

## SPICES

July 24 - July29, 2006

### Overview:

- AP Union Minister Announces Project to Promote Export of Turmeric, Chillies

### News Highlights:

Andhra Pradesh Union Minister in his efforts to promote export of Indian commodities, announced to initiate a national project in Hyderabad for export of spices like Turmeric and Chillies. The project would

include revitalizing Agriculture export Zones (AEZ) in Hyderabad. The project would focus on growing organic turmeric and Red Chillies in Nizamabad, Guntur districts of the state.

### Domestic Prices For the week ending 22.07.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (22.07..06)	Price (RS/KG) For The Week (15.07.06)	Last Month (RS/KG)Same Week (24.06.06)	Last Year Same Week (RS/KG) (23.07..05)
Black pepper*	Malabar garbled (mg-1)	Cochin	80.42	76.92	69.10	61.25
Cardamom	(Small Auction Price ) Ungraded	Thekkady	228.87	220.79	206.00	275.31
Cardamom	Cardamom (large Bada Dana)	Gangtok	123.75	120.00	120.00	97.50
Chilli	Non -cold storage	Guntur	35.00	34.80	34.80	15.80
Ginger	Best	Cochin	55.00	55.00	57.00	120.00
	Medium	Cochin	45.00	45.00	47.00	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	26.25	26.00	26.25	24.13
Coriander	Indori 5%	Mumbai	29.00	29.00	29.25	19.38
	Kanpuri M/C	Mumbai	32.88	32.88	33.00	20.75
Cumin	1%	Mumbai	78.75	76.25	70.63	75.63
	4%	Mumbai	73.13	70.00	65.63	69.38
Clove		Cochin,	330.00	330.00	330.00	270.00
		Nagarcoil	340.00	360.00	330.00	245.00
Cinnamon		Delhi	53.50	50.00	50.00	47.50

Source: Spices Board

### International Spot Prices for the week ending 21.07.2006:

Spice	Origin/Grade	Market	Price For The Week (21.07.06) (US\$/TON)	Price For The Week (07. 07. 06) (US\$/TON)	Last Month Same Week (23.06.06) (US\$/TON)	Last Year Same Week (20.07.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1940	1852	1764	1700
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian (AGEB)	Saudi Arabia	7800	7920	7940	9640
Chillies	Indian sannm-4 (stem less)	New York	1940	1830	1940	1210
Ginger	India cochin	New York	2029	2029	2029	3420
	Chinese peeled	New York	1830	1830	1830	3090
Turmeric	India Alleppey finger	New York	1852	1852	1852	2050
Garlic	Chinese	New York	2910	2977	2977	2540
Coriander	Canada	New York	772	772	772	770
Cumin	Syrian	New York	1896	1808	1808	1810
	Indian		1984	1808	1808	2030
Fennel	Indian (Asta)	New York	1940	1808	1808	1460
	Egyptian		1610	1654	1610	1370
Fenugreek	India/turkey	New York	816	794	816	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	4961	4961	4961	3860
			7166	7166	7166	7170
Cinnamon	Ceylon h2 cinnamon	New York	5843	5843	5843	4630

Source: Spices Board

### Market Analysis:

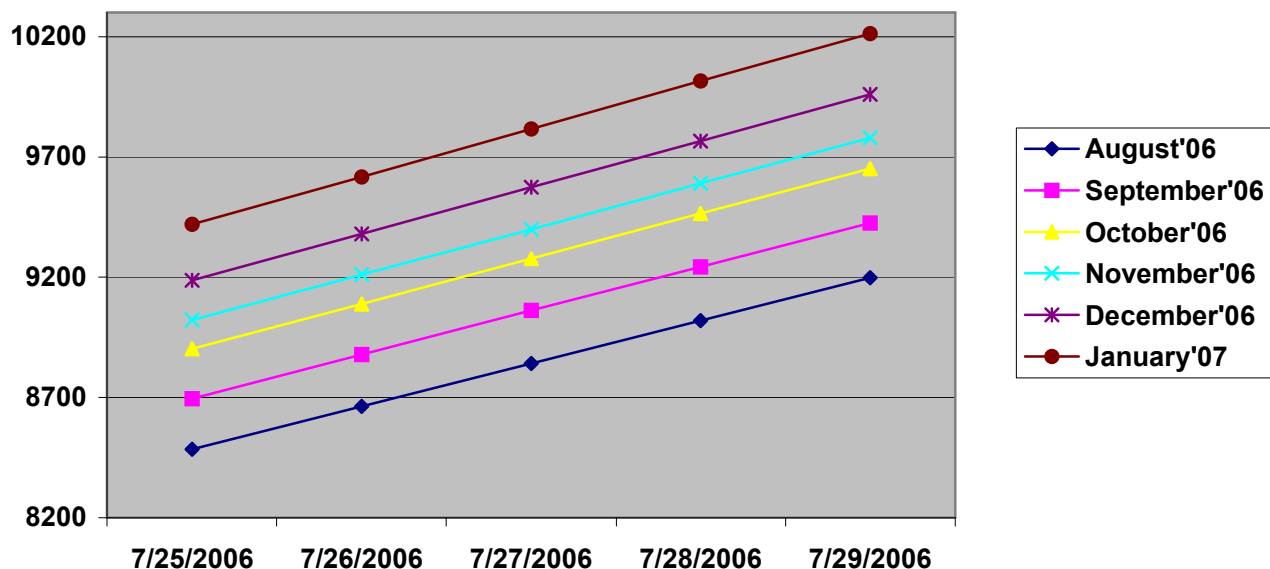
#### Pepper:

#### 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 firm on a bull run during the whole week following bullish spot market sentiments. The prices are most likely expected to remain firm.

### IPSTA Pepper Futures Prices During the Week



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

Pepper	7/ 24/ 2006	7/ 25/ 2006	7/ 26/ 2006	7/ 27/ 2006	7/ 28/ 2006	7/ 29/ 2006
Ungarbled	8300	8600	9100	9100	9300	9600
Garbled	8700	9000	9500	9500	9700	10000

Black Pepper at the Kochi market continued to trade at astronomical high levels this week also on promising position of Indian pepper in the world market. Black Pepper prices are rising on Global supply crunch and high demand for the commodity. In Kochi market Garbled Grade by the weekend traded up by Rs. 1300 at Rs. 10000 per quintal. Similar rise was observed in Ungarbled grade and the price at the weekend was Rs. 9600 a quintal. The total quantity traded during the week aggregated to only 40 MT's of pepper most of which was sold at higher price levels. Most of the producing nations have very low stocks. According to market sources exporters from US and Europe market showed keen interest in buying the commodity and enquiries from international buyers is still continuing. Exchanges in India are left with reduced stock with reduced production of the commodity. Brazil, Srilanka and Indonesia are continuing with harvesting activities and have estimates of poor crop with low carry over stock. According to market sources Vietnam has run short of its stock of Black pepper and does not have much to offer. 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 is high and the prices might continue to recover.

	July 17 - July 22	July 24 - July 29
Golden Unpolished	85-90	92.50 – 95
11.5	90-105	107.50
No. 12	107-120	120 – 122.50

Note: Prices are in Rs. per Kg.

### Turmeric:

#### Erode Mandi:

Turmeric prices at Erode market traded mostly range bound with slightly firm bias during the week. According to market sources Erode market has a stock of around 6 – 7 lakh bags of turmeric. The daily average arrivals during this period were of 5000-6000 bags. The demand was of near around 5 percent of the total arrivals and buyers were local traders as well as from the markets of North India.

The traders are expecting demand to improve after Sawan season ends. Turmeric prices might continue to remain range bound to slightly firm.

	July 17 - July 22	July 24 - July 29
Loose Finger	2450 - 2500	2475 - 2550
Loose Gattah	2400 - 2450	2450 - 2500

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

#### Nizamabad Mandi:

Turmeric prices at Nizamabad market traded slightly firm as sowing completed and demand improved. The market has a hefty stock of around 2.75 lakh bags of turmeric. The market saw daily average arrivals of about 1500 – 1700 bags. The buyers were mainly from the markets of North India. Sowing of Turmeric in Andhra Pradesh is complete with reports of similar acreage as of last year. The prices are expected to remain range bound to slightly firm.

	July 17 - July 22	July 24 - July 29
Nizamabad Finger	2050 - 2175	2100-2250
Nizamabad Gattah	2000 - 2170	2000 - 2150

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

#### Delhi Mandi:

Turmeric prices in Delhi market for most of the grades increased for most of the grades. The prices increased on improved demand for the commodity and are expected to remain slightly firm for few days.

	July 17 - July 22	July 24 - July 29
Nizamabad finger	2700	2750 - 2780
E.Finger mini Selam	3400	3600
E. Single polish Gattah	2900	3000
E. Double polish Gattah	3600	3700-3750
Warangal polish	2650	2750-2775
Selam Finger	4100	4300-4500

Note: Prices are in Rs/ Qtl.

#### Cumin:

##### Unjha Mandi:

Jeera prices at Unjha market continued to increase during the week on improved demand conditions. The prices recovered on high demand from both the international as well as domestic markets. Another factor that helped the prices surge was rains in the Gujarat that effected and reduced the arrivals of jeera in the market. The demand for jeera is likely to

increase further as domestic demand might improve due to festival season. The export scenario was good as Geopolitical tensions in Lebanon reduced their export and provided an opportunity to Indian exporters. During the week the market saw daily average arrivals of 3500 bags of jeera with an offtake of around three times of the inflow. The demand is expected to remain good due to fair chances of good exports this year as most of the major jeera producing countries including Syria and Turkey are short of their normal production. The domestic demand is also expected to increase in coming days. The prices might remain slightly firm for few days.

	July 17 - July 22	July 24 - July 29
Kisan Mal-FAQ (New)	1410-1480	1470 - 1560
Ganesh	1470 - 1500	1530 - 1580
M/c. Cleaned	1480 - 1800	1630 - 1800

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. The demand for Jeera increased and consumption of jeera is expected to improve due to festival season. The prices are expected to firm for few days.

	July 17 - July 22	July 24 - July 29
Ganesh New	78-81	82 - 85.50
FAQ	75	75 - 85.50
M/c. Cleaned	77-100	86 - 106
M/c Cut	77-100	86 - 106

Note: Prices are in Rs/ Kg

#### Red Chillies:

##### Guntur Mandi. :

Red Chilli prices continued to remain at steady levels in Guntur market in the absence of any fresh inputs. The average daily arrivals in the beginning of the week were of around 50000 – 60000 bags of chillies that declined to 5000 – 6000 bags by the weekend due to elections in the area. The demand was less of around 50 percent of the total inflow. According to market sources the market has a hefty stock of chillies. Hefty stock, high arrivals, low demand and sowing activity with expectation of greater acreage and suitable climate might try to subside prices. However expectation of slight improvement in demand might not let the prices to decline steeply. Red chilli prices might remain range bound with slightly bearish inclination.

Grades	July 17 - July 22	July 24 - July 29
(LCA 334 loose) Cold storage	4400 - 4600	4400 - 4600
(LCA 334 loose) Non Cold storage	3700 - 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 to slightly reduced prices 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 17 - July 22	July 24 - July 29
Guntur Pala	5300-5500	5200-5500
Guntur Fullcut	6600-6800	6600 – 6800
Guntur Packing	5800-5700	5500-5800
Nagpur Pala	5200-5300	5100-5300
Nagpur Fullcut	6200-6300	6000 – 6300
Nagpur Packing	5200-5500	5100 - 5500

Note: Prices are in Rs/Qtl

#### Technical Analysis:

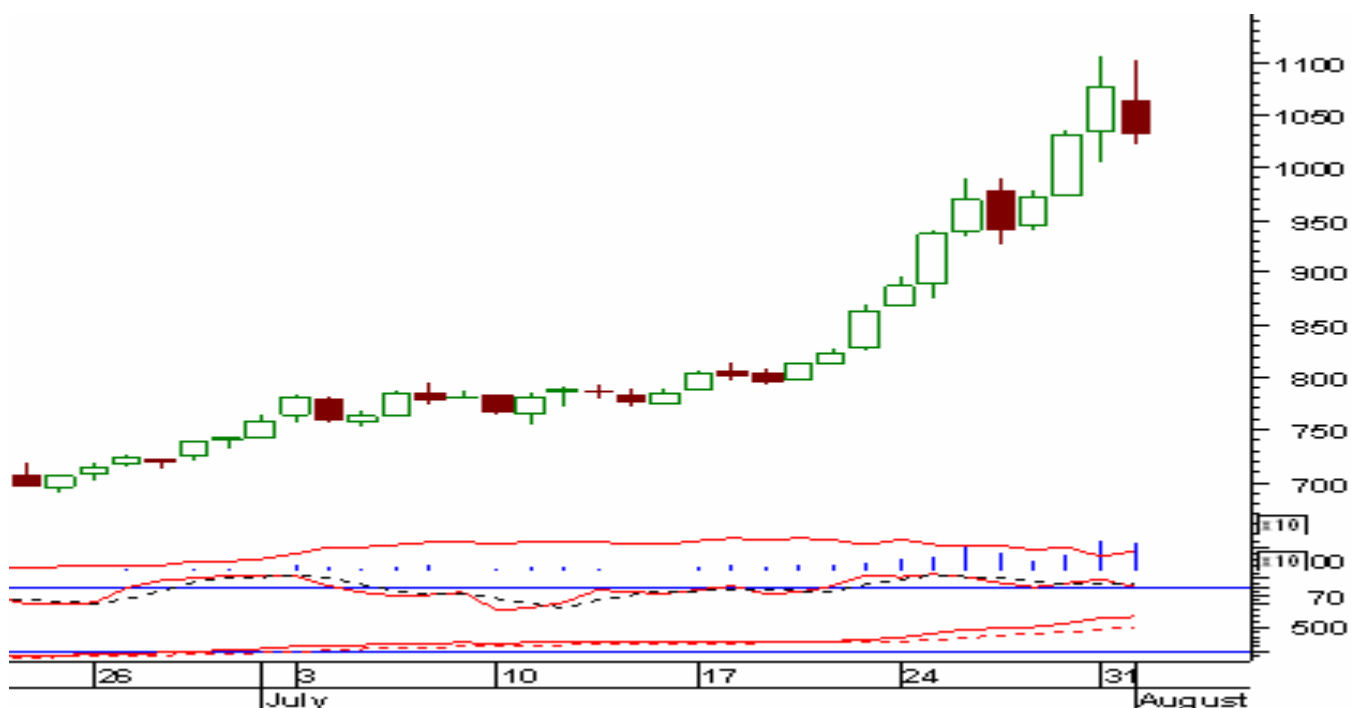
**Commodity: Black Pepper**

**Exchange: NCDEX**

**Contract Month: August 2006**

Candlesticks are reflecting bearish sentiments. MACD is in positive zone. Stochastic oscillator has made bearish crossover in overbought territory. Moving Averages are indicating prices might recover.

The contract might see some profit booking and thereafter recovery in prices.



**Recommendation:** Go for Long position at Price dips. The prices might move in the range of 10060 – 11435 this week.

**Commodity: Turmeric**

**Exchange: NCDEX**

**Contract Month: August 2006**

Candlesticks are reflecting bearish sentiments. MACD is in positive zone. Stochastic is in neutral

region. Moving Averages are indicating prices might decline initially and thereafter recover.



**Recommendation:** Buy at lower levels. The prices are most likely to be in the range of 2472 - 2600 this week.

**Commodity: Cumin (Jeera)**

**Exchange: NCDEX**

**Contract Month: August 2006**

Candle sticks are indicating bearish sentiments. MACD is in positive zone and stochastic is in overbought region. Moving averages are indicating

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



**Recommendation:** Go for long position. The prices might remain in the range of Rs. 7870 to 8256 during this week.

**Commodity: Red Chilli**

**Exchange: NCDEX,**

**Contract Month: August 2006**

Candlesticks are indicating bearish sentiments.  
Stochastic is likely to make a bearish crossover in

neutral region and MACD is in negative zone. Moving  
Averages are indicating bearish sentiments.



**Recommendation:** The prices might remain in the range of 4722 - 4950 during this week.

#### **WEATHER WATCH (As on 31.07.06)**

##### **MONSOON WATCH & WEATHER OUTLOOK**

Low-pressure area lies over Northwest Madhya Pradesh. It is likely to move further in a west northwesterly direction. Under its influence fairly widespread to widespread rainfall with isolated heavy to very heavy falls over West Madhya Pradesh, Vidarbha during next 24-36 Hrs. then extend over Gujarat and adjoining east Rajasthan. The axis of monsoon trough at sea level passes through Barmer, Sawai Madhopur, center of low-pressure area, Satna, Daltonganj, Balasore and thence southeastwards to east central Bay of Bengal. Model predictions suggest that present cyclonic circulation over North Bay of Bengal is likely intensify as a low-pressure area during next 24 hrs. The system is expected to move in west-northwest direction. Under the influence of expected westward movement of system, Gangetic West Bengal and Orissa are likely to receive fairly wide spread to wide spread rains with isolated heavy falls. Then heavy rainfall area may extend to Jharkhand, Chhattisgarh and Madhya Pradesh. Monsoon is likely to be active from Orissa to Gujarat during next 3-4 days. Chief amounts of rainfall (cm) during past 24 hours are: Rajkot-19, Naliya-16, Mahabaleshwar-11, Bhuj & Sagar-9 each, Jamshedpur, Bhira & Ambikapur-7 each; Pendra-6; Okha, Satna, & Bhopal-5 each; Porbandar-4;

Mumbai, Goa, Diamond Harbour, Surat & Ajmer-3 each.

##### **Heavy Rainfall Warning:**

Heavy to very heavy rainfall likely at a few places over Gujarat Region, West Madhya Pradesh, and southeast Rajasthan. Isolated heavy falls also likely over northeast Rajasthan, Saurashtra & Kutch, north Madhya Maharashtra and Konkan & Goa (including Mumbai).

##### **Zone-wise weather forecast**

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

Ongoing rainfall over J&K, H.P., Punjab and Haryana west U.P. is likely to reduce.

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

Scattered rainfall is likely to continue over West Bengal and NE States during next 24 Hrs. Then it may reduce over NE States. Widespread with isolated heavy rainfall is likely over Orissa, Gangetic West Bengal, Chhattisgarh, Jharkhand during next 3-

4. 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 2-3 days.

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

Ongoing rainfall activities over Kerala , Karnataka, Telangana and Coastal Andhra Pradesh is likely to increase. Isolated to scattered rainfall is likely over Tamilnadu and Rayalseema during 3-4 days.

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

Fairly wide spread with isolated heavy to very heavy falls is likely to continue over Konkan & Goa. Ongoing rainfall over Gujarat region is likely to reduce significantly during next 24 Hrs. Madhya Maharashtra and Marathawada are also likely to receive fairly widespread rainfall with isolated heavy fall during next 2-3 days. Fairly widespread rainfall with isolated heavy falls are likely over Gujarat and East Rajasthan during next 48 Hrs.

**Source: NCMRWF, GOI**

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.