

SPICES

May01 - May06, 2006

Overview:

- **Cardamom: Attracts Buyers at MCX, Spot**
- **MARKFED Pepper Auction Unable to Attract Buyers**
- **Cheaper Indian Cardamom is Luring World**

News Highlights:

**Cardamom: Attracts Buyers at MCX, Spot**  
Cardamom prices traded steady to slightly firm for the past few days on positive response from buyers at the auctions held last week by The Cardamom Processing and Marketing Company (CPMC) at Kumily. According to market sources the auction was conducted for 62 tonnes of cardamom at an average price of Rs. 211 per Kg. At the auction no export demand was seen however Traders from North India showed keen interest and were the major buyers. The prices at Delhi market remained steady to range bound for most of the time. Crop harvesting is almost complete and arrivals in the markets are from the stocks held by the producers. Cardamom delivery figures at MCX April contract came out to be 138 quintals that was highest since the introduction of cardamom futures by the exchange. The exchange is considering introducing of new contracts for cardamom trading with an intention to provide more hedging opportunities to traders and producers. The stock position at National Multi Commodity Exchange (NMCE) as on May 05' 2006 saw a change of 3 quintals and the total stock held till date at Ernakulam warehouse is of 117 quintals.

**MARKFED Pepper Auction Unable to Attract Buyers**

Auction of black pepper held by Kerela Markfed on May 5' 2006 did not seem to be lucrative for potential

buyers. Markfed was supposed to liquidate 2839 tonnes of pepper through this tender however, market sources revealed no buying was seen as prices and lots available did not suit to the buyers.

**Cheaper Indian Cardamom is Luring World**

Indian markets remained flooded with cardamom this season on bumper crop of around 12000 to 15000 tonnes. Fresh crop arrivals at the major spot markets and trading centres are declining as season is coming to an end. Attractive prices on account of superfluous supply are luring the foreign buyers towards Indian cardamom. In the same line the exports have increased to 870 tonnes from 650 tonnes last fiscal. However, earnings from exports this marketing season is comparatively low only to blame lower prices. The prices at Delhi market for different grades are steady to range bound. Color Panwali and Color Robin is trading at Rs. 180 – 185 per Kg, color bold 6.5 mm is trading at Rs. 200 – 210 a Kg. Colour Bold 7 mm is trading at Rs. 215 – 235 per Kg and Super extra bold 7.5 mm is trading at Rs. 315 – 330 per Kg. Hand picked grade is trading slightly firm between 425 – 550 per Kg as against previous few days Rs. 430 – 460 per Kg. The volumes are increasing at NMCE and MCX. The MCX May futures contract is trading at Rs. 232.60 as against Rs. 264.70 a fortnight back.

Domestic Prices For the week ending 29.04.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (29.04..06)	Price (RS/KG) For The Week (22.04.06 )	Last Month (RS/KG)Same Week (01.04.06)	Last Year Same Week (RS/KG) (30.04.05)
Black pepper*	Malabar garbled (mg-1)	Cochin	70.50	71.67	71.17	65.20
Cardamom	(Small Auction Price ) Ungraded	Vandanmettu	205.67	213.27	195.58	309.46
Cardamom	Cardamom (large Bada Dana)	Gangtok	112.50	96.75	100.00	70.00
Chilli	Non -cold storage	Guntur	39.20	36.20	35.00	19.50

Ginger	Best	Cochin	50.00	47.00	47.00	120.00
	Medium	Cochin	39.00	37.00	37.00	100.00
Turmeric	Alleppey finger (AFT)	Cochin	47.50	47.50	47.50	50.00
	Rajapuri	Mumbai	53.50	53.50	51.50	50.25
	Duggirala	Mumbai	25.38	24.88	26.75	24.88
Coriander	Indori 5%	Mumbai	29.25	28.75	28.75	18.38
	Kanpuri M/C	Mumbai	32.50	30.75	29.00	20.75
Cumin	1%	Mumbai	61.25	60.00	60.00	71.25
	4%	Mumbai	55.63	53.75	53.75	64.38
Clove	Grade 1	Cochin, Nagarcoil	255.00	255.00	285.00	220.00
			290.00	270.00	280.00	230.00
Cinnamon		Delhi	50.00	50.00	50.00	48.50

Source: Spices Board

International Spot Prices for the week ending 28.04.2006:

Spice	Origin/Grade	Market	Price For The Week (28.04.06) (US\$/TON)	Price For The Week (13.04. 06) (US\$/TON)	Last Month Same Week (17.03.06) (US\$/TON)	Last Year Same Week (29.04.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1764	1720	1720	1654
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian 7mm bold	Saudi Arabia	7750	7750	7720	10590
Chillies	Indian sannm-4 (stem less)	New York	1742	1654	1610	1213
Ginger	India cochin	New York	2161	2381	2536	3528
	Chinese peeled	New York	1874	1985	2072	3197
Turmeric	Indian ground India Alleppey finger	New York	NIL	NIL	1213	1213
			1852	1852	NIL	1985
Garlic	Chinese	New York	2977	2866	2756	1632
Coriander	Canada	New York	772	772	772	772
Cumin	Syrian Indian	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	4035
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon (soft bark)	New York	5843	5843	5843	4630

Source: Spices Board

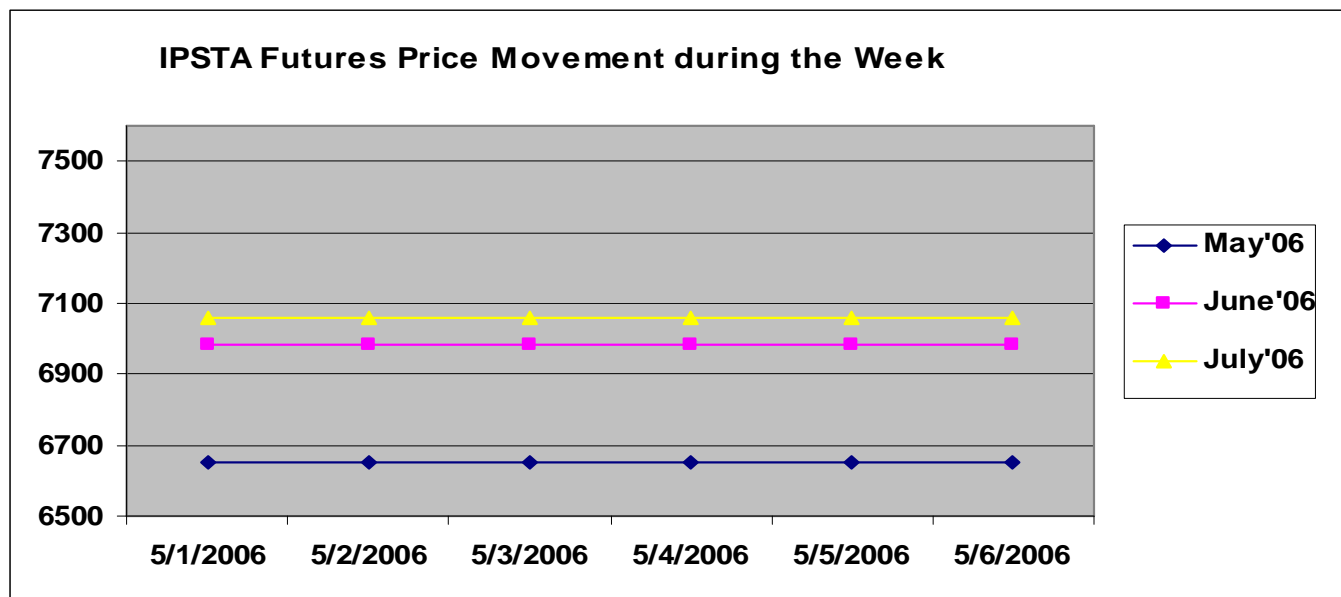
## Market Analysis:

### 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 remained steady throughout the week on lack of any fresh news from the market. The prices would most likely to continue to move 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	Closed	6500	6500	6400	6400	6400
Garbled	Closed	6900	6900	6800	6800	6800

The prices of both Garbled and Ungarbled grades remained mostly steady to slightly bearish during the whole week. On Monday the market remained closed due to May Day and the prices remained steady at the opening of the week and thereafter declined by Rs. 100 per quintal for both the grades. The market saw arrivals of 21 tonnes of black pepper and off take was of 40 tonnes. The prices are declining on absence of any fresh news in the market that could make the prices recover. Most of the traders are unwilling to take delivery from the commodity exchanges that have hefty stock of pepper but are reported to be of inferior quality. According to market sources the arbitragers are coming active and are looking for arbitrage opportunities between various exchanges. Harvesting of pepper in Vietnam is about to get over and the stock is also declining gradually. Looking at the domestic scenario the harvesting in Karnataka is about to end. The price difference has narrowed between Vietnam and India. India is

offering at \$ 1625 (C&F) as against its major competitor Vietnam that is offering at \$ 1575 (C&F). The CEPA meet did not prove of any use to Indian pepper market as the talks of pepper shipment to India have been postponed and might now take place at some time at the end of May. As the price difference has narrowed between India and Vietnam the traders are expecting some demand to come in near future. According to trading sources the crop is less by around 50 percent this year. In the coming week market may see range bound movement in prices with a slightly bearish undertone.

#### Delhi Market

Black Pepper prices at Delhi Mandi remained bearish this week following Kochi market sentiments. 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 24 - April 29	May 01 - May 06
Golden Unpolished	74 - 78	72 - 80
11.5	85 - 90	85 - 90
No. 12	95 - 105	95 - 105

Note: Prices are in Rs. per Kg.

**Turmeric:**

#### **Erode Mandi:**

Turmeric at Erode market traded steady to slightly firm on reduced arrivals. The arrivals reduced to on an average of 8000 to 9000 bags daily. The off take increased during this period and was of 80 percent. The supply of turmeric is expected to decrease in coming days and the demand is likely to increase. At Erode market the prices of turmeric might continue to remain range bound with slightly improved side.

	April 24 - April 29	May 01 - May 06
Loose Finger	2250 - 2400	2350 - 2400
Bilty	2500 - 2600	2550 - 2600
Loose Gattah	2100 - 2150	2150 - 2225
Bilty	2300 - 2450	2350 - 2500

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 decreasing and arrivals during the week were on an average of around 7000 bags as against previous weeks 8000 – 17000 bags. The demand for turmeric is high and stockists, exporters are buying at current prices. According to trade sources 65 - 70% 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 24 - April 29	May 01 - May 06
Nizamabad Gattah (New)	1700 - 1900	1700 - 1875
Nizamabad Finger (New)	1850 - 2000	1850 - 1975

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

**Delhi Mandi:**

Turmeric prices for most of the grades at Delhi market remained mixed with firm sentiments. The prices recovered on reduced supply from primary markets and due to improvement in demand ahead of marriage season.. The prices are expected to be range bound to slightly firm.

	April 24 - April 29	May 01 - May 06
Nizamabad finger	2400 - 2650	2700 - 2750
E.Finger mini Selam	2725 - 3250	3100 - 3200
E. Single polish Gattah	2425 - 2700	2700 - 2800
E. Double polish Gattah	2825	3100 - 3300
Warangal polish	2400 - 2650	2600
Selam Finger	3800 - 3950	3500 - 4000

Note: Prices are in Rs/ Qtl.

**Clove:**

#### **Delhi mandi:**

The prices of various grades of Clove at Delhi market continued to trade firm this week. Market men reported the country is importing from Colombo and Tanzania. Trading sources revealed the crop in Srilanka is less by around 25 percent and in Indonesia and Zanzibar less by 40 – 50 percent. India is importing cloves from international markets. 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 24 - April 29	May 01 - May 06
Indonesia	310 - 315	315 - 355
Ketan	315	315 - 355
Colombo	275 - 280	280 - 315
Madagascar	275 - 280	280 - 320
Zanzibar	330 - 335	330 - 360

Note: Prices are in Rs/Kg

**Cumin:**

#### **Unjha Mandi:**

Cumin at Unjha market continued to trade steady to firm this week. The prices improved on completion of harvesting in major growing regions, reduced arrivals and high demand. The arrivals decreased to an average of around 8000 bags daily as against previous weeks 11000 - 10000 bags a day. The export demand for jeera is still high and off take is

greater than fresh arrivals in the market. According to trading sources traders, exporters and stockists are buying jeera. The Export demand from Singapore is high and it is buying inferior quality of jeera. Dubai, European nations and neighbouring countries like Bangladesh and Nepal are buying jeera from Indian markets. The traders from Mumbai are buying daily about 2000 – 3000 bags of jeera. 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 24 - April 29	May 01 - May 06
Kisan Mal-FAQ (New)	1160 - 1240	1230 - 1280
Ganesh	1135 - 1240	1200 - 1280
M/c. Cleaned	1260 - 1500	1320 - 1550

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 24 - April 29	May 01 - May 06
Ganesh New	59.75 – 62.00	62 - 65
FAQ	54.75 – 56.00	56 - 60
M/c. Cleaned	58.75 – 59.00	59 - 80
M/c Cut	64.75 – 66.00	64 - 80

#### Red Chillies:

Guntur Mandi. :

Red Chilli prices at Guntur Chilli Market for different grades traded mostly range bound during this week. The demand for chilli is high and stockists as well as processors are the major buyers of chilli. Whole sellers are buying at current prices and export demand is also present from Singapore market. The demand for superior quality of chilli is high and the prices are improving on reducing arrivals and high demand particularly from food processing industry. Inflow in Khammam and Warangal markets has also declined to around 10000 bags. The arrivals during this period reduced and were in the range of 35000 – 30000 bags and off take were of near about 80 percent. According to trading sources chilli crop this year is less by around 40 – 50 percent. With reducing

supply and moderate demand the prices might remain range bound for few days.

Grades	April 24 - April 29	May 01 - May 06
(LCA 334	4000 - 4500	4200 - 4800

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

#### Delhi Mandi:

Delhi market remained range bound to slightly bearish during the week. The prices are already at very high levels. The demand for chilli is expected to remain moderate. Therefore the prices are expected to remain range bound for few days.

	April 24 - April 29	May 01 - May 06
Guntur Pala	5100 - 5900	4500 – 5200
Guntur Fullcut	6300 - 6650	5500 – 6800
Guntur Packing (new)	5500 – 5850	4600 – 5700
Nagpur Pala	5000 - 5250	4300 – 5000
Nagpur Fullcut	5900 – 6450	5200 – 6200
Nagpur Packing	5200 - 5650	4400 - 5100

Note: Prices are in Rs/Qtl

#### Cardamom:

Delhi mandi

Cardamom prices for most of the varieties remained steady this week. the demand for cardamom remained steady throughout the week and around 100 bags daily were sold during the week. According to trade sources 10000 – 12000 tonnes are being exported and demand is likely from Pan making companies. The harvesting of cardamom is almost complete and buying support was seen. However bumper production this year could not help the prices surge this year. 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, and Cambodia. Cardamom prices are expected to recover as demand is likely to increase in coming days.

	April 24 - April 29	May 01 - May 06
Panwali	185 – 190	180 - 185
Colour Robin	180 – 185	180 – 185
C Bold 6.5mm	200 – 210	200 – 210
Extra Bold 7mm	215 – 235	215 – 235
Super Extra Bold 7.5 mm	315 - 335	315 - 330
Handpicked	425 - 460	425 - 550

Note: Prices are in Rs/kg

## Coriander:

### Delhi Mandi

The prices of Coriander improved at Delhi market during this week. The prices increased on high demand and reduced supply. However demand for green grade reduced slightly during the week. 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 24 - April 29	May 01 - May 06
FAQ (Chalu)	3100 - 3400	3200 - 3400
Medium	3400 - 4000	3700 - 4000
Green	4200 - 5200	4600 - 5200
Extra Green	5000 - 5800	5400 - 5800

Note: Rate Per Quintal

## Technical Analysis:

Commodity: Black Pepper

Exchange: NCDEX

Contract Month: May 2006

Candlesticks are reflecting bullish sentiments. Stochastic oscillator is in neutral region. MACD is in negative zone. Moving averages are indicating weakness. The prices at Black pepper May contract

might recover slightly at the beginning of the week and then continue with its bearish trend.



**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 6385 – 6727 in this week.

Commodity: Turmeric

Exchange: NCDEX

Contract Month: May 2006

Candlesticks are reflecting indecision. MACD is flat in negative region. Stochastic is in neutral region.

Moving averages are indicating bearish sentiments. The contract might trade mixed during the week.



**Recommendation:** The contract is expected to see volatile movements during the week. The prices are most likely to be in the range of 2154 – 2241 this week.

Commodity: Cumin (Jeera)

Exchange: NCDEX

Contract Month: May 2006

Candlesticks are reflecting bullish 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 5857 - 6019 this week.

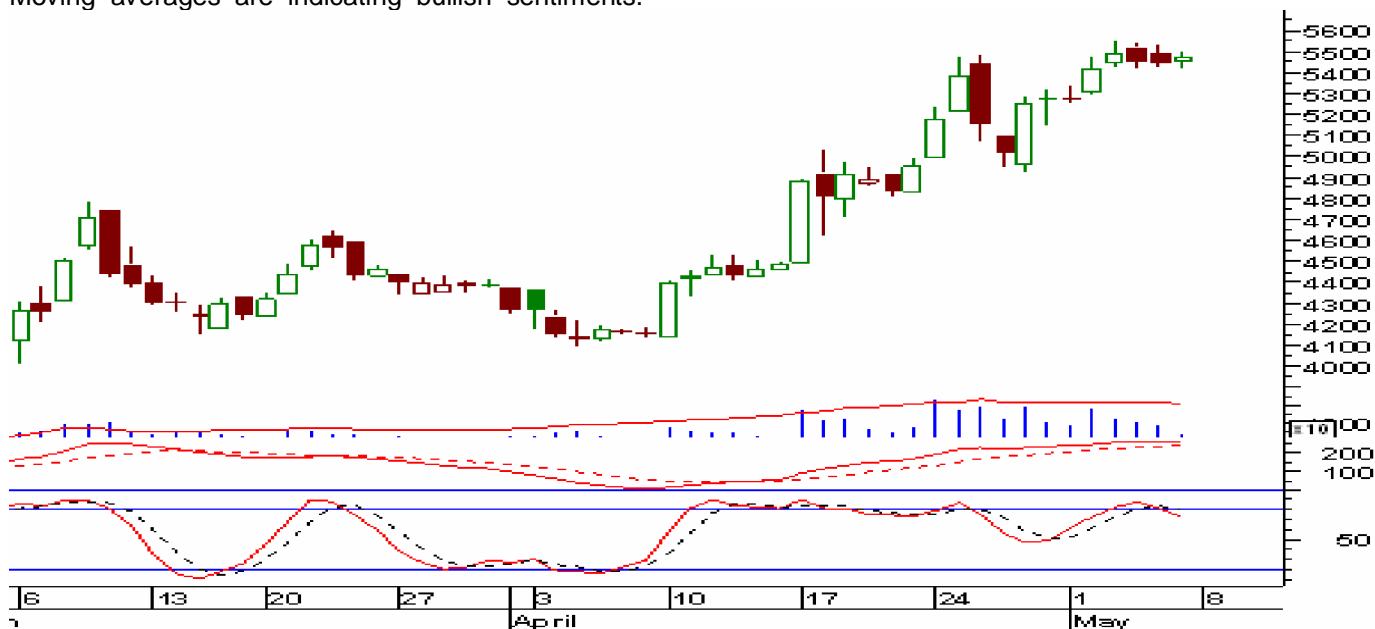


Commodity: Red Chilli

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 contract might trade slightly bearish in the beginning of the week and then recover.



**Recommendation:** Go for long position at price dips. The prices might range between 5306 – 5641 during this week.

#### WEATHER WATCH (As on 30.04.06)

Weather During the Week Ending on 3rd May, 2006

##### Meteorological Analysis

Last week's cyclonic storm over southeast Bay of Bengal intensified into a severe cyclonic storm at 0830 hrs. IST of 27<sup>th</sup> April near lat 12.5°N/long.90.5° E. It moved north-eastwards and further intensified into a very severe cyclonic storm at 1730 hrs. IST of 27<sup>th</sup> April near lat 13.0° N/long.90.5° E. System continued to move towards northeast and lay near 14.5° N/long.91.5° E at 0830 hrs. IST and near lat. 15.5°N/long.92.5°E at 1730 hrs. IST of 28<sup>th</sup> April. It lay near lat 17.0°N/long.94.0°E at 0830 hrs. IST of 29<sup>th</sup> April. The system crossed Arakan coast about 100 Km south of Sandoway around noon of 29<sup>th</sup> April. System then weakened rapidly. An upper air cyclonic circulation lay over Bihar on 27<sup>th</sup> April and from 1<sup>st</sup> to 3<sup>rd</sup> May. Another cyclonic circulation lay over central parts of Madhya Pradesh extending upto 1.5 km a.s.l from 28<sup>th</sup> to 30<sup>th</sup> April and became less marked on 1<sup>st</sup> May. Another cyclonic circulation lay over Orissa extending upto 3.1 Km a.s.l. from 28<sup>th</sup> to 30<sup>th</sup> April and became less marked on 1<sup>st</sup> May. Seasonal wind discontinuity extended from Bihar to interior Andhra Pradesh on 27<sup>th</sup> April and 2<sup>nd</sup> May. It extended from Orissa to Tamil Nadu from 28<sup>th</sup> April to 1<sup>st</sup> May. An Upper air cyclonic circulation lay over coastal Tamil Nadu extending up to 1.5 Km a.s.l. on 2<sup>nd</sup> May. It lay over interior Tamil Nadu and adjoining Karnataka on 3<sup>rd</sup>. A western disturbance as an upper air system

lay over North Pakistan on 28<sup>th</sup> and 29<sup>th</sup> April. It moved over Jammu & Kashmir and adjoining Pakistan on 30<sup>th</sup> and moved away eastwards on 1<sup>st</sup> May. Under its influence an induced upper air cyclonic circulation formed over central Pakistan and adjoining Punjab on 28<sup>th</sup> April extending up to 1.5 Km a.s.l. It persisted over the same area on 29<sup>th</sup> and moved over Uttaranchal on 30<sup>th</sup> April. It became less marked on 1<sup>st</sup> May. Another upper air cyclonic circulation was seen over West Rajasthan & neighbourhood on 2<sup>nd</sup> and 3<sup>rd</sup> May. Another western disturbance moved across Western Himalayan region on 2<sup>nd</sup> & 3<sup>rd</sup> May. An upper air cyclonic circulation extending between 1.5 and 3.1 km a.s.l also lay over south Rajasthan & neighbourhood on 28<sup>th</sup> & 29<sup>th</sup> April.

##### Rainfall

Under the influence of above systems: Light to moderate rainfall occurred at a few places over north-eastern states, Sub Himalayan West Bengal and Sikkim on 27<sup>th</sup> April and on last 2 days of the week and over Gangetic West Bengal on 27<sup>th</sup> April, coastal Orissa on 28<sup>th</sup> April and over Western Himalayan region and South Karnataka on last day of the week. Isolated thunderstorm activity also occurred over interior Orissa during most days of the week, over Jharkhand on 27<sup>th</sup> April over Uttar Pradesh on 29<sup>th</sup> and over south Tamil Nadu on 29<sup>th</sup> April and 3<sup>rd</sup> May. Isolated dust storm/ thunderstorm activity also



occurred over plains of northwest India and Rajasthan during one to two days of the week. Rain/thundershowers activity occurred at many places over Andaman & Nicobar Islands during first half of the week and at isolated places on 30<sup>th</sup> April & 2<sup>nd</sup> May.

#### Temperatures

Day temperatures were around 40°C, over Rajasthan, Madhya Pradesh, Chhattisgarh, interior Maharashtra, Andhra Pradesh and Tamil Nadu during the entire week and over plains of northwest India from 27<sup>th</sup> to 29<sup>th</sup> April. Day temperatures above 44° C were reported over north Rajasthan from 27<sup>th</sup> to 29<sup>th</sup> April. Maximum temperatures of 40°C also prevailed over parts of Jharkhand, Gujarat, South Interior Karnataka, Uttar Pradesh and Bihar from 30<sup>th</sup> April to 2<sup>nd</sup> May. Heat wave conditions prevailed over plains of northwest India and Jammu division of Jammu & Kashmir from 27<sup>th</sup> to 29<sup>th</sup> April and north Rajasthan, coastal Andhra Pradesh and Tamil Nadu from 28<sup>th</sup> April to 1<sup>st</sup> May. Due to Scattered rainfall activity, Heat wave conditions abated from north Rajasthan on 1<sup>st</sup> and from coastal Andhra Pradesh and Tamil Nadu on 2<sup>nd</sup> May.

#### Rainfall During The Week ending on 3<sup>rd</sup> May 2006

Rainfall was excess/normal in 6, deficient/scanty in 25, and no rain in 5 out of 36 meteorological sub-divisions (Actual: 4.2 mm, Normal: 11.7 mm and Departure: -64%).

#### Cumulative Seasonal Rainfall (1<sup>ST</sup> March to 3<sup>rd</sup> May, 2006)

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Rainfall was excess/normal in 21, deficient/scanty in 15 out of 36 meteorological sub-divisions. (Actual: 67.9 mm, Normal: 76.3 mm and Departure: -11%).

#### Outlook For The Week Ending On May 10, 2006

During the first half of the week, rain/thundershowers are likely at a few places over Arunachal Pradesh, Assam & Meghalaya, Sub-Himalayan West Bengal & Sikkim, Tamil Nadu, Kerala, Karnataka and Lakshadweep and isolated over Himachal Pradesh, Chhattisgarh, Jharkhand, Orissa, Gangetic West Bengal, Andhra Pradesh, Interior Maharashtra, South Konkan & Goa, East Madhya Pradesh and Andaman & Nicobar Islands. During the second half of the week, slight increase in rainfall activity is likely over north-eastern states whereas it may decrease over south peninsula and isolated rain/thundershowers are also likely to occur over Chhattisgarh, Jharkhand, Orissa and West Bengal & Sikkim. Day temperatures over the plains of northwest India, Gangetic plains, Jharkhand, central India, Interior Maharashtra and north Andhra Pradesh are likely to remain above 40° C. Some pockets in Rajasthan, adjoining parts of Punjab, Haryana, Uttar Pradesh and Madhya Pradesh may experience heat wave conditions with temperatures upto 44° to 45° C during the middle of the week.

**Source: IMD, GOI.**