

## SPICES

October 16-20, 2006

### Overview:

- Turmeric Falls on Lack of Demand, Hefty Stock
- Spices Demand Expected to Improve
- Jeera Sowing Likely to Begin after Diwali
- Black Pepper Fresh Crop to Arrive in November

### Spices: Domestic Prices For the week ending 14.10.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week ( 14.10..06)	Price (RS/KG) For The Week ( 07.10.06)	Last Month (RS/KG) Same Week ( 16.09.06	Last Year Same Week (RS/KG) ( 15.10.05)
Black pepper*	Malabar garbled (mg-1)	Cochin	115.83	124.60	123.80	63.00
Cardamom	(Small Auction Price ) Ungraded	Vandanmettu	347.05	281.58	406.18	233.59
Cardamom	Cardamom (large Bada Dana)	Gangtok	115.00	120.00	127.50	98.75
Chilli	Non -cold storage Cold Storage	Guntur	45.00 59.00	50.00 60.00	42.40 61.60	12.67 20.33
Ginger	Best	Cochin	67.50	67.50	65.00	100.00
	Medium	Cochin	57.50	57.50	55.00	90.00
Turmeric	Alleppey finger (AFT)	Cochin	40.00	42.50	45.00	50.00
	Rajapuri	Mumbai	54.50	55.50	55.50	56.50
	Duggirala	Mumbai	26.50	27.00	27.50	28.38
Coriander	Indori 5%	Mumbai	28.75	28.75	29.75	18.38
	Kanpuri M/C	Mumbai	31.25	31.25	32.25	19.25
Cumin	1%	Mumbai	83.75	87.50	91.00	66.88
	4%	Mumbai	75.63	78.75	83.13	61.25

Clove		Cochin, Nagarcoil	320.00	320.00	320.00	227.50
			325.00	320.00	350.00	230.00
Cinnamon		Delhi	80.00	80.00	87.50	46.50

Source: Spices Board

**Spices: International Spot Prices for the week ending 13.10.2006:**

Spice	Origin/Grade	Market	Price For The Week (18.10.06) (US\$/TON)	Price For The Week (06. 10. 06) (US\$/TON)	Last Month (08.09.06) (US\$/TON)	Last Year Same Week (14.10.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	3418	3484	2977	1720
Cardamom (small)	Guatemala Fancy green	New York	8820	8820	8820	8820
	Indian (AGEB)	Saudi Arabia	11470	10850	11550	8620
Chillies	Indian sannm-4 (stem less)	New York	2315	2249	2028	1257
Ginger	India cochin	New York	1962	1962	1962	3484
	Chinese peeled	New York	1808	1830	1830	3462
Turmeric	India Alleppey finger	New York	1852	1852	1852	1962
Garlic	Chinese	New York	2624	2624	2867	2822
Coriander	Canada	New York	838	838	838	772
Cumin	Syrian	New York	2426	2426	2514	1808
	Indian		2514	2514	2514	2029
Fennel	Indian (Asta) Egyptian	New York	2095	2095	2095	1455
			1698	1698	1654	1411
Fenugreek	India/turkey	New York	860	860	816	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	4961	5027	4961	3925
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon	New York	5843	5843	5843	4740

Source: Spices Board

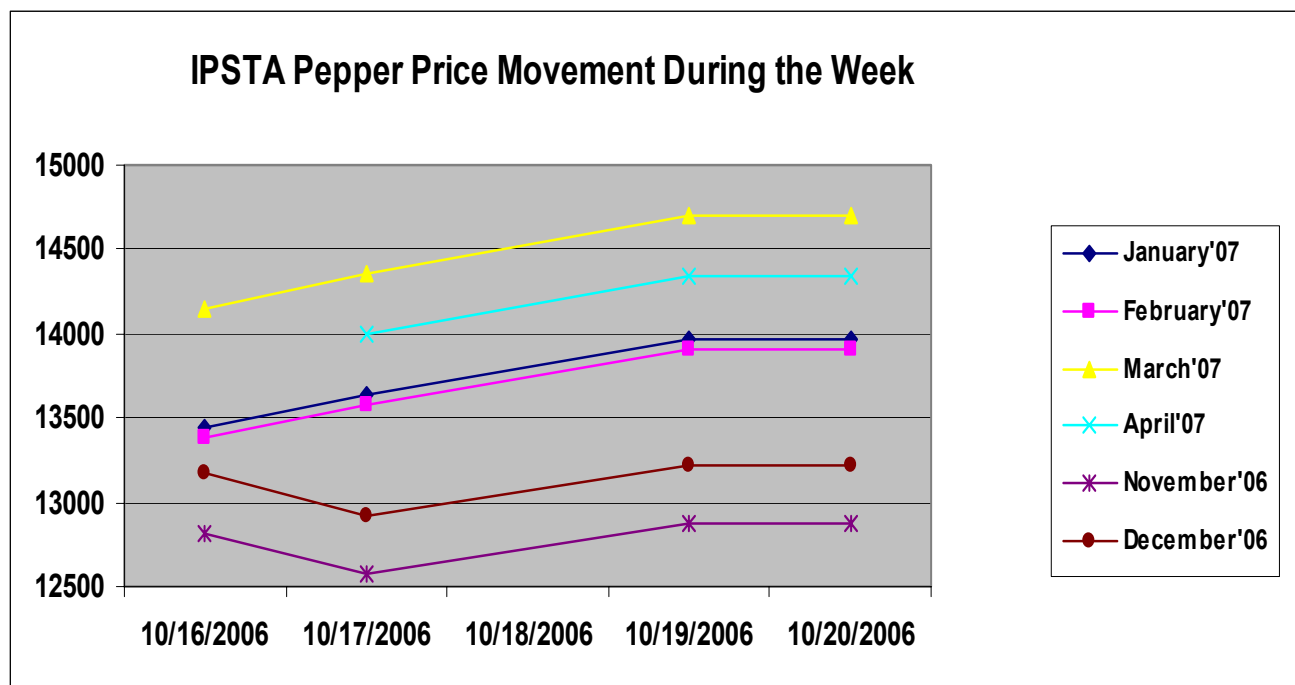
## Market Analysis:

### 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, March and April month contracts at the IPSTA during the week. The prices recovered in far month contracts on promising scenario for Indian pepper in international markets. However prices dropped in November and December month contracts in the beginning of the week and thereafter recover to end steady.



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

Pepper	10/ 16/ 2006	10/ 17/2006	10/ 18/2006	10/ 19/ 2006	10/ 20/ 2006	10/ 21/ 2006
Ungarbled	11700	11500	11500	11600	11400	Closed
Garbled	12300	12100	12100	12000	12000	Closed

Black pepper prices in Kochi market remained steady to slightly bearish during the week on market uncertainties. Indian pepper crop is expected to arrive by next month. Prices quoted by Brazil were also one of the major prices driving factor for Indian pepper. The demand for pepper from domestic market was low. The market saw arrivals of 42 MT of pepper during the week. The off take was however of a greater quantity of around 72 MT of pepper. The buyers from international markets are still hoping for some good bargains however stockists are still holding back their stocks in anticipation of rise in prices due to low supplies particularly ahead of festive season in Western countries. The traders from domestic markets are expecting demand to improve

from retail end. The prices might remain volatile and thereafter might recover slightly on improved demand in coming days.

#### Delhi Market

Black pepper prices in Delhi market softened on reduced demand for the commodity particularly from retail end due to festive season. The demand shifted towards Dry fruits instead of spices during this period. The market might see slight improvement in demand thus resulting in some recovery in prices. However arrivals of fresh crop late next month might not let prices move too high.

	Oct 09-14	Oct 16-20
Golden Unpolished	115-122	118-120
11.5	125-138	125-131
No. 12	137-140	130-140

Note: Prices are in Rs. per Kg.

#### Turmeric:

##### Erode Mandi:

Turmeric prices in Erode market remained slightly firm in the beginning of the week and thereafter improved declined on reduced demand on thin trading due to celebration of festivals in the region. The average daily arrivals remained in the similar range of around 3000 – 3500 bags of turmeric. Traders are expecting some demand from Northern India and Eastern India might be seen after Diwali. However the market has a comfortable stock position. The crop condition in the nearby cultivating areas is good. The prices might remain slightly bearish initially and thereafter recover.

	Oct 09-14	Oct 16-20
Loose Finger	2250-2400	2300-2425
Loose Gattah	2250-2350	2300-2350

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

##### Nizamabad Mandi:

Nizamabad market for turmeric remained mostly closed during the week in celebration of festivals. However Turmeric prices declined slightly in the beginning of the week on absence of any increased demand for turmeric. The average daily arrivals during the week were of 1500 bags of turmeric. Trading sources are expecting a slight improvement in demand after Diwali. However at increased prices might enter the market and might not let the prices to increase to very high levels.

	Oct 09-14	Oct 16-20
Nizamabad Finger	2350-2500	2350-2450
Nizamabad Gattah	2200-2225	2150-2275

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

##### Delhi Mandi:

Turmeric prices declined on reduced demand for the commodity particularly from retail end. The prices also declined as the prices reduced in primary

markets. Traders are expecting the demand for turmeric might improve slightly in coming days. The prices might remain range bound to slightly firm in the coming days.

	Oct 09-14	Oct 16-20
Nizamabad finger	2700	2675-2700
E.Finger mini Selam	3410-3485	3375-3485
E. Single polish Gattah	2935-2985	2910-2985
E. Double polish Gattah	3485-3585	3460-3585
Warangal polish	2735	2710-2735
Selam Finger	4360-4485	4335-4485

Note: Prices are in Rs/ Qtl.

#### Cumin:

##### Unjha Mandi:

Jeera prices in Unjha market improved slightly in the begging of the week and thereafter remained steady on almost similar supply-demand situation. The market remained closed from 19th of October and will remain closed till 27<sup>th</sup> of October. The arrivals of jeera reduced to 1500 bags of jeera. The demand for jeera increased to 6000-6500 bags daily as against last weeks 4000 – 5000 bags of jeera. Sowing of jeera is expected to begin from next month onwards. Trading sources are expecting demand to improve once the market reopens. Exporters are expecting some fresh orders from international markets might be seen in coming days. Jeera sowing is feared to be delayed this year due to unfavourable climatic conditions for sowing. In addition to this, acreage is also expected to shrink on shifting preference of farmers for the other crops namely fennel, garlic and isabgol. Jeera crop is highly weather sensitive and high prices of these commodities are attracting the cultivators. Jeera prices might remain range bound and thereafter witness some strength.

	Oct 09-14	Oct 16-20
Kisan Mal-FAQ (New)	1620-1780	1720-1820
Ganesh	1720-1780	1800-1820
M/c. Cleaned	1700-1900	1740-1940

Note: Prices are in Rs/20 Kg

### Delhi Mandi:

Jeera prices increased in Delhi market following improvement in prices in Unjha market. Traders are expecting demand for jeera to improve from retail end in the coming days. The prices are expected to remain slightly firm for a few days.

	Oct 09-14	Oct 16-20
Ganesh New	86-88.50	89.50-90.50
FAQ	80-90	82.50-88.50
M/c. Cleaned	84-106.50	86.50-108.50

Note: Prices are in Rs/ Kg

### Red Chillies:

#### Guntur Mandi. :

Red Chilli prices in Guntur market improved during the week on better demand for the commodity from domestic as well as export front. The market saw average daily arrivals of about 10000bags of chillies as against last week's range of 20000-40000 bags of chillies. The arrivals reduced ahead of festive season coupled with stockists holding back in order to fetch higher prices at increased prices. The foreign buyers were from Bangladesh and exporters are expecting some fresh orders to flow in the coming days. New crop of chillies 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. According to sources rain fed chilli crop requires water at the current stage. The prices might remain firm on improved demand for a few days.

Grades	Oct 09-14	Oct 16-20
(LCA334loose)Cold storage	5600-5700	5000-5800
(LCA 334 Builty)	6000-6200	-

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

### Delhi Mandi:

Red Chilli prices in Delhi market remained mostly steady to range bound as the demand for red chillies was moderate during the week particularly due to shift towards dry fruits. The prices are expected to recover with improvement in demand for chillies in the coming days.

	Oct 09-14	Oct 16-20
Guntur Pala	7250-7600	7250
Guntur Fullcut	8000-9000	8000-9000
Guntur Packing	7000-8000	7000-8000
Nagpur Pala	7000-7300	7000
Nagpur Fullcut	7800-8300	7800
Nagpur Packing	7000-7300	7000

Note: Prices are in Rs/Qtl

### Technical Analysis:

Commodity: Black Pepper

Exchange:NCDEX

Contract Month: November 2006

Candlesticks are indicating indecision in the market. The prices closed below 9 and 18 EMA showing bearish sentiments in the market. Stochastic is bullish

in the neutral region and MACD is rising in negative zone. The volumes traded and open interest increased during the session.



**Recommendation:** The prices might move in the range of 11628– 13197.

**Commodity: Turmeric**

**Exchange: NCDEX**

**Contract Month: November 2006**

Turmeric chart is displaying downward movement of prices. Candlesticks are indicating bearish sentiments in the market. 9- EMA is indicating bearishness in the market. MACD is favoring bears

and stochastic has made a bullish crossover and turned flat in oversold territory. Prices are most likely to continue to decline.



**Recommendation:** Go short at price recoveries. The prices are most likely to be in the range of 2100 – 2325 this week.

**Commodity: Cumin (Jeera)**

**Exchange: NCDEX**

**Contract Month: November 2006**

#### TECHNICALS

Candle sticks are reflecting bullish sentiments in the market. Stochastic has made a bullish crossover in neutral region. MACD has turned bullish in negative

zone. Volume numbers and open interest both increased. Prices closed above 9-EMA indicating bullish sentiments prevailing in the market. The prices are most likely to remain bullish.



**Recommendation:** Go for Long position. The prices might remain in the range of Rs. 8555 to 9050 during this week.

**Commodity: Red Chilli**

**Exchange: NCDEX,**

**Contract Month: November 2006**

Candlesticks are reflecting bullish sentiments in the market. Stochastic has made a bullish crossover in neutral region. MACD is rising in negative territory. Prices closed below 9-EMA reflecting presence of

bearish sentiments in the market. Prices are most likely to be firm.



**Recommendation:** Go long at lower levels with caution. The prices might remain in the range of 5240 – 5610 during this week.

#### **WEATHER WATCH (As on 22. 10.06)**

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

Hilly region viz. J&K, H.P. and Uttaranchal may receive scattered rains during next 24 hours. Punjab, Haryana and West U.P. are likely to be dry.

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

Isolated rainfall is likely over coastal Orissa, West Bengal and NE States during next 24 Hrs. East Uttar Pradesh, Bihar and Jharkhand are likely to mainly dry during next 3-4 days.

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

Vidarbha, Chhattisgarh and Madhya Pradesh are likely to mainly dry weather during next 5 days.

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

Scattered to fairly widespread rainfall is likely over Andaman & Nicobar Islands, Coastal Karnataka and Kerala during next 2-3 days. Tamilnadu and coastal A.P. are likely to experience scattered rains. Isolated to scattered rainfall activity is likely over south-interior Karnataka during next 24- 48 hrs.

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

Rajasthan, Gujarat, Madhya Maharashtra and Marathawara are likely to experience mainly dry weather conditions.

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.