Cumin at Unjha market traded firm this week. The prices improved on completion of harvesting in some major growing regions, reduced arrivals and high demand. The arrivals decreased to an average of around 11000 - 10000 bags a day the demand is high

and off take is greater than fresh arrivals in the market. According to trading sources exporters and stockists are buying jeera. Export demand is from Singapore, Dubai and European nations. The domestic demand is also high ahead of marriage season. The traders from Mumbai are buying 2000 – 3000 bags of the commodity to export it to other nations. High demand along with reducing arrivals might keep the prices firm in coming days.

	April 17 - April 22	April 24 - April 29
Kisan Mal-FAQ (New)	1100 - 1200	1160 - 1240
Ganesh	1100 - 1200	1135 - 1240
M/c. Cleaned	1220 - 1450	1260 - 1500

Note: Prices are in Rs/20 Kg

Delhi Mandi:

Cumin prices at Delhi market remained firm mostly during the week. The demand improved along with reduced supplies from major producing and trading centres. The prices are expected to be firm in coming days on improved demand.

	April 17 - April 22	April 24 - April 29
Ganesh New	59.50 - 61.50	59.75 – 62.00
FAQ	54.40 - 55.50	54.75 – 56.00
M/c. Cleaned	58.50 - 59..50	58.75 – 59.00
M/c Cut	64.50 - 65.50	64.75 – 66.00

Red Chillies:

Guntur Mandi. :

Red Chilli prices at Guntur Chilli Market for different grades traded mostly firm during this week. The prices improved in the beginning of the week and thereafter declined slightly to trade steady till the weekend. The demand is high and stockists as well as processors are the major buyers of chilli. According to trade sources one of the major futures exchanges is also buying around half of the total inflow. The market sources said, some demand is from Singapore and other major buyers are domestic companies like ITC. The stockists from Delhi, Mumbai, Uttar Pradesh, and Rajasthan are buying in bulk quantities. The prices for most of the grades remained high during this week. The arrivals during this period were in the range of 15000 - 50000 bags and off take were of near about 100 percent. According to trading sources chilli crop this year is less by around 40 – 50 percent. With reducing supply

and high demand the prices might continue to recover.

Grades	April 17 - April 22	April 24 - April 29
(LCA 334	3600 - 3700	4000 - 4500
(LCA 334) Export quality	3700 - 4100	-

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

Delhi Mandi:

Delhi market followed firm sentiments of Guntur market and the prices improved on demand from whole sellers ahead of marriage season. The demand for chilli is expected to remain high. Therefore the prices are expected to remain firm for few days.

	April 17 - April 22	April 24 - April 29
Guntur Pala	4500 - 4700	5100 - 5900
Guntur Fullcut	6100 - 6300	6300 - 6650
Guntur Packing (new)	5000 - 5300	5500 – 5850
Nagpur Pala	4300 - 4500	5000 - 5250
Nagpur Fullcut	4300 - 5700	5900 – 6450
Nagpur Packing	4500 - 4700	5200 - 5650

Note: Prices are in Rs/Qtl

Cardamom:

Delhi mandi

Cardamom prices for most of the varieties remained range bound towards a slightly bearish side this week. The demand for cardamom remained steady however supply of cardamom has increased. Thus keeping the prices slightly bearish. According to the trade sources the total production is expected to be of around 14000 - 15000 tonnes. The crop outflow in India as well as in world is high this year. The production of cardamom this year is high major producing countries like India, Guatemala, Tanzania, Srilanka, El Salvador, Vietnam, Laos, Cambodia. Cardamom prices are expected to remain range bound with a slightly bearish undertone in the coming days.

	April 17 - April 22	April 24 - April 29
Panwali	185 – 190	185 – 190
Colour Robin	185 – 200	180 – 185

C Bold 6.5mm	195 – 215	200 – 210
Extra Bold 7mm	220 – 240	215 – 235
Super Extra Bold 7.5 mm	320 - 340	315 - 335
Handpicked	355 – 470	425 - 460

Note: Prices are in Rs/kg

Coriander:

Delhi Mandi

The prices of Coriander at Delhi market improved during this week. The prices increased on high demand and reduced supply. The estimates of crop production this year is less and according to trade sources, the quality of the crop got damaged due to rains in major growing areas. The prices of Coriander

might remain range bound with slight firmness during this week on increased demand and low supply.

Coriander Grade	April 17 - April 22	April 24 - April 29
FAQ (Chalu)	3100 – 3300	3100 - 3400
Medium	3400 – 3500	3400 - 4000
Green	4200 – 4800	4200 - 5200
Extra Green	5000 – 5400	5000 - 5800

Note: Rate Per Quintal

Technical Analysis:

Commodity: Black Pepper

Exchange: NCDEX

Contract Month: May 2006

Candlesticks are reflecting bearish sentiments. Stochastic oscillator is in oversold region. MACD is in

negative zone and bearish. Moving averages are indicating weakness. The prices at Black pepper May contract might mix with a bearish undertone.



Recommendation: Go for Short position at price recoveries and book profits at short intervals. The prices are most likely to be in the range of 6590 – 6921 in this week.

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

Candlesticks are reflecting bearish sentiments. MACD is in negative region. Stochastic is in neutral region. Moving averages are indicating bearish

sentiments. The contract might trade bearish during the week.



Recommendation: Go for Short position at higher levels. The prices are most likely to be in the range of 2179 – 2290 this week.

Commodity: Cumin (Jeera)**Exchange: NCDEX****Contract Month: May 2006**

Candlesticks are reflecting bearish sentiments. MACD is bullish in negative zone. Stochastic

oscillator is in neutral region. Moving Averages are indicating prices might improve.



Recommendation: Go for long position at lower levels. The Prices may move in the range of 5727 – 5911 this week.

Commodity: Red Chilli**Exchange: NCDEX, Contract Month: June 2006**

Candlesticks are indicating indecision. Stochastic is in neutral region and is MACD is in positive zone.

Moving averages are indicating bullish sentiments. The prices might improve in the coming week.



Recommendation: Go for long position at lower levels. The prices might range between 4921 – 5559 during this week.

WEATHER WATCH (As on 30.04.06)**ALL INDIA WEATHER FORECAST
BULLETIN VALID FOR NEXT 5 DAYS****Weather Outlook:**

During the last 24hrs, isolated to scattered rainfall activity is realised over east Rajasthan, Haryana, Jharkhand, Chattisgarh, western Orissa, coastal Andhra Pradesh, Kerala and Bay Islands of Andaman & Nicobar. Heat wave conditions continue to prevail over NW India, NE States, south-coastal Andhra Pradesh and north coastal Tamilnadu. Heat wave conditions are likely to continue over these areas for next 2-3 days and may extend into some parts of central India in coming days. Under the influence of western disturbance over J&K region, hilly region of NW India may receive isolated to scattered rains/snowfall and isolated rains/thundershowers in certain areas of plains of NW India during next 2-days. The predictions continue to suggest that renewed rainfall activity over NE States and sub-Himalayan West Bengal beginning from 1st May for next couple of days. Isolated rainfall activity may also begin over coastal areas of Tamilnadu, Andhra Pradesh and Orissa from 2 May, 2006.

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

Isolated to scattered rains/ snowfall is likely over J&K and Himachal Pradesh during next 2-days and isolated rains/thundershowers over plain areas under the influence of a fresh western disturbance over J & K.

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

Isolated to scattered rains are expected over Assam, Arunachal and Sub-Himalayan West Bengal. Coastal Orissa and Gangetic West Bengal may experience isolated to scattered rains during next 48 hours. Isolated thunderstorm activity is expected over Jharkhand as well. The rainfall activity over NE States and Sub-Himalayan west Bengal is expected to increase from 1st May 2006.

**CENTRAL INDIA [MP,
CHATTISGARH, VIDARBHA]**

Isolated thunderstorm activity is likely over the region intermittently in coming days predominantly over east MP and south Chattisgarh.

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

Isolated thunderstorm activity is expected over Kerala, South Tamilnadu, Kerala and interior parts of Karnataka, Bay Islands, Lakshadweep and coastal Andhra Pradesh. Mainly dry weather is likely over rest areas.

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

Mainly dry weather conditions are likely to prevail with a possible development of thunder storm conditions over Rajasthan in particular over next 2-days.

Source: GOI (NCMRWF& IMD)

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