

## Overview:

- **Cardamom Bounces on Short Crop & High Demand**
- **India Offers Import Concessions on Pepper from ASEAN**

## News Highlights:

### India Offers Import Concessions on Pepper from ASEAN

Indian Government in Kuala Lumpur on Friday offered ASEAN nations to provide a concession on import of pepper from ASEAN. This concession will be in the form of reduction in import duty to 50 percent as against previous 70 percent.

### Cardamom Bounces on Short Crop & High Demand

Cardamom is catching eyes of most of the traders in commodity exchanges and spot markets on reports of reduced production this year due to inadequate rains, dry winds, overall an unfavourable weather for cultivation of crop in the months of June and July. The sources believe cardamom production has declined by around 30 – 35 percent this year. In most of the producing and marketing regions auctions for fresh cardamom commenced from August this year. The buyers were seen active on MCX yesterday as cardamom September 06 contract settled high at Rs.

378.50 a Kg with a change of Rs. 20.10 a Kg. October 06 contract saw a change of 19.40 per Kg as the trading for the day settled at Rs.399.60 a Kg. Cardamom registered a highest turnover of Rs. 13.87 crores and the volume numbers came out at 366 MT's. The demand for Cardamom is expected to increase ahead of festival season. Traders from Kumily reported the demand from North Indian markets is high and the stocks their have nearly exhausted. Increased demand from Pakistan, almost no carryover stock with dealers and reduced production are helping the prices surge. In Delhi market cardamom prices for most of the grades are trading firm as against past few weeks. In Delhi, Cardamom Panwali traded near Rs. 225-230 a Kg, Colour Robin at around Rs. 235 – 245 per Kg. Colour bold traded between Rs. 260-280 a Kg. Cardamom Extra Bold 7 mm, Super Extra Bold 7.5 mm, and Hand Picked traded between Rs.310-350, 400- 440, 500 – 550 per Kg respectively.

## Domestic Prices For the week ending 12.08.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (12.08..06)	Price (RS/KG) For The Week (05.08.06)	Last Month (RS/KG)Same Week (15.07.06)	Last Year Same Week (RS/KG) (13.08..05)
Black pepper*	Malabar garbled (mg-1)	Cochin	100.50	102.67	76.92	64.17
Cardamom	(Small Auction Price ) Ungraded	Vandanmettu	267.32	No auction	220.79	244.61
Cardamom	Cardamom (large Bada Dana)	Gangtok	136.25	137.50	120.00	92.50
Chilli	Non -cold storage Cold Storage	Guntur	37.20 47.00	35.40 47.40	14.50 22.00	15.00 23.00
Ginger	Best	Cochin	62.00	60.00	55.00	120.00

	Medium	Cochin	52.00	50.00	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	52.25
	Duggirala	Mumbai	26.63	26.38	26.00	24.13
Coriander	Indori 5%	Mumbai	29.75	29.75	29.00	18.75
	Kanpuri M/C	Mumbai	33.00	33.00	32.88	20.75
Cumin	1%	Mumbai	81.25	82.50	76.25	75.63
	4%	Mumbai	76.25	77.50	70.00	66.88
Clove		Cochin, Nagarcoil	346.67 330.00	343.33 330.00	330.00 360.00	233.33 240.00
Cinnamon		Delhi	-	67.50	50.00	46.50

Source: Spices Board

#### International Spot Prices for the week ending 11.08.2006:

Spice	Origin/Grade	Market	Price For The Week (11.08.06) (US\$/TON)	Price For The Week (04. 08. 06) (US\$/TON)	Last Month Same Week (07.07.06) (US\$/TON)	Last Year Same Week (12.08.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	2426	2426	1852	1698
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian (AGEB)	Saudi Arabia	9130	8290	7920	9000
Chillies	Indian sannm-4 (stem less)	New York	1940	1940	1830	1213
Ginger	India cochin	New York	1962	1962	2029	3263
	Chinese peeled	New York	1830	1830	1830	3087
Turmeric	India Alleppey finger	New York	1852	1852	1852	2050
Garlic	Chinese	New York	2867	2844	2977	2756
Coriander	Canada	New York	772	772	772	770
Cumin	Syrian	New York	2205	2051	1808	1808
	Indian		2249	2183	1808	2029
Fennel	Indian (Asta)	New York	2007	2007	1808	1455
	Egyptian		1654	1654	1654	1367
Fenugreek	India/turkey	New York	816	816	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

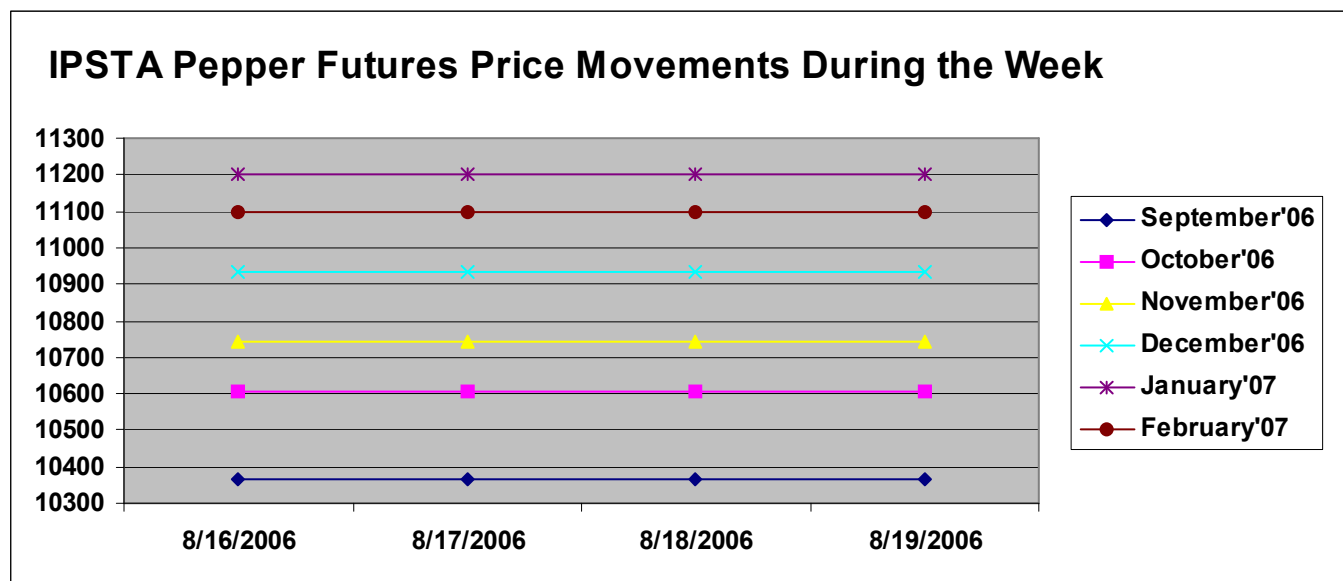
## Market Analysis:

### Pepper:

#### Kochi Market:

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

The graph below is displaying the closing prices for September, October, November December, January and February month contracts at the IPSTA during the week. The Prices remained mostly steady throughout the week. The prices are most likely expected to trade range bound with slightly firm inclination.



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

Pepper	8/ 14/ 2006	8/ 15 2006	8/ 16 2006	8/ 17/ 2006	8/ 18/ 2006	8/ 19/ 2006
Ungarbled	9300	Closed	9500	9400	9500	9600
Garbled	9700	Closed	9900	9800	9900	10000

Black Pepper prices at Kochi market after witnessing previous weeks bearish sentiments recovered this week. During the week the prices of garbled grade recovered from Rs. 9700 a quintal to Rs. 10000 a quintal. In similar line Ungarbled grade traded firm at Rs. 9600 by the end of the week. The market saw arrivals of around 80 MT's of pepper during the week and offtake was of similar quantity. Brazil is selling its pepper forward at reduced prices. India has offered a tariff concession on import duty on import of pepper in India from ASEAN. India has also restricted Srilankan export of pepper by introducing 2500 MT's of quota. The domestic demand in North India's markets might improve ahead of festival season. World production is low and the markets are facing supply crunch. Most of the producing nations have very low stocks. The prices are expected to remain range bound to slightly firm for few days.

#### Delhi Market

Black Pepper prices at Delhi market improved slightly on firm sentiments from primary markets and in

expectation of improved demand. The demand for pepper might improve ahead of festival season. The prices might move range bound to slightly firm.

	August 07 - 12	August 14 - 19
Golden Unpolished	95 - 102	97 - 108
11.5	105 - 120	120
No. 12	130 - 138	130

Note: Prices are in Rs. per Kg.

#### Turmeric:

##### Erode Mandi:

Turmeric prices at Erode market increased during the week. The market saw total arrivals of around 14000 bags during the week with demand high for the commodity. The market remained closed for most of the time in celebration of festivals and Independence Day. The demand is likely to improve in coming days on end of rainy season and ahead of festival season. Turmeric prices might continue to remain range bound to slightly firm.

	August 07 - 12	August 14 - 19
Loose Finger	2350 - 2500	2450 - 2500
Loose Gattah	2350 - 2400	2400 - 2450

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

#### Nizamabad Mandi:

Turmeric prices at Nizamabad market improved and then traded in similar range throughout the week. The market saw arrivals in the range of 1500 – 2000 bags. According to trading sources, Nizamabad market has a stock of around 2.50 – 2.75 lakh bags of turmeric. 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. The prices are expected to remain range bound to slightly firm.

	August 07 - 12	August 14 - 19
Nizamabad Finger	2225 - 2350	2300 - 2400
Nizamabad Gattah	2075 - 2180	2100 - 2150

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

#### Delhi Mandi:

Turmeric prices in Delhi market remained mostly range bound for most of the grades during the week. The prices are expected to increase slightly as domestic demand might improve in coming days.

	August 07 - 12	August 14 - 19
Nizamabad finger	2675 – 3200	2750
E.Finger mini Selam	3525 - 3600	3450-3500
E. Single polish Gattah	2900 - 3000	2950-3000
E. Double polish Gattah	3500 -3650	3500-3600
Warangal polish	2675 - 2800	2750
Selam Finger	4300 - 4500	4000-4400

Note: Prices are in Rs/ Qtl.

#### Cumin:

##### Unjha Mandi:

Jeera prices at Unjha market declined slightly during the week as the supply and demand both continued to get affected badly due to rains in the state and neighbouring states and due to closure of market for few days during the week in celebration of festivals. The demand for the commodity was expected to improve on better export scenario. The domestic demand was also expected to improve however due to rains road routes blocked and trade got hampered. Trading sources reported Jeera absorbed moisture and gained weight thus kept off buyers from domestic

market. Thus demand was not high unlike the expectations declining the prices slightly. The prices might again improve once the weather conditions improve and demand picks up. Traders from North India are expecting demand to increase gradually. The prices might remain range bound to slightly firm.

	August 07 - 12	August 14 - 19
Kisan Mal-FAQ (New)	1440 - 1590	1420 - 1560
Ganesh	1590	1500 -1540
M/c. Cleaned	1630 - 1800	1620 - 1750

Note: Prices are in Rs/20 Kg

#### Delhi Mandi:

Jeera prices at Delhi market declined slightly during the week following indecision prevailing in the primary markets. The demand for Jeera is expected to improve ahead of festival season. The prices are expected to remain range bound to slightly firm.

	August 07 - 12	August 14 - 19
Ganesh New	81 - 86.75	81
FAQ	78 - 79.75	77-78
M/c. Cleaned	87.75 - 110	77-110
M/c Cut	89.75 - 110	77 - 110

Note: Prices are in Rs/ Kg

#### Red Chillies:

##### Guntur Mandi. :

in Guntur market red Chilli prices continued to trade at improved prices as the demand for the commodity increased due to near end of rainy season and ahead of festival demand. The Export and domestic consumption demand was high. The international buyers were mainly from Bangladesh and Srilanka. Traders are expecting demand from international markets is likely to continue. The domestic demand is from the markets of South India and west Bengal. The average daily arrivals during the week were in the range of 15000 – 20000 bags of chillies. The demand was near around 95 – 100 percent reflecting buyers interest in the commodity. Sowing is near completion with an expectation of increased acreage this year. The demand is expected to improve due to festival season. The prices might remain slightly firm for few days.

Grades	August 07 - 12	August 14 - 19
(LCA 334loose)Cold storage	4400 - 5200	4700 - 5200
(LCA 334 Builty)	NA	5600

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

### Delhi Mandi:

Delhi market witnessed a sharp rise in price of red chillies during the week on improved demand following high consumption demand and bullish hints from Primary markets. The demand is likely to increase ahead of festival season in the coming days. The demand for chilli is expected to improve thus pushing up the prices.

	August 07 - 12	August 14 - 19
Guntur Pala	5300 - 5500	5400 – 6200
Guntur Fullcut	6600 - 6700	6700 – 7200
Guntur Packing	5600 – 5900	5700 – 6500
Nagpur Pala	5200 - 5400	5500 – 6000
Nagpur Fullcut	6000 - 6400	6400 - 7000
Nagpur Packing	5300 - 5800	5800 - 6200

Note: Prices are in Rs/Qtl

### Technical Analysis:

**Commodity: Black Pepper**

**Exchange: NCDEX**

**Contract Month: September 2006**

Candlesticks are indicating bullish sentiments and indicating a breakout is likely. MACD is in positive

territory, Stochastic has made a bullish crossover in neutral region. Moving Averages are indicating prices might recover.



**Recommendation:** Go for Long Position at lower level. However a Breakout is likely in either direction. The prices might move in the range of 10165 – 10880 this week.



**Commodity: Turmeric**

**Exchange: NCDEX**

**Contract Month: September 2006**

Candlesticks are indicating bullish sentiments. Stochastic is in neutral region and MACD is in positive zone. Moving Averages are indicating

bearish sentiments. The prices might recover in the beginning of the week and decline slightly later.



**Recommendation:** Go for Long position in the beginning of the week. The prices are most likely to be in the range of 2610 - 2700 this week.

**Commodity: Cumin (Jeera)**

**Exchange: NCDEX**

**Contract Month: September 2006**

Candlesticks are indicating indecision in the market. Stochastic is in neutral region. MACD is in positive zone.

Moving Averages are indicating prices might increase initially and slightly decline later in the week.



**Recommendation:** Go for long position in the beginning of the week. The prices might remain in the range of Rs. 7850 to 8270 during this week.

**Commodity: Red Chilli**

**Exchange: NCDEX,**

**Contract Month: September 2006**

Candlesticks are showing indecision. Stochastic is in neutral region. MACD is bullish in positive zone. Moving

Averages are indicating bullish sentiments. The prices are most likely to remain firm.



**Recommendation:** Go for Long Position. The prices might remain in the range of 5454 - 5860 during this week.

#### **WEATHER WATCH (As on 19.08.06)**

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

Depression over southwest Madhya Pradesh weakened into a well marked low pressure area and now lies over southeast Rajasthan and adjoining West Madhya Pradesh. The system is likely to move in a northwesterly direction and weaken further. Under its influence, widespread rainfall with isolated heavy to very heavy falls are likely over East Rajasthan during next 24 hours. Fairly widespread rainfall with isolated heavy falls also likely over West Rajasthan, West Madhya Pradesh and north Gujarat Region during the same period. Chief amounts of rainfall (cm) during past 24 hours are: Udaipur-14, Cuttack & Hoshangabad-9 each, Indore-8, Jaiselmer-7, Chambal, Mahabaleshwar, Minicoy, Bhopal, Honawar & Shirali-5 each, Barmer 7 Vellore-4 each. Monsoon is likely to remain active over Central and Peninsular India during next 2 days. Thereafter activity is likely to reduce over central India for 2-3 days. Model predictions suggest that a western disturbance is likely to approach J&K on 20th August and affect J&K and adjoining region during 21-23 Aug06. Models also indicate for possibility of formation of a cyclonic circulation over Bay of Bengal around 22 August.

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

Isolated heavy to very heavy falls are likely over East Rajasthan. Isolated heavy falls also likely over West Rajasthan, West Madhya Pradesh and north Gujarat Region.

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

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

The region is likely to experience isolated rains during next 24-48 Hrs. and scattered during 21-23 Aug.

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

Scattered rainfall is likely over Orissa, Gangetic West Bengal and Jharkhand during next 24Hrs. Bihar is likely to experience isolated to scattered rainfall. Rainfall activities over East UP are likely to increase during next 24 Hrs.

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

Fairly widespread to widespread rainfall with isolated very heavy rains are likely over Chattisgarh during next 24 Hrs. subsequently over M.P., Vidarbha during next 24-36 Hrs. and decrease thereafter.

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

Scattered to fairly widespread rainfall is likely over Coastal Karnataka and scattered over Coastal Andhra Pradesh, Telangana and north interior Karnataka during next 24 Hrs. then rainfall activities over the region may decrease. Ongoing rainfall activities over Kerala are likely to continue during next 24-48 Hrs. Isolated to scattered rainfall is likely over Rayalseema and Tamilnadu during next 24-48 Hrs.

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

Fairly widespread to widespread with isolated heavy rainfall over Gujarat, southeast Rajasthan, Konkan & Goa, Marathwara and Madhya Mahrastra and during next 48 Hrs. West Rajasthan may experience isolated to scattered rains during next 2-3 days.

**Source: NCMRWF, GOI**

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