

## SPICES

June 19- June24, 2006

### Overview:

- Spice Board, Ministry on a way to Declare Pepper as GI

### News Highlights:

#### Spice Board, Ministry on a Way to Declare Pepper as GI

The Spices Board of India held discussions with the Minister of State of Commerce on Thursday to register Monsoon Malabar pepper and Tellicherry pepper as geographical indications (GI). The benefit

of being a GI is that it helps the commodity to be certified for its origin and other producers of the commodity cannot use the same name to sell their product.

### Domestic Prices For the week ending 17.06.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (17.06..06)	Price (RS/KG) For The Week (10.06.06)	Last Month (RS/KG)Same Week (20.05.06)	Last Year Same Week (RS/KG) (18.06.05)
Black pepper*	Malabar garbled (mg-1)	Cochin	69.00	69.00	70.42	63.67
Cardamom	(Small Auction Price ) Ungraded	Vandanmettu	219.48	227.87	221.70	292.11
Cardamom	Cardamom (large Bada Dana)	Gangtok	118.75	120.00	100.00	77.50
Chilli	Non -cold storage	Guntur	33.50	36.80	Closed	16.00
Ginger	Best	Cochin	57.00	55.00	50.00	120.00
	Medium	Cochin	47.00	47.00	39.00	100.00
Turmeric	Alleppey finger (AFT)	Cochin	45.00	45.00	47.50	50.00
	Rajapuri	Mumbai	55.50	54.50	53.50	51.25
	Duggirala	Mumbai	26.25	26.63	27.00	23.88
Coriander	Indori 5%	Mumbai	29.75	29.75	31.75	18.00
	Kanpuri M/C	Mumbai	32.50	33.50	33.50	20.75
Cumin	1%	Mumbai	70.63	69.03	74.38	76.88
	4%	Mumbai	65.63	64.38	68.13	71.88
Clove	Grade 1	Cochin, Nagarcoil	330.00 360.00	333.33 350.00	350.00 390.00	220.00 240.00
Cinnamon		50.00	50.00	50.00	50.00	47.50

Source: Spices Board

### International Spot Prices for the week ending 16.06.2006:

Spice	Origin/Grade	Market	Price For The Week (16.06.06) (US\$/TON)	Price For The Week (09. 06. 06) (US\$/TON)	Last Month Same Week (19.05.06) (US\$/TON)	Last Year Same Week (17.06.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1764	1764	1764	1698
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian (AGEB)	Saudi Arabia	8290	7940	7800	10610
Chillies	Indian sannm-4 (stem less)	New York	1830	1830	1830	1213
Ginger	India cochin	New York	2029	2029	2029	3418
	Chinese peeled	New York	1830	1830	1874	3087
Turmeric	India Alleppey finger	New York	1852	1852	1874	2051
Garlic	Chinese	New York	2977	2977	2977	1698
Coriander	Canada	New York	772	772	772	772
Cumin	Syrian	New York	1802	1802	1852	1810
	Indian		1808	1808	1852	2029
Fennel	Indian (Asta)	New York	1808	1808	1830	1411
	Egyptian		1654	1654	1654	1367
Fenugreek	India/turkey	New York	794	794	794	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	4961	4961	5072	3859
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon	New York	5843	5843	5843	4630

Source: Spices Board

### Market Analysis:

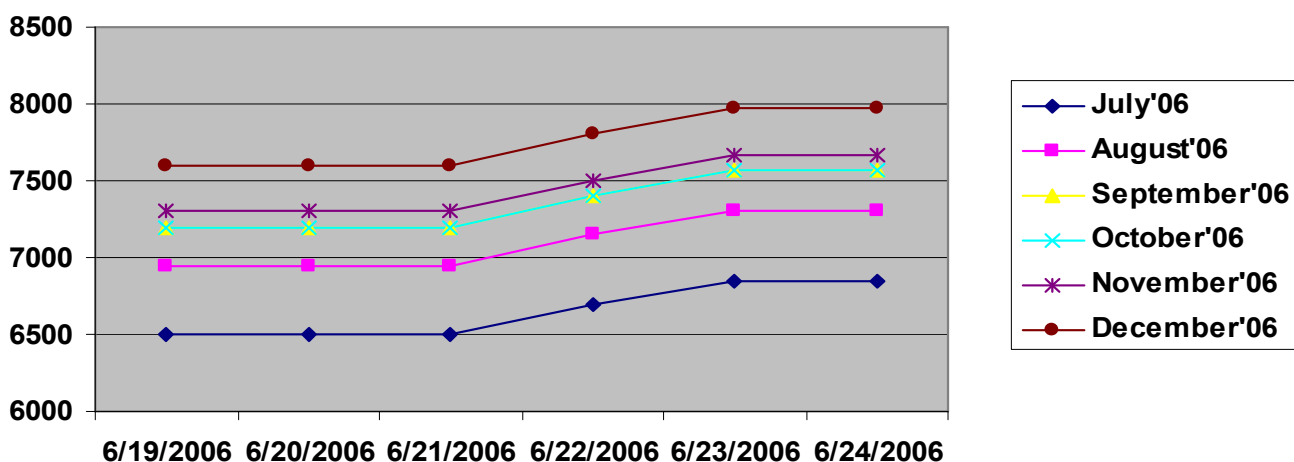
#### Pepper:

#### Kochi Market:

#### A Brief Weekly Fundamental Analysis of IPSTA Pepper Futures Trading

The graph below is displaying the closing prices for July, August, September, October, November and December month contracts at the IPSTA during the week. The Prices recovered after mid week on bullish notes from spot markets. The prices would most likely to remain slightly firm.

## IPSTA Pepper Futures Prices During the Week



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

Pepper	6/ 19/ 2006	6/ 20/ 2006	6/ 21/ 2006	6/ 22/ 2006	6/ 23/ 2006	6/ 24/ 2006
Ungarbled	6500	6500	6500	6500	6550	6550
Garbled	6900	6900	6900	6900	6950	6950

Black Pepper at the Kochi market after a long steady and dull phase came out of its darkness as the prices recovered on reports of international demand in the market. In Kochi market Garbled Grade traded Rs. 50 firm at Rs. 6950 per quintal and Ungarbled traded at Rs. 6550 a quintal. However sellers are holding back their stocks in anticipation of cashing in higher prices. According to trading sources some fresh export orders from US markets were received in the past few days. International buying interest is visible as the Indian prices are competitive against other major producing countries. The quality of pepper with some major commodity exchanges is poor but processors bought some pepper with a view to reprocess the same and sell in international markets. Vietnam has sold a major part of its stock and is now quoting at higher levels as against India. The market has reports of delay in plucking of pepper in Indonesia by about a month's time. Brazil and Indonesia has estimates of less pepper production this year, also market has unconfirmed news regarding inferior quality of pepper in Brazil. The Harvesting in Srilanka is keeping the prices of its produce low but the quality does not stand against India's superior pepper. There are reports of attacks of disease and pests to pepper vines in some pepper cultivating areas of Kerela. The Spices Board is in the process of registering Malabar Pepper and Tellichery pepper as a Geographical indication (GI). This will help in certifying the commodity for its origin as the other producers of the same commodity can not use the

registered name to sell their commodity. The prices of pepper might remain slightly firm in the coming days.

### Delhi Market

Black Pepper prices at Delhi market recovered slightly on bullish advices from primary markets of black pepper. The traders are unwilling to sell at current prices in expectation of fetching higher prices later. Pepper prices might move slightly firm in coming days.

	June 12 - June 17	June 19 - June 24
Golden Unpolished	77 - 78	78 - 80
11.5	85 - 92	85 - 100
No. 12	90 - 105	95 - 110

Note: Prices are in Rs. per Kg.

### Turmeric:

#### Erode Mandi:

Turmeric prices at Erode market remained steady to range bound during the week on steady inflow and reduced off take. The daily average arrivals during this period were of around 4000 bags. The market lacks domestic demand as well as demand from international markets. Turmeric prices might continue to remain steady to range bound with bearish inclination.

	June 12 - June 17	June 19 - June 24
Loose Finger	2300 - 2450	2300 - 2450
Loose Gattah	2300 - 2400	2300 - 2400

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

#### Nizamabad Mandi:

Turmeric prices at Nizamabad market continued to trade steady to range bound with slightly firm inclination in the beginning of the week. The prices improved in most of the major turmeric trading markets on fear of unfavourable weather conditions, particularly lack of sufficient rains that are essential for the sowing of turmeric crop. However with the onset of rains on Wednesday the prices again declined eradicating the fear of less irrigation, as this proved beneficial for sowing. According to market sources Nizamabad market has a stock of around 2.50 – 3.00 lakh bags of turmeric. The sowing of new crop will continue till end of July in Andhra Pradesh.

	June 12 - June 17	June 19 - June 24
Nizamabad Finger	2025 - 2180	2000 - 2125
Nizamabad Gattah	2000 - 2130	2000 - 2075

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

#### Delhi Mandi:

Turmeric prices for most of the grades at Delhi market continued to trade range bound to slightly firm on reduced supply and low demand ahead of rainy season. The prices are expected to remain range bound to slightly bearish in for few days.

	June 12 - June 17	June 19 - June 24
Nizamabad finger	2525 – 2475	2450 – 2650
E.Finger mini Selam	3225 - 3350	3225 - 3400
E. Single polish Gattah	2650 - 2700	2625 - 2800
E. Double polish Gattah	3225 - 3300	3225 – 3600
Warangal polish	2675 – 2725	2625 – 2675
Selam Finger	3900 - 4000	3975 - 4400

Note: Prices are in Rs/ Qtl.

#### Cumin:

##### Unjha Mandi:

Cumin prices at Unjha market continued to remain mostly steady to range bound with bearish inclination. Jeera prices declined on reduced domestic demand due to less consumption in summer season and arrival of Mango crop in the market. The average

daily arrivals during the week were of 5000 bags of 55 Kgs each and the demand was moderate. Market men believes domestic demand for jeera might increase once the summer season ends and the demand from international markets is expected by the end of the month. The crop in other major producing nations like Syria and Turkey is expected to be less this year and also their stocks are low, this is coupled with reports of poor quality of jeera from Syria. The prices of jeera might improve on arrival of rains as it might affect the supply in the market and domestic demand might increase in coming days. Market is waiting for international demand that is expected to be seen in near future this might help the prices to revive.

	June 12 - June 17	June 19 - June 24
Kisan Mal-FAQ (New)	1330 - 1450	1300 - 1400
Ganesh	1350 - 1500	1320 - 1500
M/c. Cleaned	1400 - 1600	1400 - 1550

Note: Prices are in Rs/20 Kg

#### Delhi Mandi:

Jeera prices in Delhi market remained range bound to slightly firm on expectation of rise in prices in the coming few weeks on bullish advices from primary markets. The traders are expecting demand to come up in few days. The prices are expected to remain range bound to slightly firm in the coming days.

	June 12 - June 17	June 19 - June 24
Ganesh New	73.00 - 75.80	75.00 - 75.30
FAQ	69.30 - 70.80	70.00 - 100.00
M/c. Cleaned	69.30 - 97.80	70.00 - 97.30
M/c Cut	71.30 - 102.80	72.30 - 102.30

#### Red Chillies:

##### Guntur Mandi. :

Red chilli prices at Guntur market remained bearish during the week as arrivals were high on selling by farmers to accumulate funds for seeding new crop. The arrivals during the week were high and ranged between 20000 – 40000 bags. The demand is low on less consumption in rainy season, hefty stock in the market, absence of international demand, and expectation of greater acreage for coming crop are also depressing the prices. Sowing has begun in Andhra Pradesh and climate is favourable for this purpose. The prices might continue to decline for few days.

Grades	June 12 - June 17	June 19 - June 24
(LCA 334 loose) Cold storage	4400 - 5100	4500 - 4900
(LCA 334 loose) Non Cold storage	3200 - 4100	3200 - 4100

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

#### Delhi Mandi:

The prices of red chilli for most of the grades at Delhi market remained range bound with slightly bearish inclination during the week. The demand for chilli is expected to remain moderate ahead of monsoon season. The prices are expected to trade range bound with slightly bearish side for few days.

	June 12 - June 17	June 19 - June 24
Guntur Pala	4800 - 5300	4600 - 5200
Guntur Fullcut	6000 - 6400	6000 - 6400
Guntur Packing	5200 - 5500	5400 - 5500
Nagpur Pala	4700 - 5000	4500 - 4800
Nagpur Fullcut	5700 - 6000	5500 - 6000
Nagpur Packing	5000 - 5300	4800 - 5300

Note: Prices are in Rs/Qtl

#### Technical Analysis:

**Commodity: Black Pepper**

**Exchange: NCDEX**

**Contract Month: July 2006**

Candlesticks are reflecting bullish sentiments. MACD is in negative zone. Stochastic oscillator is in neutral region. Moving Averages are indicating prices might

decline. The contract might see firm sentiments during the week.



**Recommendation:** Go for Long position at lower levels. The Prices might move in the range of 6611 – 7119 this week.

**Commodity: Turmeric**

**Exchange: NCDEX**

**Contract Month: July 2006**

Candlesticks are reflecting bullish sentiments. MACD is negative zone. Stochastic is in neutral region. Moving averages are indicating prices might decline.

The prices might continue to decline with slight recovery in the beginning of the week.



**Recommendation:** Go for short position at higher levels. The prices are most likely to be in the range of 2319 – 2485 this week.

**Commodity: Cumin (Jeera)**

**Exchange: NCDEX**

**Contract Month: July 2006**

Candle sticks are indicating indecision and chances of recovery. MACD is bearish in oversold region. Stochastic has made bearish crossover in neutral region. Moving averages are indicating prices might

continue to decline. The contract might see range bound movement of prices with chances of recovery in the beginning of the week.



**Recommendation:** The prices might remain in the range of Rs. 6240 to 6500 during this week.

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

Candlesticks are indicating indecision. Stochastic is in neutral region and is MACD is in negative zone. Moving averages are indicating bearish sentiments.

The prices might try to recover in the beginning of the week and thereafter might decline.



**Recommendation:** Go for short position at higher levels. The prices might range between 4382 – 4982 during this week.

### WEATHER WATCH (As on 25.06.06)

#### Monsoon Watch

Rain/thundershowers with isolated very heavy falls have occurred over Konkan & Goa, Coastal Karnataka, Kerala, northeastern States and Sub-Himalayan West Bengal & Sikkim. Scattered rains have also occurred over central and northwest India during past 24 Hrs. Model predictions suggest that the strength of cross equatorial flow, moisture content over Arabian Sea are likely to maintain during next 3-4 days. A cyclonic circulation is likely to develop over west central Bay of Bengal around 29 June. Conditions are favourable for further advance of southwest monsoon over remaining parts of Gujarat and Chhattisgarh, many parts of east Uttar Pradesh and some parts of south Rajasthan and Madhya Pradesh during next 3-4 days. The chief amount of rainfall observed since 8:30 IST on 25 June are: Mangalore and Kozhikode-11 each, Honavar-8, Cannur-7, Shirali, Goa and Karipur-6 each, Dahanu and Jalpaiguri-5 each, Ratnagiri and Gorakhpur-4 each.

#### Heavy Rainfall Warning:

Isolated heavy rainfall is likely over Lakshadweep, Kerala, coastal Karnataka and Konkan & Goa during next 3 days.

#### Weather Outlook for other weather events

Previous upper air cyclonic circulation over Marathwada & adjoining Vidarbha extending upto mid tropospheric levels now lies over Madhya Maharashtra and neighbourhood. Under its influence rain/thundershower activity may continue over these areas during next 24-36 Hrs. Isolated pre-monsoon thundershower may continue over plains of NW India viz. Punjab, Haryana, Delhi and west U.P. during 2-3 days. Hilly regions of NW India may receive isolated rainfall/snowfall during next 2-3 days.

#### Zone-wise weather forecast

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

Isolated rain/snowfall is likely over J&K and H.P. during next 2 days. Plains of NW India viz. Punjab, Haryana, Delhi and West U.P. may continue to receive isolated rains/thundershower.

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

Scattered to fairly widespread rains / thundershowers with isolated heavy rains are likely over Sub Himalayan West Bengal and NE States. Isolated to scattered rainfall is likely over rest areas of the region

during next 2-3 days. Subsequently east Uttar Pradesh may experience increase in rains. Fairly widespread to widespread with isolated heavy rains are expected over Orissa, West Bengal, Bihar and Jharkhand during next 3-4 days.

**CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]**  
Vidarbha, Chhattisgarh and east M.P. are likely to receive fairly wide spread rains during 3-4 days.

**SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]**  
Fairly widespread to widespread rainfall is likely over Andaman & Nicobar Islands, Kerala, Lakshadweep, Karnataka and Andhra Pradesh during next 3-4 days.

Tamilnadu is likely to receive scattered rainfall during next 4-5 days.

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

Fairly wide spread with isolated heavy rainfall is likely over Konkan & Goa. Madhya Maharashtra, Marathwada and south Gujarat are likely to receive scattered to fairly wide spread rainfall during next 2-3 days. Rest region are likely to experience mainly dry weather during this period.

**Source: NCMRWF, GOI**

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