

SPICES

June 12- June17, 2006

Overview:

- **Cardamom Comes via Nepal on Illegal Trade**
- **Pakistan: Raids Ginger Treatment Plants**
- **Spice Board to Participate in SAARC Trade Fair**

News Highlights:

Cardamom Comes via Nepal on Illegal Trade

The Department of Revenue Intelligence (DRI) has informed the cardamom smuggled in India from Nepal is in thousands of tonnes as against previous estimates of around hundred tonnes. The cardamom smuggled in India is mostly of Guatemalan quality. According to market sources this is a matter of serious concern and Government must take some steps to control such illegal inflow of commodities in the Indian markets.

Pakistan: Raids Ginger Treatment Plants

The local government officials raided Islamabad ginger treatment plants in their efforts to control sale of acid soaked ginger in the country. Most of the

traders involved in this practice closed their plants and processing units and moved their business to the slums of Rawalpindi. The administrative authorities of both the states have decided jointly to take strict steps in order to stop this practice.

Spice Board to Participate in SAARC Trade Fair

The Spice Board of India in its efforts to promote trade with Pakistan is to participate in a three days SAARC trade fair commencing from June 16, 2006. This might help India to increase its Spices exports, as Pakistan is the major market for spices like cardamom (large and small), ginger, chillies etc.

Domestic Prices For the week ending 10.06.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (10.06..06)	Price (RS/KG) For The Week (03.06.06)	Last Month (RS/KG)Same Week (13.05.06)	Last Year Same Week (RS/KG) (11.06.05)
Black pepper*	Malabar garbled (mg-1)	Cochin	69.00	69.17	69.75	63.70
Cardamom	(Small Auction Price) Ungraded	Vandanmettu	222.87	212.07	203.72	316.77
Cardamom	Cardamom (large Bada Dana)	Gangtok	122.50	120.00	101.25	63.75
Chilli	Non -cold storage	Guntur	36.80	Closed	41.80	17.00
Ginger	Best	Cochin	56.00	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	54.50	54.50	53.50	50.50
	Duggirala	Mumbai	26.63	26.25	26.88	24.13

Coriander	Indori 5%	Mumbai	29.75	30.25	29.75	18.00
	Kanpuri M/C	Mumbai	33.50	33.50	32.50	20.75
Cumin	1%	Mumbai	69.03	69.38	76.88	71.88
	4%	Mumbai	64.38	64.38	69.38	66.88
Clove	Grade 1	Cochin, Nagarcoil	333.33	343.33	270.83	220.00
			350.00	370.00	400.00	240.00
Cinnamon		50.00	50.00	50.00	50.00	47.50

Source: Spices Board

International Spot Prices for the week ending 02.06.2006:

Spice	Origin/Grade	Market	Price For The Week (02.06.06) (US\$/TON)	Price For The Week (26 05. 06) (US\$/TON)	Last Month Same Week (05.05.06) (US\$/TON)	Last Year Same Week (03.06.05) (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 7mm bold	Saudi Arabia	7740	7740	7640	10350
Chillies	Indian sannm-4 (stem less)	New York	1830	1830	1742	1213
Ginger	India cochin	New York	2029	2029	2161	3528
	Chinese peeled	New York	1830	1830	1874	3198
Turmeric	India Alleppey finger	New York	1852	1852	1874	2051
Garlic	Chinese	New York	2977	2977	2977	1632
Coriander	Canada	New York	772	772	772	772
Cumin	Syrian	New York	1852	1852	1808	1764
	Indian		1852	1852	1852	2051
Fennel	Indian (Asta)	New York	1742	1786	1698	1411
	Egyptian		1654	1654	1610	1367
Fenugreek	India/turkey	New York	794	794	750	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	4961	4961	4740	3859
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon	New York	5843	5843	5843	4630

Source: Spices Board

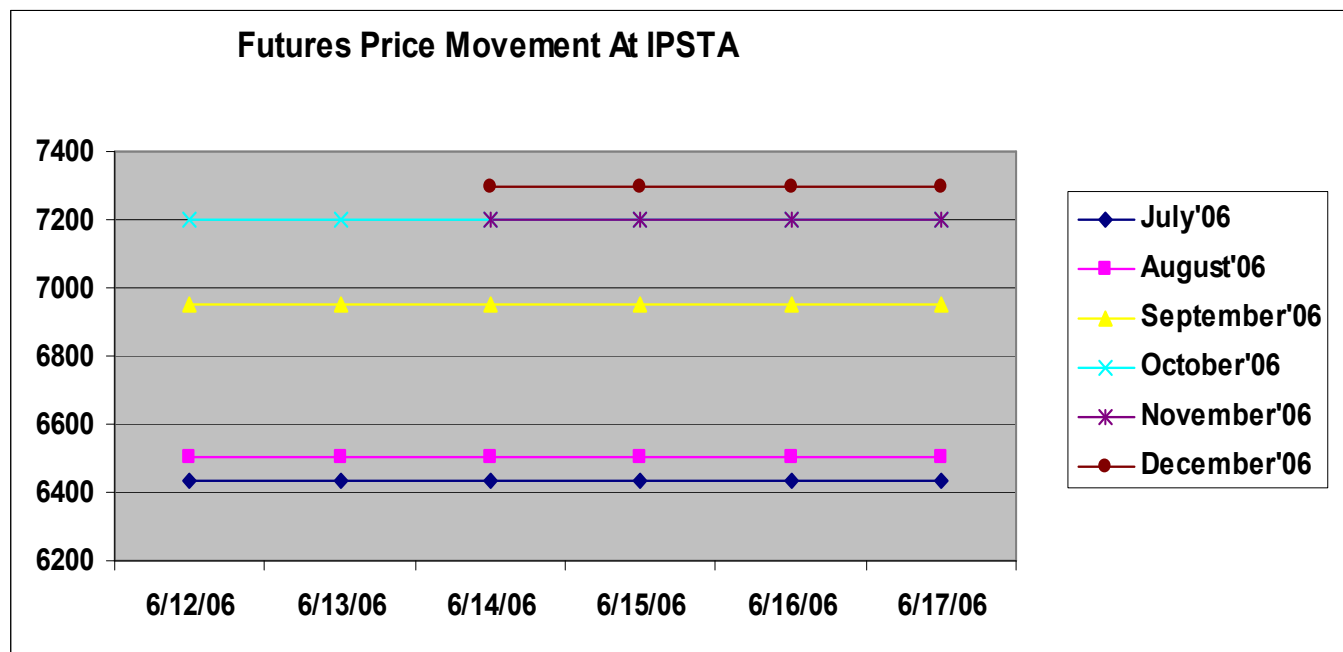
Market Analysis:

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 remained steady throughout the week. 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	6/ 12/ 2006	6/ 13/ 2006	6/ 14/ 2006	6/ 15/ 2006	6/ 16/ 2006	6/ 17/ 2006
Ungarbled	6500	6500	6500	6500	6500	6500
Garbled	6900	6900	6900	6900	6900	6900

Black Pepper at the Kochi market continued to trade at similar prices throughout the week. The market lacks any fresh news to provide a clear cut direction to the prices. Garbled grade continued to trade steady at Rs. 6900 a quintal and ungarbled at Rs. 6500 a quintal. The market did not see any fresh selling or buying activities during the week as producers are still holding back their stocks as they do not find current prices to be lucrative. Indian prices have come in parity with other major competitors and still lack buying from the international markets as the buyers are waiting for the prices to decline further. Also domestic demand is low due to less consumption demand in this season. Harvesting in Srilanka is in progress and it is quoting at lowest prices however quality of Srilankan pepper doesn't come in match to that of India as it is believed to be inferior as against Indian pepper. The market might continue to see steady to range bound movement in

prices with bearish inclination unless exports boosts up.

Delhi Market

Black Pepper at Delhi market continued to trade range bound during the week on low seasonal demand and steady sentiments at the primary markets and producing centres. Pepper prices might move range bound with slight bearish inclination in coming days.

	June 05 - June 10	June 12 - June 17
Golden Unpolished	77 - 78	77 - 78
11.5	85 - 90	85 - 92
No. 12	95 - 105	90 - 105

Note: Prices are in Rs. per Kg.

	June 05 - June 10	June 12 - June 17
Nizamabad finger	2550 - 2800	2525 - 2475
E.Finger mini Selam	3325 - 3500	3225 - 3350
E. Single polish Gattah	2725 - 2900	2650 - 2700
E. Double polish Gattah	3325 - 3600	3225 - 3300
Warangal polish	2750	2675 - 2725
Selam Finger	3975 - 4075	3900 - 4000

Turmeric:

Erode Mandi:

Turmeric at Erode market continued to trade steady to slightly bearish this week. The prices declined on low demand as the average daily off take reduced from 80 - 75 percent to 70 - 65 percent of the total inflow during this period. The average daily arrivals were between 5000 - 6000 bags each during the week. During the week Erode market saw only domestic demand from the markets of Delhi, Punjab and Calcutta. Turmeric prices might continue to remain steady to range bound with bearish inclination.

	June 05 - June 10	June 12 - June 17
Loose Finger	2450 - 2500	2300 - 2450
Loose Gattah	2350 - 2450	2300 - 2400

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

Nizamabad Mandi:

Turmeric prices at Nizamabad market mostly traded steady to range bound and by the end of the week prices declined further. The prices declined even though the arrivals decreased to 1000 bags of 90 Kgs each as against previous weeks 2500 - 3000 bags. The demand for turmeric is low in domestic market due to less consumption in rainy season. There is no export demand in the market and the prices might continue range bound with bearish inclination. Sowing of new crop is in progress and acreage this year is expected to increase in Andhra Pradesh. The producers are waiting for monsoon rains as they are beneficial for the sowing of turmeric.

	June 05 - June 10	June 12 - June 17
Nizamabad Finger	2025 - 2150	2025 - 2180
Nizamabad Gattah	2075 - 2150	2000 - 2130

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

Delhi Mandi:

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

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 arrivals are decreasing day by day as harvesting season is complete and will further decline with the onset of rains in the area in coming days. The average daily arrivals during this week were of 4000 - 5000 bags as against previous week's average daily arrivals of 7000 bags. The domestic demand might improve with the arrival of rains and once the mango season ends, export demand might also gain pace in about a fortnight's time. According to trade sources the crop in Syria this year is of inferior quality and the yield is also expected to be low with low carry over stock thus providing Indian exporters to cash in more profits on possibility of increased exports. The prices are likely to remain firm in the long term, however currently the prices might remain steady to range bound and thereafter recover.

	June 05 - June 10	June 12 - June 17
Kisan Mal-FAQ (New)	1330 - 1400	1330 - 1450
Ganesh	1350 - 1500	1350 - 1500
M/c. Cleaned	1400 - 1550	1400 - 1600

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 coupled with less consumption demand at present. The prices are expected to be range bound in coming days on moderate demand and less supply from primary markets.

	June 05 - June 10	June 12 - June 17
Ganesh New	73.00- 75.30	73.00 - 75.80
FAQ	69.00 - 70.30	69.30 - 70.80
M/c. Cleaned	69.80 - 97.30	69.30 - 97.80
M/c Cut	70.00 - 102.30	71.30 - 102.80

Red Chillies:

Guntur Mandi. :

Red chilli prices at Guntur market remained steady to slightly firm during the week as arrivals decreased slightly as against previous week's hefty arrivals. However demand is still not high at current prices and the stock in the market is huge. The traders are expecting acreage of chillies to increase this year and the sowing in Andhra Pradesh is expected to begin by the end of July. The average daily inflow was of around 25000 – 30000 bags. With hefty stock, low demand ahead of rainy season, the prices might trade range bound in the coming few days.

Grades	June 05 - June 10	June 12 - June 17
(LCA 334 loose) Cold storage	4000 - 4600	4400 - 5100
(LCA 334 loose) Non Cold storage	3600 - 4000	3200 - 4100

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

Delhi Mandi:

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

	June 05 - June 10	June 12 - June 17
Guntur Pala	4550 – 4900	4800 - 5300
Guntur Fullcut	6000 – 6200	6000 - 6400
Guntur Packing	5050 - 5200	5200 - 5500
Nagpur Pala	4550 - 4800	4700 - 5000
Nagpur Fullcut	5450 - 5800	5700 - 6000
Nagpur Packing	4850 - 5200	5000 - 5300

Note: Prices are in Rs/Qtl

Technical Analysis:

Commodity: Black Pepper

Exchange: NCDEX

Contract Month: July 2006

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

might decline. The contract might see bearish movement of prices.



Recommendation: Go for Short position. The Prices might move in the range of 6795 - 6463 this week..

Commodity: Turmeric
Exchange: NCDEX
Contract Month: July 2006

Candlesticks are reflecting bearish sentiments. MACD is negative zone. Stochastic has made bearish crossover in neutral region. Moving averages

are indicating prices might continue to decline. The prices might decline.



Recommendation: Go for short position. The prices are most likely to be in the range of 2305 – 2505 this week.

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

Candle sticks are indicating indecision and chances of recovery. MACD is in oversold region. Stochastic is bearish in neutral region. Moving averages are indicating prices might continue to decline. The

contact might see range bound movement of prices with chances of recovery at the beginning of the week.



Recommendation: The prices might remain in the range of Rs. 6173 to 6524 during this week.

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

Candlesticks are indicating slightly firm sentiments. Stochastic has made bearish crossover in neutral region and MACD is in negative zone. Moving

averages are indicating mixed sentiments. The prices might recover at the beginning of the week and thereafter might decline.



Recommendation: The prices might range between 4647 – 5280 during this week.

WEATHER WATCH (As on 17.06.06)

Chief Features

There are favourable signals of revival of southwest monsoon activity over the south peninsula around 19th. Scattered rains have already commenced over Kerala, Coastal Karnataka and south Konkan & Goa. This activity is likely to increase during next 2-3 days and subsequently extend northwards along the west coast.. Fairly widespread rainfall activity has occurred over northeastern States with isolated heavy falls. This activity is likely to continue for next 2-3 days. Scattered rain/thundershower have occurred over western Himalayas and isolated dust storm/thunderstorm over plains of northwest India in association with a western disturbance. This activity is likely to continue during next 1-2 days.

Chief amounts of rainfall (cm) during past 24 hours are:

North Lakhimpur-7, Tezpur-7, Kochi-6, Goa (Dabolim)-6, Kolkata-4, Sangli-3, Ganganagar-3, Honavar-3.

Forecast valid up to 0830 hours IST of 20th June, 2006 :

NORTH & NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
 Rain/thundershowers are likely at many places over western Himalayas with snowfall over the higher

reaches. Dust storm/Thunderstorm are likely at a few places with isolated squall over the rest region. This activity is likely to decrease after 1-2 days.

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

Rain/thundershowers are likely at a few places over West Bengal & Sikkim and coastal Orissa and isolated over the rest region.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Rain/thundershowers are likely at many places over the region with isolated heavy falls

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

Rain/thundershowers are likely at many places Kerala, Lakshadweep and Coastal Karnataka and at a few places over the rest region.

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

Rain/thundershowers are likely at a few places over south Konkan & Goa and isolated over south Madhya Maharashtra and Marathawada. Isolated Dust storm/Thunderstorm are likely over Rajasthan. Mainly dry weather is likely over the rest region.

**CENTRAL INDIA
(M. P., CHHATTISGARH, VIDARBHA)**

Rain/thundershowers are likely at a few places over Chhattisgarh and isolated over Vidarbha. Mainly dry weather is likely over the rest region

Source: NCMRWF, GOI

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