

**SPICES**

**July 31- August 05, 2006**

**Overview:**

- Spice Board Issues Orders for Cardamom Auctioneers**

**News Highlights:**

The Spices Board of India has directed auctioneers of Cardamom not to collect any charge on Cardamom auction except commission allowed to be charged from producers of the commodity. Also they can continue to collect the contribution requirement of Cardamom Development Fund. Earlier auctioneers charged Rs. 150 per quintal for cleaning and grading cardamom. Cardamom auctions were on hold after the issue of aforesaid notification. However Board

has formed a committee to study the problems of parties involved in auction of the commodity. The report in this regard is likely to be submitted in around three month's time. According to a senior official of the board the traders and auctioneers would continue to participate in auctions and would not collect grading charges. This is giving signs that cardamom auctions might resume shortly.

**Domestic Prices For the week ending 29.07.2006:**

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (29.07..06)	Price (RS/KG) For The Week (22.07.06)	Last Month (RS/KG)Same Week (01.07.06)	Last Year Same Week (RS/KG) (30.07..05)
Black pepper*	Malabar garbled (mg-1)	Cochin	94.00	80.42	71.83	62.00
Cardamom	(Small Auction Price ) Ungraded	Vandanmettu	No auction	2287.87 (Thekkady)	210.68	243.00
Cardamom	Cardamom (large Bada Dana)	Gangtok	130.00	123.75	120.00	98.75
Chilli	Non -cold storage	Guntur	-	35.00	35.00	15.60
Ginger	Best	Cochin	56.75	55.00	55.00	120.00
	Medium	Cochin	46.00	45.00	45.00	100.00
Turmeric	Alleppey finger (AFT)	Cochin	45.00	45.00	45.00	50.00
	Rajapuri	Mumbai	55.50	55.50	55.50	51.25
	Duggirala	Mumbai	26.50	26.25	26.00	26.50
Coriander	Indori 5%	Mumbai	31.75	29.00	28.75	19.50
	Kanpuri M/C	Mumbai	32.88	32.88	32.50	32.88
Cumin	1%	Mumbai	80.63	78.75	70.63	80.63

	4%	Mumbai	75.63	73.13	65.63	69.38
Clove		Cochin, Nagarcoil	330.00 340.00	330.00 340.00	330.00 375.00	279.16 240.00
Cinnamon		Delhi	53.50	53.50	50.00	47.50

Source: Spices Board

#### International Spot Prices for the week ending 28.07.2006:

Spice	Origin/Grade	Market	Price For The Week (28.07.06) (US\$/TON)	Price For The Week (21. 07. 06) (US\$/TON)	Last Month Same Week (23.06.06) (US\$/TON)	Last Year Same Week (29.07.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	2161	1940	1764	1698
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian (AGEB)	Saudi Arabia	8500	7800	7810	9390
Chillies	Indian sannm-4 (stem less)	New York	1940	1940	1940	1210
Ginger	India cochin	New York	1962	2029	2029	3418
	Chinese peeled	New York	1830	1830	1830	3087
Turmeric	India Alleppey finger	New York	1852	1852	1852	2050
Garlic	Chinese	New York	2844	2910	2977	2756
Coriander	Canada	New York	772	772	772	770
Cumin	Syrian	New York	1940	1896	1808	1808
	Indian		2029	1984	1808	2029
Fennel	Indian (Asta)	New York	2007	1940	1808	1455
	Egyptian		1654	1610	1610	1367
Fenugreek	India/turkey	New York	816	816	816	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

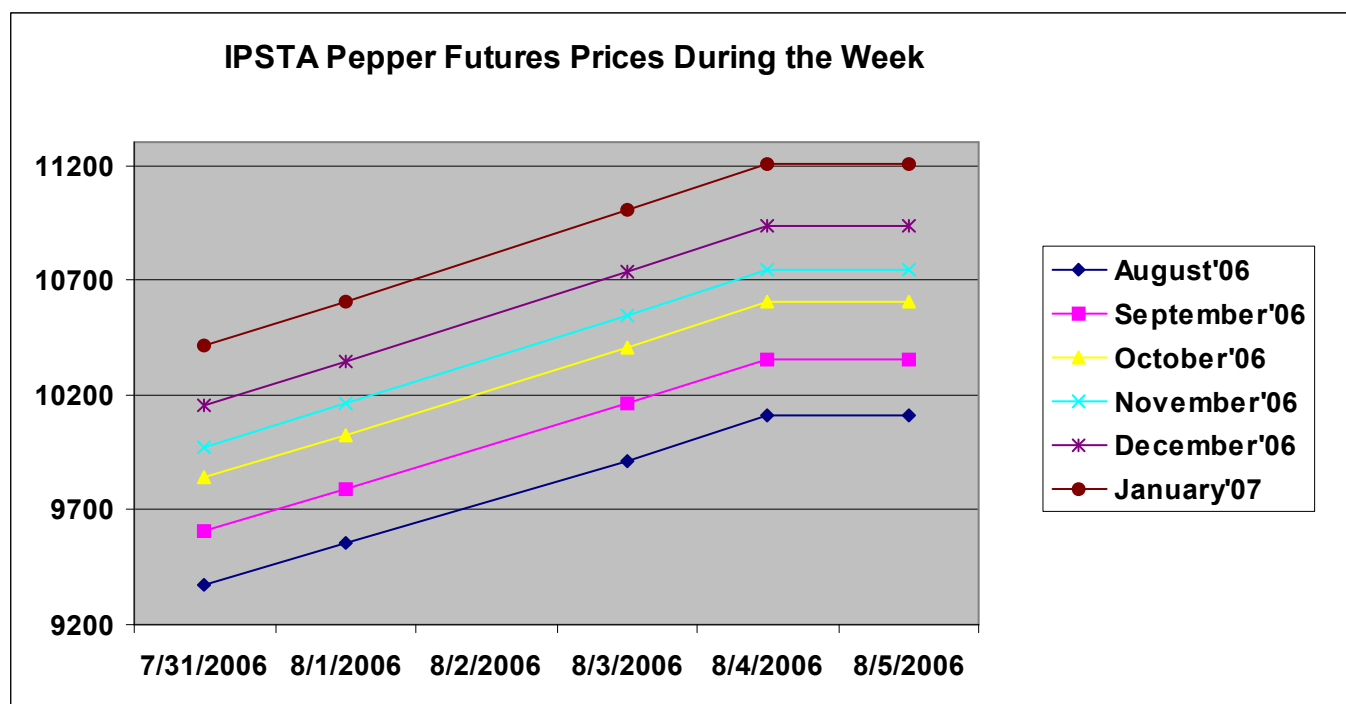
## Market Analysis:

### Pepper:

#### Kochi Market:

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

The graph below is displaying the closing prices for August, September, October, November, December and January month contracts at the IPSTA during the week. The Prices remained mostly firm during the week following bullish spot market sentiments. However by the end of the week the prices remained steady. The prices are most likely expected to remain firm.



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

Pepper	7/ 31/ 2006	8/ 01/ 2006	8/ 02/ 2006	8/ 03/ 2006	8/ 04/ 2006	8/ 05/ 2006
Ungarbled	10000	9900	9800	9800	9800	9700
Garbled	10400	10300	10200	10200	10200	10300

Black Pepper prices at the Kochi market after witnessing and reaching astronomical highs in the past few days declined slightly this week. The prices saw a slight fall by reason of some selling in the spot markets. However once the price takes a relief from its bullish rally it might recover again on strong bullish fundamentals. In Kochi market Garbled grade witnessed a decline of Rs. 200 a quintal and traded between Rs. 10400 – 10200 a quintal. Ungarbled grade traded between Rs. 10000 – 9800 per quintal. The market saw arrivals of nearly 45 MT's of pepper and the off take was of 69 MT's. Pepper prices across the globe are increasing as the world production remained low and the markets are facing supply crunch thus pushing up the prices. The stock

of pepper is reducing in commodity exchanges of the country on huge buying interest, as the commodity is not easily available in domestic spot markets. Most of the major producing nations have very low stocks. Exchanges in India are left with reduced stock with reduced production of the commodity. Brazil, Sri Lanka and Indonesia are continuing with harvesting activities and have estimates of poor crop with low carry over stock. The prices of pepper might remain firm in the coming days.

##### Delhi Market

Black Pepper prices at Delhi market continued to rule firm this week on bullish scenario of pepper in world market. The demand for pepper was high as the

buyers were from the markets of Eastern India. The prices might continue to recover.

	July 24 - July 29	July 31 - August 05
Golden Unpolished	92.50 – 95	104 – 109
11.5	107.50	125 – 130
No. 12	120 – 122.50	135 - 140

Note: Prices are in Rs. per Kg.

#### Turmeric:

##### Erode Mandi:

Turmeric prices at Erode market traded mostly steady to range bound during the week. According to market sources Erode market has a stock of around 6 – 7 lakh bags of turmeric. The daily average arrivals increased to 6000 – 7000 bags as against 5000- 6000 bags previous week. The demand for turmeric improved a bit to around 70 to 80 percent of the total arrivals. The market remained closed for the last three days in celebration of local festivals. The arrivals and demand might increase on reopening of the market. The traders are expecting demand to improve after Sawan season ends. Turmeric prices might continue to remain range bound to slightly firm.

	July 24 - July 29	July 31 - August 05
Loose Finger	2475 - 2550	2400 - 2600
Loose Gattah	2450 - 2500	2400 - 2500

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

##### Nizamabad Mandi:

Turmeric prices at Nizamabad market traded range bound on no major change in S&D. According to trading sources the market has a hefty stock of around 2.70 – 2.75 lakh bags of turmeric. The market saw daily average arrivals of about 1200 – 1300 bags. The traders are expecting slight improvement in demand could be seen in coming days and stockists might sell at higher price levels. Sowing is complete with greater acreage this year also weather proved favourable for sowing and cultivation of turmeric. During the week market also reacted to rumours of damage to crop in Sangli and Khadappa districts. The prices are expected to remain range bound to slightly firm.

	July 24 - July 29	July 31 - August 05
Nizamabad Finger	2100-2250	2100 - 2260
Nizamabad Gattah	2000 - 2150	2000 - 2150

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

##### Delhi Mandi:

Turmeric prices in Delhi market remained range bound for most of the grades during the week. The prices remained steady to range bound on similar S&D conditions prevailing in the market.

	July 24 - July 29	July 31 - August 05
Nizamabad finger	2750 - 2780	2725 - 2780
E.Finger mini Selam	3600	3550 - 3600
E. Single polish Gattah	3000	2950 - 3000
E. Double polish Gattah	3700-3750	3700 – 3750
Warangal polish	2750-2775	2725 – 2775
Selam Finger	4300-4500	4350 - 4500

Note: Prices are in Rs/ Qtl.

#### Cumin:

##### Unjha Mandi:

Jeera prices at Unjha market continued to increase during the week on improved demand. The prices recovered on high demand from both the international as well as domestic markets. The export scenario is good as most of the major jeera producing countries including Syria and Turkey are short of their normal production. The market saw average daily arrivals of 4000 - 5000 bags of jeera and off take was of around 7000 bags each day. The prices have reached higher levels; the market might take a sigh of relief and thereafter recover on improved demand.

	July 24 - July 29	July 31 - August 05
Kisan Mal-FAQ (New)	1470 - 1560	1520 - 1680
Ganesh	1530 - 1580	1600 - 1620
M/c. Cleaned	1630 - 1800	1670 - 1840

Note: Prices are in Rs/20 Kg

##### Delhi Mandi:

Jeera prices at Delhi market increased this week following bullish sentiments prevailing in the primary markets and due to increased demand ahead of festival season. The demand for Jeera is expected to

remain moderate and recover later. The prices are expected to remain steady to range bound.

	July 24 - July 29	July 31 - August 05
Ganesh New	82 - 85.50	87 - 88.25
FAQ	75 - 85.50	80 - 81.25
M/c. Cleaned	86 - 106	87 - 106.25
M/c Cut	86 - 106	90 - 106.25

Note: Prices are in Rs/ Kg

#### Red Chillies:

##### Guntur Mandi. :

Red Chilli in Guntur market traded at similar levels in the absence of any fresh inputs to provide clear direction to the market. The demand for commodity was near around 50 – 55 percent of the total inflow, coupled with hefty stock. Sowing is in progress with an expectation of increased acreage this year, the prices remained steady to range bound. The only factor that prevented the prices to decline was the expectation of slight increase in demand in the coming days. The prices might remain range bound for few days.

#### Technical Analysis:

**Commodity: Black Pepper**

**Exchange: NCDEX**

**Contract Month: August 2006**

Candlesticks are indicating bearish sentiments. MACD is in positive territory, Stochastic has made

Grades	July 24 - July 29	July 31 - August 05
(LCA 334 loose) Cold storage	4400 - 4900	4400 - 5000
(LCA 334 loose) Non Cold storage	3500 - 4100	3500 - 4100

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

#### Delhi Mandi:

Red chilli for most of the grades at Delhi market continued to trade at range bound during the week. The demand for chilli is expected to recover slightly after another fortnight. The prices are expected to trade range bound for few days.

	July 24 - July 29	July 31 - August 05
Guntur Pala	5200-5500	5300 – 5400
Guntur Fullcut	6600 – 6800	6600
Guntur Packing	5500-5800	5600 – 5800
Nagpur Pala	5100-5300	5200
Nagpur Fullcut	6000 – 6300	6000
Nagpur Packing	5100 - 5500	5300 - 5400

Note: Prices are in Rs/Qtl

bullish crossover in neutral region. Moving Averages are indicating prices might decline initially and thereafter recover.



**Recommendation:** Go for Long position at Price dips. The prices might move in the range of 9730 – 10770 this week.

**Commodity: Turmeric**

**Exchange: NCDEX**

**Contract Month: August 2006**

Candlesticks are indicating bearish sentiments.  
Stochastic is in neutral region and MACD is in

positive zone. Moving Averages are indicating bearish sentiments.



**Recommendation:** Buy at lower levels. The prices are most likely to be in the range of 2423 - 2560 this week.

**Commodity: Cumin (Jeera)**

**Exchange: NCDEX**

**Contract Month: August 2006**

Candlesticks are indicating bearish sentiments in the market. Stochastic is in neutral region. MACD is in positive

zone. Moving Averages are indicating prices might recover.



**Recommendation:** Go for long position at price dips. The prices might remain in the range of Rs. 7920 to 8256 during this week.

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

Candlesticks are showing indecision. Stochastic has made bullish crossover in neutral region. MACD is bullish in

negative zone. Moving Averages are indicating bearish sentiments.



**Recommendation:** The prices might recover initially and then decline. Go short at higher levels. The prices might remain in the range of 4605 - 4880 during this week.

#### WEATHER WATCH (As on 06.08.06)

##### MONSOON WATCH & WEATHER OUTLOOK

Depression near Raipur has moved westwards and weakened into a well marked low pressure area. At present it lies over southwest Madhya Pradesh and neighborhood. The system is likely to move further in a west-northwesterly direction and weaken gradually. Under its influence widespread rainfall with scattered heavy to very heavy falls are likely over Marathwada, north Madhya Maharashtra, Konkan & Goa and Gujarat Region during next 48 Hrs. Isolated heavy to very falls are also likely over West Madhya Pradesh, southeast Rajasthan and isolated heavy rainfall are likely over Saurashtra & Kutch, south Madhya Maharashtra, coastal Karnataka, North Interior Karnataka, north Telangana and Vidarbha during next 2-3 days and reduce the rafter. Chief amount of rainfall (cm) observed during past 24 hrs are: Parbhani-28, Jalgaon-22, Mahabaleshwar-17, Bhira-16, Akola-15, Jaisalmer-13, Yeotmal, Aurangabad-12 each, Mumbai (SCZ), Nizamabad-11 each, Ratnagiri, Udgir-9 each, Kolhapur, Shiralli-7 each, Canning-6, Harnai-5,

Mumbai (CLB), Dahanu, Nasik, Diamond Harbour, Wardha, Kalingpatnam, Ramagundam, Paradip-4 each. The axis of monsoon trough at sea level

passes through Barmer, centre of well marked low pressure area, Satna, Gaya, Kolkata and thence southeastwards to northeast bay of Bengal. Models predictions suggest that a low pressure are is likely to form over Northwest Bay of Bengal during 11-12

August, 2006. Monsoon is likely to remain active over central and Peninsular India during next 4-5 days.

##### Heavy Rainfall Warning:

Marathwada, north Madhya Maharashtra, Konkan & Goa and Gujarat Region during next 2 days. Isolated heavy to very falls are also likely over West Madhya Pradesh, southeast Rajasthan and isolated heavy rainfall are likely over Saurashtra & Kutch, south Madhya Maharashtra, coastal Karnataka, North Interior Karnataka, north Telangana, Vidarbha and Jammu region during next 48 Hrs.

##### Zone-wise weather forecast

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

Scattered rainfall is expected over J&K, H.P., Punjab, Uttranchal, Haryana and west U.P. during next 3 -4days.

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

Scattered rainfall is likely to continue over Gangetic West Bengal and NE States. Scattered to fairly widespread rainfall is likely over Orissa, Jharkhand during next 2-3 days. East UP and Bihar is likely to receive scattered rainfall.

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

Fairly widespread to widespread rainfall with isolated heavy rains is likely over Chhattisgarh, Vidharbha and Madhya Pradesh during next 24-36 hrs. and reduce thereafter.

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

Fairly widespread to wide spread rain with isolated heavy falls is likely over Karnataka, Telangana and scattered to fairly widespread over Coastal Andhra Pradesh and Rayalseema. Ongoing rainfall activities over Kerala are likely to enhance during next 2 days and reduce thereafter. Isolated to scattered rainfall is likely over Tamilnadu during 3-4 days.

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

Fairly wide spread to widespread with isolated heavy to very heavy falls is likely over Konkan & Goa and Gujarat region during next 3 days. Fairly widespread rainfall with isolated heavy falls is likely over East Rajasthan during next 24 Hrs and over Madhya Maharashtra and Marathawada during next 2 days.

**Source: NCMRWF, GOI**

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