

SPICES

June 26 - July01, 2006

Overview:

- **Commerce Ministry Restores License**

News Highlights:

The Commerce Secretary has recently ordered to restore the licenses of Mumbai based three chilli exporters who were earlier found guilty of selling adulterated chilli powder to European Union in the year 2003. The tests revealed presence of

carcinogenic chemical Sudan red in the product exported by them. European Union banned the import of Spices from India. The commerce ministry decided to restore their licenses, as it believes the exporters have already had sufficient punishment.

Domestic Prices For the week ending 24.06.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (24.06..06)	Price (RS/KG) For The Week (17.06.06)	Last Month (RS/KG)Same Week (20.05.06)	Last Year Same Week (RS/KG) (25.06.05)
Black pepper*	Malabar garbled (mg-1)	Cochin	69.10	69.00	70.92	62.83
Cardamom	(Small Auction Price) Ungraded	Vandanmettu	206.00	219.48	214.18	-
Cardamom	Cardamom (large Bada Dana)	Gangtok	-	118.75	120.00	91.25
Chilli	Non -cold storage	Guntur	34.80	33.50	Closed	15.50
Ginger	Best	Cochin	57.00	57.00	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	55.50	54.50	51.25
	Duggirala	Mumbai	26.25	26.25	27.25	24.75
Coriander	Indori 5%	Mumbai	29.25	29.75	31.25	18.38
	Kanpuri M/C	Mumbai	33.00	32.50	33.50	20.75
Cumin	1%	Mumbai	70.63	70.63	72.50	75.63
	4%	Mumbai	65.63	65.63	66.88	70.63
Clove		Cochin,	330.00	330.00	350.00	220.00
		Nagarcoil	330.00	360.00	360.00	250.00
Cinnamon		50.00	50.00	50.00	50.00	47.50

Source: Spices Board

International Spot Prices for the week ending 23.06.2006:

Spice	Origin/Grade	Market	Price For The Week (23.06.06) (US\$/TON)	Price For The Week (16. 06. 06) (US\$/TON)	Last Month Same Week (26.05.06) (US\$/TON)	Last Year Same Week (24.06.05) (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	8290	7740	10630
Chillies	Indian sannm-4 (stem less)	New York	1940	1830	1830	1213
Ginger	India cochin	New York	2029	2029	2029	3418
	Chinese peeled	New York	1830	1830	1830	3087
Turmeric	India Alleppey finger	New York	1852	1852	1852	2051
Garlic	Chinese	New York	2977	2977	2977	1808
Coriander	Canada	New York	772	772	772	772
Cumin	Syrian	New York	1808	1808	1852	1810
	Indian		1808	1808	1852	2029
Fennel	Indian (Asta)	New York	1808	1808	1786	1411
	Egyptian		1610	1654	1654	1367
Fenugreek	India/turkey	New York	816	794	794	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	4961	4961	4961	3859
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon	New York	5843	5843	5843	4630

Source: Spices Board

Market Analysis:

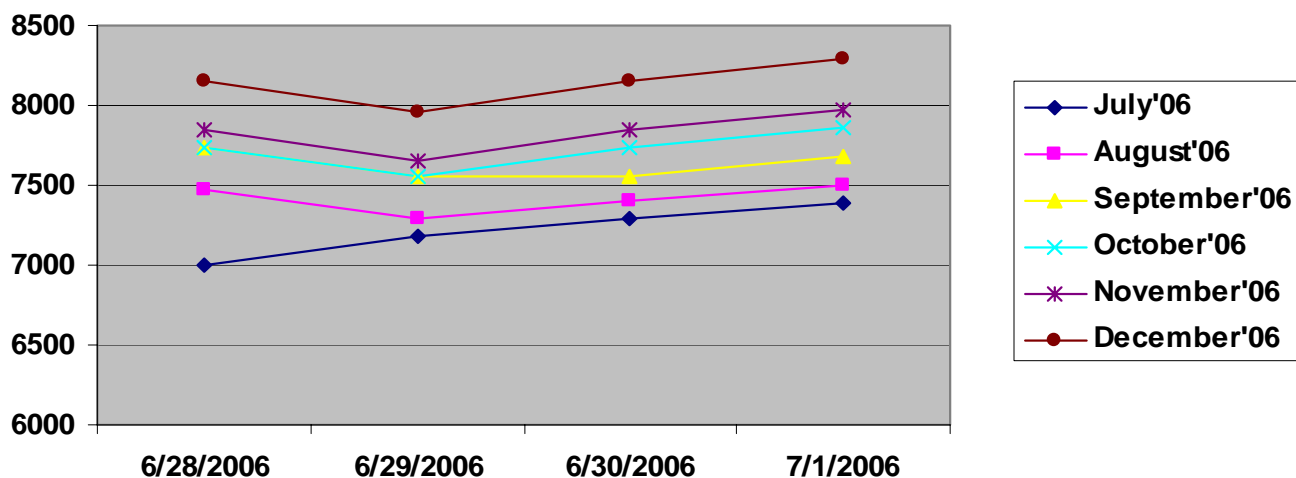
Pepper:

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/ 26/ 2006	6/ 27/ 2006	6/ 28/ 2006	6/ 29/ 2006	6/ 30/ 2006	7/ 01/ 2006
Ungarbled	6650	6700	6700	6800	6900	6950
Garbled	7050	7100	7100	7200	7300	7350

Black Pepper prices at the Kochi market traded firm continuing with its previous week's recovery on reports of demand from international markets. In Kochi market Garbled Grade traded Rs. 300 firm at Rs. 7350 per quintal as against Mondays Rs. 7050 a quintal. A similar increase was seen in ungarbled grade and the price on the last day of the week was Rs. 6950 a quintal. The total volume traded during the week was of near about 47 MT's. According to trading sources some fresh export orders from international markets were received in the recent past. Indian prices are competitive against other major producing countries. Vietnam has sold a major part of its stock and is now quoting at higher levels at around \$1800 a tonne (c&f) as against India that is selling at about \$ 1775 a tonne (c&f). The market has reports of delay in plucking of pepper in Indonesia. Brazil and Indonesia has estimates of less pepper production this year. There are reports of attacks of Quick wilt disease to pepper vines in some pepper cultivating areas of Kerela. The domestic consumption demand is low however buying seems to be mainly in anticipation to fetch higher prices. The prices of pepper might remain slightly firm in the coming days.

Delhi Market

Black Pepper prices at Delhi market recovered slightly as against previous week on bullish advices from primary markets. The traders are unwilling to

sell at current prices in expectation of fetching higher prices later. Pepper prices might continue to be slightly firm in coming days.

	June 19 - June 24	June 26 - July 24
Golden Unpolished	78 - 80	80 - 83
11.5	85 - 100	88 - 100
No. 12	95 - 110	105

Note: Prices are in Rs. per Kg.

Turmeric:

Erode Mandi:

Turmeric prices at Erode market mostly remained steady to range bound during the week on steady inflow and reduced off take. The daily average arrivals during this period continued to be of around 4000 bags and the demand was only 50 - 60 percent. The market lacks domestic demand as well as demand from international markets. Recent rains proved beneficial for sowing and market sources reported harvesting has come to end in Karnataka and the acreage has increased this year by around 15 - 20 percent. Turmeric prices might continue to remain steady to range bound with bearish inclination.

	June 19 - June 24	June 26 - July 24
Loose Finger	2300 - 2450	2350 - 2480
Loose Gattah	2300 - 2400	2280 - 2380

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 upto mid week as the prices declined to bottom levels. However reduced arrivals and arrival of rains did not let the prices to recover According to market sources Nizamabad market still has hefty stock of turmeric and the stockists are selling. Sowing is expected to complete in another 7 – 10 days in Erode and July middle in Andhra Pradesh and Maharashtra. High sugar prices this year are luring producers of turmeric in Sangli belt to grow sugarcane, according to market sources. This shift in crop preference might result in reduced acreage of turmeric in the region.

	June 19 - June 24	June 26 - July 24
Nizamabad Finger	2000 - 2125	2050 - 2350
Nizamabad Gattah	2000 - 2075	1950 - 2150

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

Delhi Mandi:

Turmeric prices for most of the grades this week at Delhi Market continued to trade range bound to slightly bearish on reduced supply and low demand ahead of rainy season. The prices declined on bearish notes from primary markets of turmeric. The prices are expected to remain range bound to slightly bearish in for few days.

	June 19 - June 24	June 26 - July 24
Nizamabad finger	2450 – 2650	2600
E.Finger mini Selam	3225 - 3400	3350
E. Single polish Gattah	2625 - 2800	2750
E. Double polish Gattah	3225 – 3600	3500 – 3550
Warangal polish	2625 – 2675	2600
Selam Finger	3975 - 4400	4350

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. The market lacks any international demand at present. The average daily arrivals during the week declined to 3000 bags as against previous week's average of 5000 bags of 55 Kgs each. The demand for jeera was higher than the arrivals but the prices did not recover as the market seems to be waiting for any fresh news or hints of buying interest from international markets. The domestic demand for jeera is expected to increase as the summer season ends and the demand from international markets is expected in a couple of days. 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.

	June 19 - June 24	June 26 - July 24
Kisan Mal-FAQ (New)	1300 - 1400	1300 - 1350
Ganesh	1320 - 1500	1300 - 1360
M/c. Cleaned	1400 - 1550	1450 - 1560

Note: Prices are in Rs/20 Kg

Delhi Mandi:

Jeera prices at Delhi market remained slightly bearish to range bound during the week on less consumption demand in summer season. 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 19 - June 24	June 26 - July 24
Ganesh New	75.00 - 75.30	73.00 - 74.75
FAQ	70.00 - 100.00	69.75 - 99.75
M/c. Cleaned	70.00 - 97.30	69.75 - 89.75
M/c Cut	72.30 - 102.30	69.75 - 89.75

Red Chillies:

Guntur Mandi. :

Red chilli prices at Guntur market remained bearish during the beginning of the week as arrivals were high on selling by farmers to accumulate funds for seeding new crop and thereafter recovered slightly on reduced arrivals from the producer's side. The arrivals during the beginning of the week were high of around 40000 bags each day and subsequently declined to 15000 bags by the last day of the week. The demand was similar that 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. Sowing is in progress in Andhra Pradesh and climate is favourable as and recent drizzles in the area were beneficial for the crop. The prices might continue to remain range bound.

Grades	June 19 - June 24	June 26 - July 24
(LCA 334 loose) Cold storage	4500 - 4900	4300 - 4550
(LCA 334 loose) Non Cold storage	3200 - 4100	3500 - 4150

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

Delhi Mandi:

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

	June 19 - June 24	June 26 - July 24
Guntur Pala	4600 - 5200	4800 - 5000
Guntur Fullcut	6000 - 6400	6000 - 6600
Guntur Packing	5400 - 5500	5200 - 5500
Nagpur Pala	4500 - 4800	4500 - 5200
Nagpur Fullcut	5500 - 6000	5400 - 5800
Nagpur Packing	4800 - 5300	5000 - 5200

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 positive zone. Stochastic oscillator is in

overbought region. Moving Averages are indicating prices recover. The contract might see firm sentiments during the week.



Recommendation: Go for Long position at price dips. The Prices might move in the range of 7211 – 7568 this week.

Commodity: Turmeric

Exchange: NCDEX

Contract Month: July 2006

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

prices might remain range bound with bearish inclination.



Recommendation: Go for short position at higher levels. The prices are most likely to be in the range of 2226 – 2350 this week.

Commodity: Cumin (Jeera)

Exchange: NCDEX

Contract Month: July 2006

Candle sticks are indicating bullish sentiments. MACD is bearish in oversold region. Stochastic is in overbought region. Moving averages are indicating

prices might recover. The contract might see recovery in prices.



Recommendation: The prices might remain in the range of Rs. 6407 to 6814 during this week.

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

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

sentiments are likely to continue to dominate. 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 4022 – 4651 during this week.

WEATHER WATCH (As on 02.07.06)

Monsoon Watch

Low Pressure area over North Bay of Bengal, further intensified in to deep depression at 3 UTC of 2nd July near Lat 20.5 N/Long 89.0 E, about 250 km southeast of Balasore. Models predictions suggest that the system is likely to maintain its intensity and initially progress in West-northwest direction and then westward across Orissa-Chattisgarh and Madhya Pradesh. Under its influence widespread with isolated heavy rainfall is expected over Gangetic West Bengal, Orissa, Coastal Andhra Pradesh and Jharkhand during next 48 Hrs. with isolated heavy to very rainfall over these areas and extremely heavy rainfall at few places over coastal Orissa, north coastal A.P. Thereafter, activity is likely to extend into Chhattisgarh, East Madhya Pradesh, and Vidarbha, many parts of East Uttar Pradesh and Telangana with the expected westward progression of deep depression during next 2-3 days. Subsequently, ongoing rainfall over Konkan & Goa, Madhya Maharashtra and South Gujarat is likely to increase with heavy to very heavy falls at few places over these areas. Another upper air cyclonic circulation lies over south Gujarat and north Konkan coasts. It is likely to persist for another 2-3 days. Under its influence fairly widespread rains with heavy to very heavy falls are likely over south Gujarat, Konkan coast and Madhya Maharashtra. An off shore trough

from north Konkan to Karnataka coast persists. A western disturbance is likely to approach J&K and H.P. around 5th July and move in eastward direction. With the deep depression over NW Bay of Bengal and its movement in west northwestward direction and an upper air cyclonic circulation persisting over south Gujarat region, model predictions suggest that the monsoon is likely to be in active phase and may further advance over remaining parts of West Uttar Pradesh, West Madhya Pradesh, East Rajasthan Uttaranchal Punjab and remaining of Haryana during next 4-5 days.

Heavy Rainfall Warning:

Heavy to very heavy rainfall is likely at a few places over south Gujarat, Konkan & Goa, Coastal Karnataka and Orissa. Isolated extremely heavy rainfall is likely over coastal Orissa, north Coastal Andhra Pradesh and Chattisgarh.

Zone-wise weather forecast

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

Isolated rainfall is likely over J&K H.P., Punjab, Haryana, Delhi and West U.P during next 3 days. Rainfall activity may increase over West Uttar Pradesh subsequently.

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. Fairly widespread to widespread with isolated heavy rains are expected over Orissa, West Bengal and Jharkhand during next 2 days and thereafter over East Uttar Pradesh.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]
Ongoing rainfall activities over Vidarbha, Chattisgarh and East M.P. are likely to enhance after 24- 36. Fairly wide spread rainfall with isolated heavy rains during next 3-4 days. Subsequently, west M.P. is likely to receive fairly wide spread rains.

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

Fairly widespread to widespread rainfall with isolated heavy rains is likely over Andaman & Nicobar Islands, Kerala, Lakshadweep, Karnataka and Andhra Pradesh during next 4-5 days. Tamilnadu is likely to receive scattered rainfall.

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

Fairly wide spread with isolated heavy rainfall is likely over Konkan & Goa. Madhya Maharashtra, Marathwada, Gujarat, East Rajasthan during next 4-5 days. Isolated thundershower is expected over West Rajasthan.

Source: NCMRWF, GOI

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