

## SPICES

September 25-30, 2006

### Overview:

- **Red Chillies Turning Hot Again**
- **Jeera Sellers Holds Stock, Anticipates Higher Prices**
- **Black Pepper Prices Depending on Brazil Crop**

### Domestic Prices For the week ending 23.09.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (23.09..06)	Price (RS/KG) For The Week (16.09.06)	Last Month (RS/KG) Same Week (26.08.06 )	Last Year Same Week (RS/KG) (24.09..05 )
Black pepper*	Malabar garbled (mg-1)	Cochin	132.00	123.80	101.17	63.80
Cardamom	(Small Auction Price ) Ungraded	Vandanmettu	373.44	406.18	395.68	259.29
Cardamom	Cardamom (large Bada Dana)	Gangtok	128.75	127.50	138.25	90.00
Chilli	Non -cold storage	Guntur	41.80	42.40	36.67	12.00
	Cold Storage		61.20	61.60	55.00	18.00
Ginger	Best	Cochin	65.00	65.00	62.00	120.00
	Medium	Cochin	55.00	55.00	52.00	100.00
Turmeric	Alleppey finger (AFT)	Cochin	45.00	45.00	45.00	50.00
	Rajapuri	Mumbai	55.50	55.50	55.50	53.50
	Duggirala	Mumbai	27.50	27.50	26.63	28.38
Coriander	Indori 5%	Mumbai	29.25	29.25	29.75	18.88
	Kanpuri M/C	Mumbai	32.25	32.25	33.00	20.00
Cumin	1%	Mumbai	91.00	91.00	83.75	72.50
	4%	Mumbai	85.00	83.13	76.88	66.50
Clove		Cochin,	320.00	320.00	328.33	230.00
		Nagarcoil	320.00	350.00	340.00	230.00
Cinnamon		Delhi	92.50	87.50	72.50	46.50

Source: Spices Board

**International Spot Prices for the week ending 22.09.2006:**

Spice	Origin/Grade	Market	Price For The Week (22.09.06) (US\$/TON)	Price For The Week (08. 09. 06) (US\$/TON)	Last Month (25.08.06) (US\$/TON)	Last Year Same Week (23.09.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	3528	2977	2602	1720
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian (AGEB)	Saudi Arabia	11240	11550	11360	9360
Chillies	Indian sannm-4 (stem less)	New York	2161	2028	1940	1213
Ginger	India cochin	New York	1962	1962	1962	3484
	Chinese peeled	New York	1830	1830	1830	3462
Turmeric	India Alleppey finger	New York	1852	1852	1852	2050
Garlic	Chinese	New York	2867	2867	2867	2822
Coriander	Canada	New York	838	838	838	770
Cumin	Syrian	New York	2470	2514	2249	1808
	Indian		2558	2514	2315	2029
Fennel	Indian (Asta)	New York	2095	2095	2095	1455
	Egyptian		1654	1654	1654	1411
Fenugreek	India/turkey	New York	816	816	816	750
Clove	Mad/zanz/com/ Indo	New York	4961	4961	4961	3859
	Sri Lanka (hand picked)		7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon	New York	5843	5843	5843	4740

Source: Spices Board

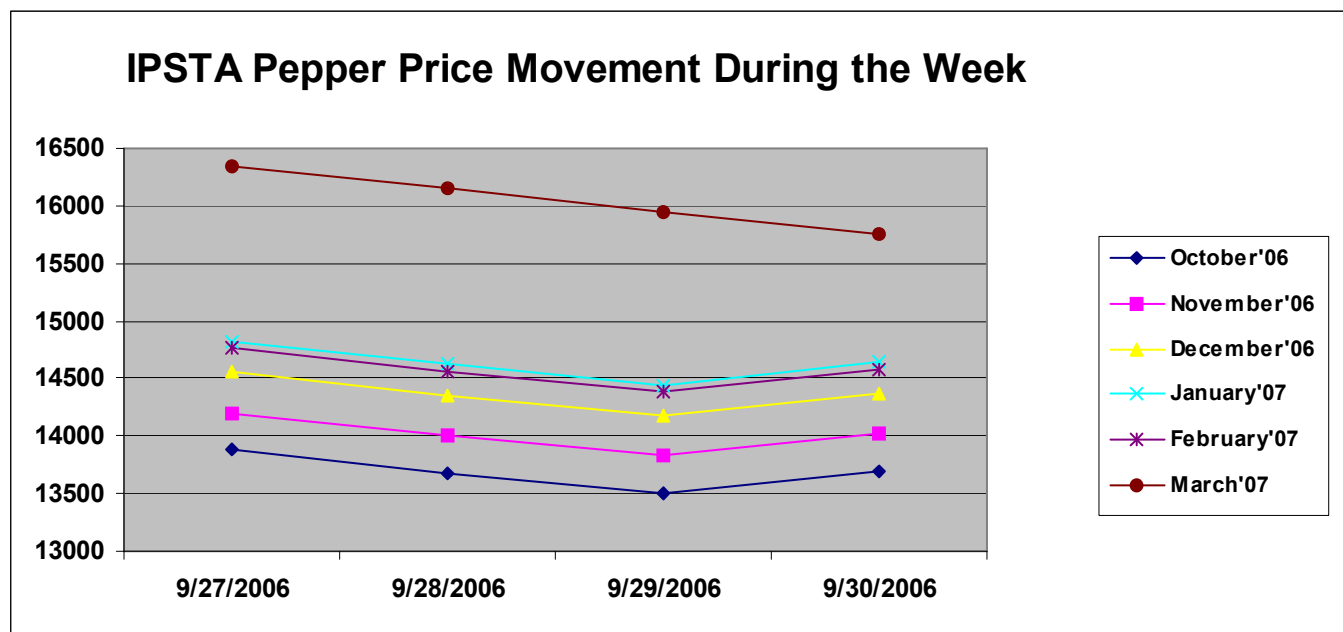
## Market Analysis:

### Pepper:

#### Kochi Market:

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

The graph below is displaying the closing prices for October, November December, January February and March month contracts at the IPSTA during the week. The prices remained slightly bearish mostly during the week with slight recovery by the weekend.



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

Pepper	9/ 25/ 2006	9/ 26/2006	9/ 27/2006	9/ 28/ 2006	9/ 29/ 2006	9/ 30/ 2006
Ungarbled	12400	12500	12300	12200	12200	12400
Garbled	12800	12900	12700	12600	12600	12800

Black Pepper prices at the Kochi market saw slight fall on reports of arrival of pepper crop in Brazil. However Brazil has already sold most of its pepper forward and prices in India might pick up once harvesting in Brazil comes to an end. The world pepper production is expected to observe a fall of about 4 percent in the year 2006- 07. MG1 Grade of pepper traded in a lower price range of Rs. 12900 - 12600 a quintal as against Rs. 13000 – 13400 a quintal last week. Ungarbled grade traded in the range of Rs.12400 – 12200 a quintal. The total volumes traded during the week were 200 MT's. Brazil is offering its pepper crop at lower prices than India, Vietnam and Indonesia. Moreover Indonesia and Vietnam has low stocks of pepper. Trading sources are expecting fewer crops this year from Karnataka due to damage to crop from heavy rains in pepper growing areas and attack of crop disease. The demand for pepper is expected to increase from international markets on upcoming festival demand.

However domestic demand for pepper is still low. The market might see volatile movement of prices.

#### Delhi Market

In Delhi market Black Pepper prices traded mostly range bound to slightly bearish on lack of demand. The demand for pepper is expected to influence by S&D scenario in international markets. Black pepper prices might remain range bound for a few days.

	Sep 18- Sep23	Sep25-Sep30
Golden Unpolished	123-126	118-123
11.5	135	125-130
No. 12	145	133-145

Note: Prices are in Rs. per Kg.

## Turmeric:

### Erode Mandi:

Erode market for turmeric observed a fall in turmeric prices late this week. The prices declined on sluggish demand from domestic markets particularly from the markets of Eastern India including West Bengal, Orissa and Bihar. Export demand was not visible during the week. The average daily arrivals declined to 3000 – 4000 bags as against last weeks 6000-7000 bags of turmeric. The market has hefty stock of turmeric and the crop condition in the nearby cultivating areas is good. The prices might remain range bound with possibility of some recovery on improved domestic demand.

	Sep 18- Sep23	Sep25-Sep30
Loose Finger	2375-2550	2350-2450
Loose Gattah	2450-2500	2350-2400

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

### Nizamabad Mandi:

Turmeric prices in Nizamabad market moved in a similar fashion. The prices declined on reduced domestic demand and negligible export demand. The market saw reduced arrivals of around 1500 – 1600 bags daily and off take declined lowest to 200 - 300 bags of turmeric by the weekend. The market has sufficient stock to meet expected consumption demand. Traders are expecting domestic consumption demand might improve slightly. The prices might remain steady to range bound for few days.

	Sep 18- Sep23	Sep25-Sep30
Nizamabad Finger	2420-2600	2425-2525
Nizamabad Gattah	2225-2400	2275-2350

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

### Delhi Mandi:

Turmeric prices for most of the grades declined on bearish sentiments in the market. The demand for turmeric is expected to remain moderate and the prices might remain range bound for a few days.

**Note: Prices are in Rs/ Qtl.**

	Sep 18- Sep23	Sep25-Sep30
Nizamabad finger	2925-3000	2785-2900
E.Finger mini Selam	3625-3775	3485-3650
E. Single polish Gattah	3200-3275	3010-3175
E. Double polish Gattah	3700-3875	3560-3775
Warangal polish	2950-3025	2810-2925
Selam Finger	4275-4725	4435-4675

## Cumin:

### Unjha Mandi:

In Unjha market Jeera prices remained steady to slightly bearish this week. The prices declined on reduced demand from domestic as well as international markets. The daily average arrivals decreased to 1500 – 2000 bags of jeera by the weekend as against previous weeks 3000 - 3500 bags. Suppliers are holding back stocks in anticipation of fetching higher prices later. The offtake was still higher than the inflow and maintained its previous 2 – 2.5 times of outflow. Stock of jeera is declining and the farmers are expecting delay in sowing this year due to increased moisture in soil. Traders are expecting some demand might be seen in the near term. The prices might remain range bound for few days followed by some firmness in prices later.

	Sep 18- Sep23	Sep25-Sep30
Kisan Mal-FAQ (New)	1680-1890	1790-1880
Ganesh	1750-1790	1740-1780
M/c. Cleaned	1800-1925	1815-1900

Note: Prices are in Rs/20 Kg

### Delhi Mandi:

Jeera prices in Delhi market followed bearish sentiments of Unjha market and the prices declined steeply on no fresh demand in the market. The demand for jeera is expected to remain moderate in coming days. The prices are expected to range bound for few days.

	Sep 18- Sep23	Sep25-Sep30
Ganesh New	92-93.75	89-92.25
FAQ	95-96.75	89-96.25
M/c. Cleaned	100-106.75	88-106.25

Note: Prices are in Rs/ Kg

## Red Chillies:

### Guntur Mandi. :

Red Chilli prices in Guntur market recovered on slight improvement in demand from domestic and export front. The export demand is from Bangladesh, Srilanka and Malaysia and is expected to continue to remain firm in coming days. The crop has delayed due to rains and is expected to arrive in the markets by February month next year. Delayed crop along with depleting stocks are making chilli a premium commodity in the near future. Traders fear increased demand along with high exports might further help prices to climb up. The prices are expected to remain

range bound to slightly firm for a few days. During the week market saw arrivals in the range of 10000 – 50000 bags of Chillies.

Grades	Sep 18- Sep23	Sep25-Sep30
(LCA334loose) Cold storage	5800-6300	6000-6900
(LCA 334 Builty)	5800-6900	6500-7800

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

#### Delhi Mandi:

Red Chilli prices in Delhi market remained range bound for most of the grades. The demand is likely to improve in the coming days and prices might remain slightly firm for a few days.

	Sep 18- Sep23	Sep25-Sep30
Guntur Pala	7200-7500	7160-7500
Guntur Fullcut	8000-8600	8100-8600
Guntur Packing	7400-7500	7360-7600
Nagpur Pala	7200-7300	7160-7300
Nagpur Fullcut	7500-7600	7600-8000
Nagpur Packing	6500-7100	6600-7100

Note: Prices are in Rs/Qtl

#### Technical Analysis:

**Commodity: Black Pepper**

**Exchange: NCDEX**

**Contract Month: October 2006**

Candlesticks are indicating bullish sentiments. Close above 9-day EMA shows bearish trend has possibly reversed. MACD continue to run down in the positive

region. Stochastics are about to enter overbought zone. The contract is most likely to witness range bound movement.



**Recommendation:** The prices might move in the range of 12830– 14300.

**Commodity: Turmeric**

**Exchange: NCDEX**

**Contract Month: October 2006**

Candlesticks are indicating bullish sentiments in the market. Stochastic is bearish in oversold region indicating possibility of bounce back in prices. MACD is bearish in negative zone. Volume numbers and

open interest both declined. Prices closed below EMAs indicating weakness in the market. The contract might see some technical recovery in prices.

EMA(9) 2618.3 (18) 2660.1



**Recommendation:** Go for short position towards resistance. The prices are most likely to be in the range of 2450 - 2620 this week.

**Commodity: Cumin (Jeera)**

**Exchange: NCDEX**

**Contract Month: October 2006**

#### TECHNICALS

Candlesticks have formed inverted hammer pattern showing possibility of reversal in the current bearish trend. Stochastics are in extremely overbought levels

and seems about to give bullish signal. However, EMA pattern and MACD continue to support bears. The contract is most likely to witness volatile movements with bullish bias.



**Recommendation:** The prices might remain in the range of Rs. 8025 to 8388 during this week.

**Commodity: Red Chilli**

**Exchange: NCDEX,**

**Contract Month: October 2006**

Chilli charts continue to show weakness in the market; however, today's bounce has some positive impact on the outlook. MACD is showing slight decrease in bearish momentum, whereas stochastic

are about to give bullish signal in oversold region. However, EMA pattern continue to support bears. The prices are most likely to be volatile with bullish bias.



**Recommendation:** Go for Long position. The prices might remain in the range of 5760 – 6155 during this week.

#### **WEATHER WATCH (As on 02.10.06)**

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

Isolated heavy rainfall is likely over A.P., Chhattisgarh, Telangana and Vidharbha regions.

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

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

Scattered to fairly widespread rainfall is likely over hilly regions viz. J&K, H.P. and Uttaranchal during 4-6 October. Rest of the region is likely to be mainly dry during next 4-5 days.

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

Ongoing fairly widespread rainfall over Orissa, Gangetic West Bengal is expected to reduce in next 24-48 hours. Scattered rainfall is likely over Jharkhand, Sub Himalayan West Bengal and NE States. East Uttar Pradesh and Bihar are likely to experience mainly dry weather.

Widespread rainfall with heavy rains is likely over Vidarbha, Chhattisgarh south MP during 24-36 Hrs. Rainfall activity is expected to reduce thereafter.

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

Fairly widespread rainfall is likely over Andaman & Nicobar Islands, Coastal A.P. during next 48 Hrs. Enhanced rainfall is likely over Andman Sea during 4-5 Oct.06. Isolted to Scattered rainfall is likely over Kerala, Karnataka, Rayalseema and Tamilnadu during next 3-4 days.

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

Fairly widespread rainfalls with isolated heavy falls are expected over Konkan & Goa, Madhya Maharastra and Marathwara during next 2-3 days. Isolted to Scattered rains is expected over Gujarat after 2 days. Rest of the region is likely to have mainly dry weather conditions.

**Source: NCMRWF, GOI**

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

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