

SPICES

October 02-07, 2006

Overview:

- Spices Decline on Lack of Demand
- Black Pepper Prices Depend on Brazil Crop
- Jeera Sowing Expected to Begin after Diwali

Spices : Domestic Prices For the week ending 30.09.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (30.09..06)	Price (RS/KG) For The Week (23.09.06)	Last Month (RS/KG) Same Week (02.09.06)	Last Year Same Week (RS/KG) (01.10..05)
Black pepper*	Malabar garbled (mg-1)	Cochin	127.33	132.00	109.60	63.92
Cardamom	(Small Auction Price) Ungraded	Vandanmettu	331.46	373.44	392.76	255.40
Cardamom	Cardamom (large Bada Dana)	Gangtok	128.75	128.75	136.25	102.50
Chilli	Non -cold storage	Guntur	45.00	41.80	40.00	12.75
	Cold Storage		56.00	61.20	53.80	19.25
Ginger	Best	Cochin	65.00	65.00	64.40	120.00
	Medium	Cochin	55.00	55.00	54.40	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	27.00	27.50	26.63	28.75
Coriander	Indori 5%	Mumbai	28.75	29.25	29.75	18.50
	Kanpuri M/C	Mumbai	31.25	32.25	33.00	19.63
Cumin	1%	Mumbai	90.00	91.00	87.50	70.00
	4%	Mumbai	82.25	85.00	81.25	66.00
Clove		Cochin, Nagarcoil	320.00	320.00	320.00	230.00
			32500	320.00	350.00	230.00
Cinnamon		Delhi	82.50	92.50	77.50	46.50

Source: Spices Board

Spices: International Spot Prices for the week ending 29.09.2006:

Spice	Origin/Grade	Market	Price For The Week (29.09.06) (US\$/TON)	Price For The Week (22. 09. 06) (US\$/TON)	Last Month (01.09.06) (US\$/TON)	Last Year Same Week (30.09.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	3528	3528	2602	1720
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian (AGEB)	Saudi Arabia	11320	11240	11360	8910
Chillies	Indian sannm-4 (stem less)	New York	2249	2161	2028	1257
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	2844	2867	2867	2822
Coriander	Canada	New York	838	838	838	772
Cumin	Syrian	New York	2426	2470	2249	1808
	Indian		2558	2558	2315	2029
Fennel	Indian (Asta)	New York	2095	2095	2095	1455
	Egyptian		1698	1654	1654	1411
Fenugreek	India/turkey	New York	816	816	816	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	5027	4961	4961	3859
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon	New York	5843	5843	5843	4740

Source: Spices Board

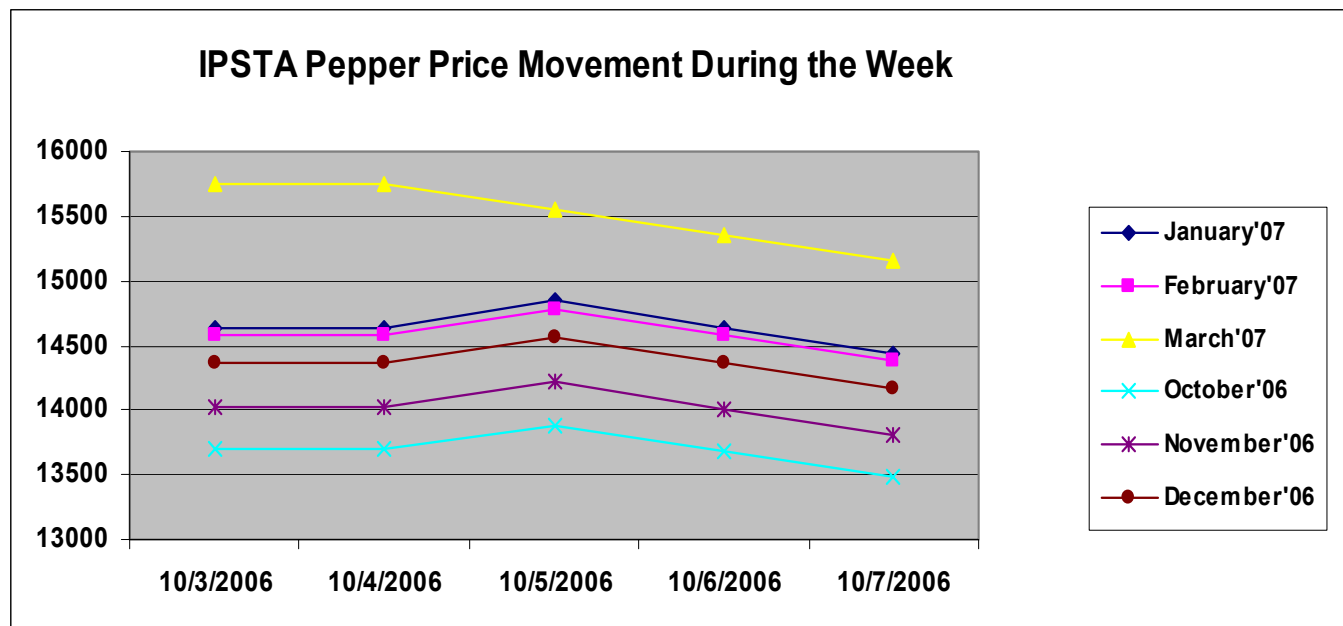
Market Analysis:

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 bearish for most of the time during the week.



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

Pepper	10/ 02/ 2006	10/ 03/2006	10/ 04/2006	10/ 05/ 2006	10/ 06/ 2006	10/ 07/ 2006
Ungarbled	Closed	12300	12200	12200	12000	11600
Garbled	Closed	12700	12600	12600	12400	12000

Black Pepper prices in Kochi market continued to decline during the week, as Indian prices were not competitive in world market due to reduction of prices of pepper by Brazil. Brazil reduced price of its pepper on fresh crop arrivals. However Brazil has already sold most of its pepper forward and prices in India might pick up once harvesting in Brazil ends. The supply side still remains short of demand. However market lacked demand from domestic markets during the week. The world pepper production is expected to observe a fall of about 4 percent in the year 2006- 07. In Kochi market MG1 Grade continued to trade at reduced prices. During the week Garbled grade traded in the range of Rs. 12000 – 12700 a quintal as against last weeks Rs. 12900 - 12600 a quintal. Ungarbled grade between Rs. 11600 – 12300 a quintal when compared with last weeks Rs.12400 – 12200 a quintal. The total volumes traded during the week were less at around 65 MT as against previous weeks 200 MT's. Brazil is quoting its pepper at the lowest prices as against its major competitors.

According to trading sources the market has some trade enquiries for November and December months. Indian pepper crop is in pipeline and expected arrive in markets by November. 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. Also international quotes particularly of Brazil are expected to drive price of pepper in India to a great extent. The market might see volatile movement of prices.

Delhi Market

In Delhi market Black Pepper prices traded mostly range bound to slightly firm on demand from retail end. 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.

	Sep25-Sep30	Oct02 - 07
Golden Unpolished	118-123	120-125
11.5	125-130	132-133
No. 12	133-145	145-150

Note: Prices are in Rs. per Kg.

Turmeric:

Erode Mandi:

Turmeric prices in Erode market continued to remain range bound with slight fall in prices during the beginning of the week. The prices are declining on low demand for the commodity as against trader's expectation of slight improvement in prices. Daily average arrivals remained at around 4000 bags of turmeric. The demand from Northern India and Eastern India might improve slightly. However the market has a comfortable stock of turmeric. The crop condition in the nearby cultivating areas is good. The prices might remain range bound for a few days.

	Sep25-Sep30	Oct02 - 07
Loose Finger	2350-2450	2300-2425
Loose Gattah	2350-2400	2250-2400

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

Nizamabad Mandi:

Turmeric market in Nizamabad remained closed during the beginning of the week. The prices remained range bound during the week on not much improvement in demand for the commodity. The average daily arrivals during the week were of near around 1500 bags of turmeric with an off take of similar quantity. According to trading sources the crop condition is good and 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.

	Sep25-Sep30	Oct02 - 07
Nizamabad Finger	2425-2525	2425-2550
Nizamabad Gattah	2275-2350	2275

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

Delhi Mandi:

Delhi market witnessed a decline in turmeric prices for most of the grades on bearish sentiments prevailing in the primary markets. The demand for turmeric was low and is expected to improve slightly. The prices might remain range bound to slightly bearish for a few days.

	Sep25-Sep30	Oct02 - 07
Nizamabad finger	2785-2900	2785-2750
E.Finger mini Selam	3485-3650	3460-3535
E. Single polish Gattah	3010-3175	2985-3035
E. Double polish Gattah	3560-3775	3535-3635
Warangal polish	2810-2925	2785
Selam Finger	4435-4675	4410-4535

Note: Prices are in Rs/ Qtl.

Cumin:

Unjha Mandi:

Jeera prices in Unjha market plunged this week on lack of demand from foreign markets coupled with low domestic demand. The market saw reduced arrivals of around 1500 bags daily as against last weeks average daily arrivals of around 2000 bags. According to trading sources suppliers are holding back stocks in anticipation of fetching higher prices later. The offtake was mostly 2 – 2.5 times of inflow however during the mid week outflow declined to be equal to arrivals. Stock of jeera is declining and the farmers are expecting delay in sowing this year due to increased moisture in soil. Sowing of jeera is expected to begin after Diwali. Traders are expecting some demand might be seen in the sowing season. The prices might remain range bound to slightly bearish for few days followed by some firmness in prices later.

	Sep25-Sep30	Oct02 - 07
Kisan Mal-FAQ (New)	1790-1880	1640-1840
Ganesh	1740-1780	1700-1740
M/c. Cleaned	1815-1900	1740 - 1880

Note: Prices are in Rs/20 Kg

Delhi Mandi:

Jeera prices in Delhi market followed bearish sentiments prevailing in Unjha market and the prices declined steeply on lack of demand. The demand for jeera is expected to remain moderate in coming days. The prices are expected to range bound to slightly bearish for a few days.

	Sep25-Sep30	Oct02 - 07
Ganesh New	89-92.25	86 – 89
FAQ	89-96.25	88-90
M/c. Cleaned	88-106.25	92 -98.50

Note: Prices are in Rs/ Kg

Red Chillies:

Guntur Mandi. :

Red Chilli trading in Guntur market showed mixed sentiments during the week. The prices continued to recover in the begin of the week on better demand conditions as some buying was visible from foreign markets however by the weekend the demand for the commodity declined. The market has a stock of around 14 – 15 lakh bags of chillies and the new crop is expected to arrive in the market by mid February. The acreage for the crop has increased and climate is suitable for the growth of chilli crop. During the week market saw average daily arrivals of around 20000 bags of Chillies.

Grades	Sep25-Sep30	Oct02 - 07
(LCA334loose) Cold storage	6000-6900	6000-7000
(LCA 334 Builty)	6500-7800	7100-7800

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

Delhi Mandi:

Red Chilli prices in Delhi market remained firm for most of the grades. The prices increased on improved demand ahead of festive season. the prices are expected to remain range bound to slightly bearish for a few days.

	Sep25-Sep30	Oct02 - 07
Guntur Pala	7160-7500	7800
Guntur Fullcut	8100-8600	9100
Guntur Packing	7360-7600	7800
Nagpur Pala	7160-7300	7500
Nagpur Fullcut	7600-8000	8500
Nagpur Packing	6600-7100	7500

Note: Prices are in Rs/Qtl

Technical Analysis:

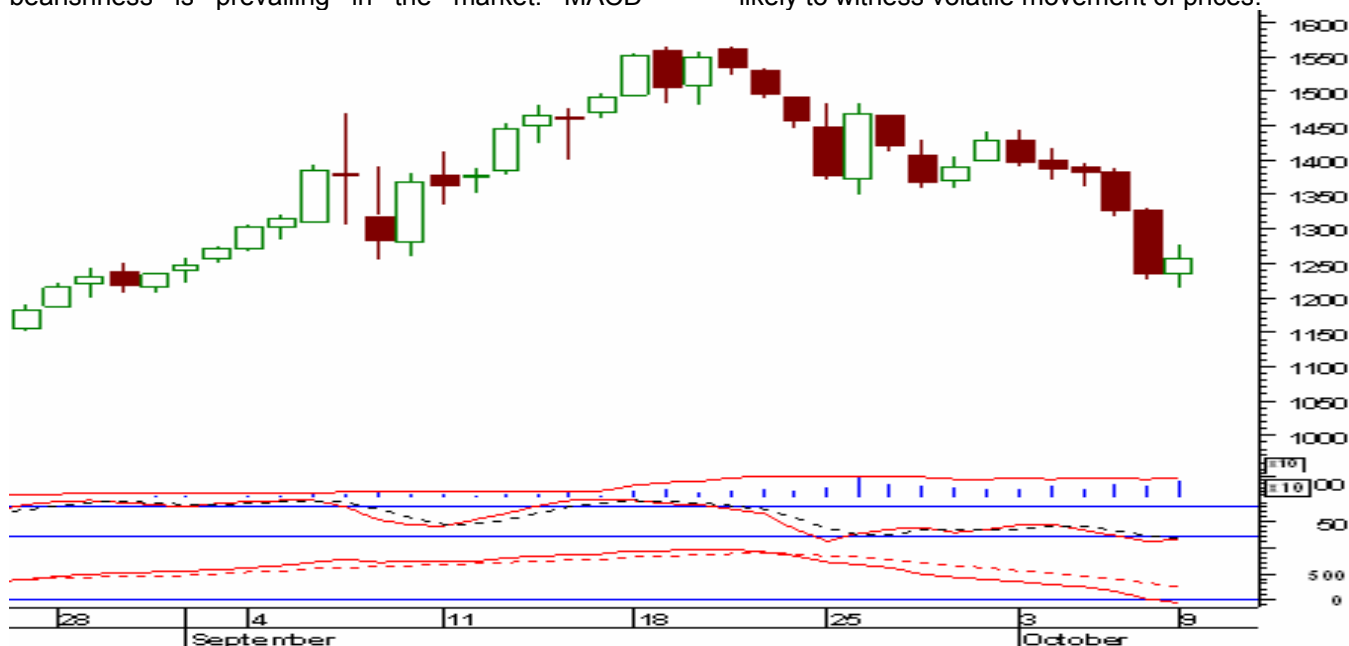
Commodity: Black Pepper

Exchange: NCDEX

Contract Month: November 2006

Candlesticks are indicating possibility of some recovery in prices. Close below 9-day EMA shows bearishness is prevailing in the market. MACD

continue to run down in the negative region. Stochastic is oversold region. Volumes and open interest both are increasing. The contract is most likely to witness volatile movement of prices.



Recommendation: Go for short position towards higher levels. The prices might move in the range of 11860–13200.

Commodity: Turmeric

Exchange: NCDEX

Contract Month: November 2006

Candlesticks are indicating bearish sentiments in the market. The market is witnessing a downtrend of prices. Stochastic has made a bearish crossover in oversold region. MACD is bearish in negative zone.

Volumes and open interest both declined. The prices closed below EMAs indicating weakness in the market. The contract might see volatile movement of prices with bearish inclination.



Recommendation: Go for short position. The prices are most likely to be in the range of 2172 - 2421 this week.

Commodity: Cumin (Jeera)

Exchange: NCDEX

Contract Month: November 2006

TECHNICALS

Jeera market is in the grip of bears these days. Candlesticks are indicating bearish sentiments in the market. Stochastic is bearish in oversold region. EMA

pattern is indicating bearishness and MACD is far away from its signal line in negative zone. The contract is most likely to witness volatile price movements with bearish inclination.



Recommendation: Go for short position towards higher levels. The prices might remain in the range of Rs. 7875 to 8610 during this week.

Commodity: Red Chilli

Exchange: NCDEX,

Contract Month: November 2006

Chilli chart continues to show weakness in the market. Candlesticks are indicating bearish sentiments in the market. MACD has made a bearish

crossover in negative zone; stochastic is bearish in oversold region. 9-EMA is supporting bears. The prices are most likely to be volatile with bearish bias.



Recommendation: Go for Short position. The prices might remain in the range of 5345 – 5875 during this week.

WEATHER WATCH (As on 028.10.06)

Heavy Rainfall Warning:

Isolated heavy to very heavy falls are likely over Andaman & Nicobar Islands, Coastal Karnataka and Kerala.

Zone-wise weather forecast

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

Mainly dry weather is expected over the region during next 4-5 days.

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

Scattered to fairly widespread rains is likely over NE States. Rainfall activities is likely increase over Orissa and West Bengal after 2 days. East Uttar Pradesh, Bihar and Jharkhand are likely to experience mainly dry weather.

CENTRAL INDIA [M, CHATTISGARH, VIDARBHA]

Mainly dry weather is expected over the region during next 4-5 days

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

Fairly widespread rainfall with isolated heavy rains is likely over Andaman & Nicobar Islands, Coastal Karnataka and Kerala during next 2-3 days. Tamilnadu are likely to experience scattered to fairly widespread rains. Rainfall activities are likely to increase over Coastal Andhra Pradesh after 2 days. Isolated to scattered rainfall is likely over North Interior Karnataka,

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

Fairly widespread rainfall is expected over Konkan & Goa. Isolated rainfall is likely over Madhya Maharashtra and Marathwara. Rest of the region is likely to have mainly dry weather conditions.

Source: NCMRWF, GOI

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