

SPICES

April 09-14, 2007

Overview:

- Black Pepper and Jeera Traded Firm during Week
- Chilli and Turmeric Remained Bearish during Week
- Brazil Pepper Export Down 10 Percent on Month in February

Brazil Pepper Export Down 10 Percent on Month in February

According to a latest report by International Pepper Community, Brazil exported 39,992 mt of whole pepper valued at USD 81.8 million and 2,195 mt of ground pepper valued at USD 3.5 million during 2006.

Brazil's export of pepper in February 2007 was around 2,930 mt worth USD 7.4 million over export of

2,880 mt in February last year. However, the export in February 2007 was lower by 10 percent as compared to export of 3,160 mt in January 2007. Total exports in the first 2 months of 2007 was 6,090 mt, lower by 9 percent as compared to export of 6,650 mt in the same period of last year. The United States and Germany remained the most important destination of pepper export from Brazil, the report added.

Source: International Pepper Community

Spices: Domestic Prices for the Week Ending 07.04.2007:

Spice	Grade/Variety	Market	Price (Rs/Kg) For the Week (07.04.07)	Price (Rs/Kg) For the Week (31.03.07)	Last Month Same Week (Rs/Kg) (10.03.07)	Last Year Same Week (Rs/Kg) (08.04.06)
Black Pepper	Malabar Garbled (MG-1)	Cochin	139	130.33	118	71.5
Cardamom (Small)	(Auction Price) Ungraded	Vandanmettu	380.18	359.87	326.69	200.48
Cardamom (Large)	Bada Dana	Gangtok	138.75	137.5	140	100
Chilli	Non -cold storage	Guntur	-	43	43	34.5
Ginger	Best	Cochin	49	46	45	47
	Medium	Cochin	44	42.5	40	37
Turmeric	Alleppey finger (AFT)	Cochin	24	24	35	47.5
	Rajapuri	Mumbai	55.5	55.5	54.5	55.5
	Duggirala	Mumbai	24.5	24.5	23.88	26.75
Coriander	Indori 5%	Mumbai	32.75	30.25	27.25	30
Cumin	1%	Mumbai	125	122.5	115	60
	4%	Mumbai	111.25	110	105	55.63
Clove		Cochin	270	270	320	285
		Nagarcoil	270	270	320	275

Source: Spices Board of India

Spices: International Spot Prices for the Week Ending 06.04.2007:

Spice	Origin/Grade	Market	Price For the Week (06.04.07) (US\$/KG)	Price For the Week (30.03.07) (US\$/KG)	Last Month (09.03.07) (US\$/KG)	Last Year Same Week (07.04.06) (US\$/KG)
Pepper	Malabar Garbled (MG-1)	New York	3.2	3.2	2.98	1.72
Cardamom (Small)	Guatemala Mixed Green	New York	9.37	9.37	9.37	8.82
	Indian (AGEB)	Saudi Arabia	12.52	12.55	11.15	7.95
Chillies	Indian SANNM-4 (Stem less)	New York	3.53	3.31	2.64	1.65
Ginger	India Cochin	New York	1.87	1.87	1.87	2.38
	Chinese Peeled	New York	1.76	1.76	1.76	1.99
Turmeric	India Alleppey Finger	New York	1.78	1.78	1.78	1.85
Garlic	Chinese	New York	2.47	2.47	2.53	2.85
Coriander	Canada	New York	0.84	0.84	0.84	0.77
Cumin	Syrian	New York	2.6	2.6	2.56	1.76
	Indian	New York	2.6	2.6	2.6	1.81
Fennel	Indian (ASTA)	New York	1.98	1.98	1.98	1.7
	Egyptian	New York	1.65	1.65	1.65	1.61
Fenugreek	India/Turkey	New York	0.99	0.99	0.99	0.75
Clove	Mad/Zanz/Com/ Indo	New York	4.52	4.52	4.85	4.74
	Sri Lanka (Hand picked)	New York	9.37	9.37	9.37	7.17
Cinnamon	Ceylon H2 Cinnamon	New York	6.28	6.28	5.84	5.84

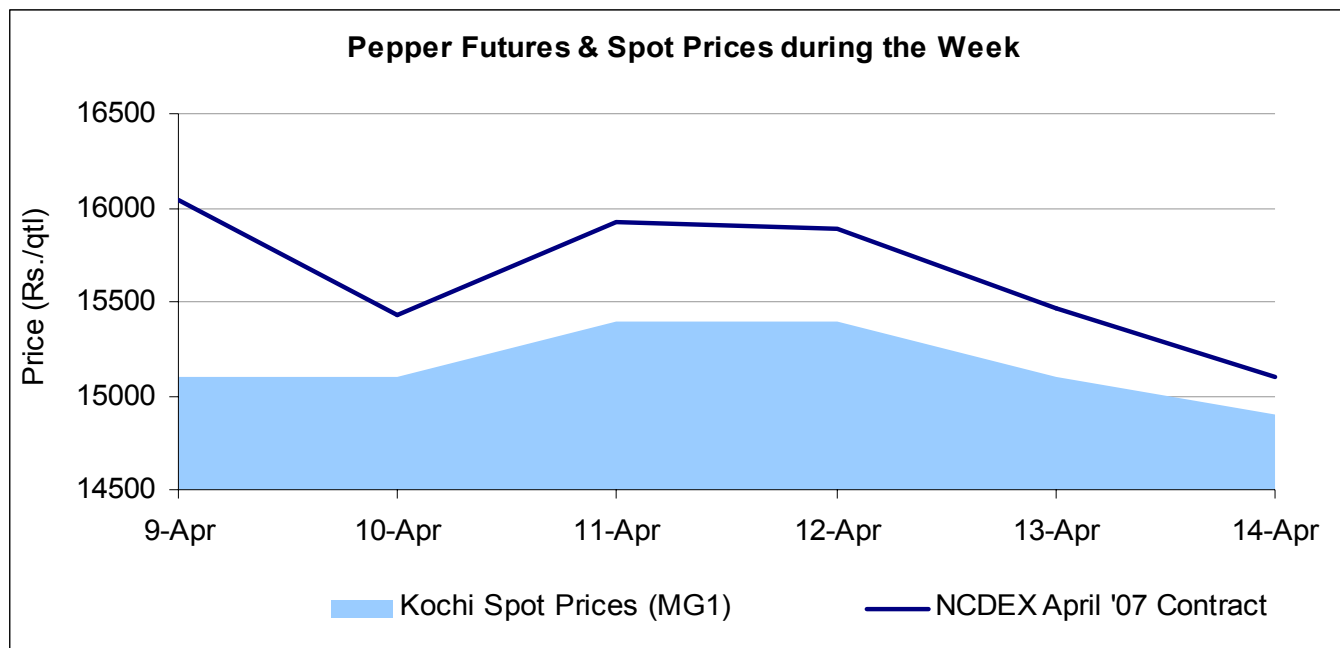
Source: Spices Board of India

Fundamental Analysis:

Pepper:

A Brief Weekly Analysis of Pepper Spot and Futures Trading

The graph below is showing the pepper prices (MG 1) in Kochi market and the near-month April contract prices in NCDEX. The near-month April contract continues to trade with a premium over the spot prices throughout the week. However, the difference narrowed during the weekend as futures prices declined sharply as compared to spot prices. The April contract closed above the spot prices by Rs. 195 on Saturday.



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

Pepper	09/04/2007	10/04/2007	11/04/2007	12/04/2007	13/04/2007	14/04/2007
Ungarbled	14500	14500	14800	14800	14500	14300
Garbled	15100	15100	15400	15400	15100	14900

Domestic black pepper markets witnessed a firm trend during the week ending April 14, 2007. Prices were quoted up by Rs. 600 per quintal at the start of the week and rallied further through the week. Though prices eased during the weekend, but managed to stay near the higher level as compared to previous week. Demand reported good, but limited at higher price levels. However, firm global market trend continue to remain as a supportive feature for the markets. Recent trend in global pepper markets in general and Vietnam in particular can be attributed to the sharp rise in domestic quotes. Despite the peak harvest season, there was no sign selling pressure in Vietnam as farmers preferred to sell their produce only at a price matching their expectations.

International buyers are on the sidelines eyeing the prices soften. Domestic black pepper markets are likely to remain firm in the coming week.

Black Pepper Prices in Delhi Market

Grade	(Rs./kg)	
	April 09-14	April 02-07
Golden Unpolished	157-162	148-158
No. 11.5	170-185	165-180
No. 12	185-190	170-185

Note: Prices are in Rs. per Kg.

Turmeric:

Arrivals at all centers in Andhra Pradesh (Warangal and Duggirala) gained momentum during the week ending April 14, 2007. The auctions at Duggirala and Warangal centers for the season has also commenced from this week onwards. Post harvesting activities at this region are still going on. The arrivals at Nizamabad, Erode and Sangli market were steady and prices were lower in the range of Rs. 25-100 per kg. Physical demand was reported weak and stockists are not willing to buy at current price levels. Currently the export demand was also reported to be steady.

Turmeric Prices in Erode Market

(Rs./qtl)

Grade	April 09-14	April 02-07
Loose Finger	2000-2175	Closed
Loose Gattah	2050-2200	Closed

Turmeric Prices in Nizamabad Market

(Rs./qtl)

Grade	April 09-14	April 02-07
Finger	1900-2000	1900-2000
Gattah	1750-1850	1800-1875

Turmeric Prices in Delhi Market

(Rs./qtl)

Grade	April 09-14	April 02-07
Nizamabad Finger	2600-2700	2700-2750
Erode Finger Mini Selam	2950-3100	3000-3250
Erode Single Polish Gattah	2750-2900	2900
Selam Finger	4400-4500	4500-4600

Cumin (Jeera):

Domestic jeera markets extended previous firmness further during the week ending April 14, 2007. It was offered at an unchanged price range at the start of the week owing to mostly steady arrivals. However, prices increased during the later half of this week on reduced arrivals. Fundamental factors continue to remain strong for jeera with expectation of lower

production this season. Moreover, higher export in the recent time has added to the firmness. However, traders are skeptical about the present higher prices that may lead to slacken demand. Amidst such circumstance, jeera markets are likely to maintain the recent firmness in the coming week.

Jeera Prices in Unjha Market

(Rs./20kg)

Grade	April 09-14	April 02-07
FAQ	2300-2400	2300-2390
Ganesh	2530-2670	2500-2650
M/c. Cleaned	2630-2770	2600-2750

Jeera Prices in Delhi Market

(Rs./kg)

Grade	April 09-14	April 02-07
Ganesh New	145	145-147
FAQ	140-145	140-148
M/c. Cleaned	145-150	145-150

Red Chillies:

Domestic red chillies markets remained on an average bearish during the week under review. Prices after quoting higher at the beginning continue to soften for the rest of the week. Higher arrivals and lack of buying support are attributable for the decline in chilli prices. Domestic production of chillies is estimated higher by 20 percent during this season, yet the bearish impact of higher production was minimal on account of export opportunities of Indian chillies. Reported crop failure in China has in turn raised the export potential of Indian chillies. Chilli markets are likely to witness some weakness in the coming week with expectation of increased arrivals.

Red Chillies Prices in Guntur Market

(Rs./qtl)

Grade	April 09-14	April 02-07
LCA 334	4100-5200	4300-5100

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

Futures Market (NCDEX):

Commodity: Black Pepper

Black pepper futures started the week registering significant gains. The futures extended the advances further to test this week's high on Thursday, despite profit taking at higher price levels. Weekend slide in prices wiped away the gains made earlier. MCX May contract traded in the range of Rs. 15,150- 16,299 during the week with thin volume and lower open interest. NCDEX May contract traded in the range of Rs. 15,571-16,865 during the week with declining volume and increasing open interest.

PRICE DRIVERS:

1. Higher domestic demand, no selling pressure
2. Vietnam's crop to decline by 10-20 percent
3. Vietnam's farmers holding back their produce
4. International prices on an upward trend

OUTLOOK:

Short Term (One Week): Firm on improved demand, no selling pressure

Medium Term (One Month): Firm on domestic production shortfall

Long Term (Three Months): Firm on domestic, global production shortfall

NCDEX Black Pepper May Contract

Support-1	15135	Support-2	14730
Resistance-1	16500	Resistance-2	16885

Strategy	Book profits; hold long with caution
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Commodity: Jeera (Cumin)

Jeera futures after trading mostly rangebound at the start of the week, registered significant gains on Thursday. The futures extended the advances further to week's high on Friday, only to run into profit taking. MCX May contract traded in the range of Rs. 12,700-13,201 during the week with lower volume and declining open interest. NCDEX May contract traded in the range of Rs. 13,740.1-14,548 during the week with higher volume as well as open interest.

PRICE DRIVERS:

1. Lower production estimates for the year
2. Concerns of crop damage in Rajasthan
3. Export up 154 percent during April-Feb 2006-07

OUTLOOK:

Short Term (One Week): Firm as improved demand offset arrival pressure

Medium Term (One Month): Moderately firm as lower output, higher demand overshadows season high arrivals

Long Term (Three Months): Firm on lower domestic production

NCDEX Jeera May Contract

Support-1	13740	Support-2	13450
Resistance-1	14615	Resistance-2	14925

Strategy	Book profits; hold long with caution
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Commodity: Chilli

Chilli futures started the week with a positive note, but profit taking capped further advances. The futures traded downwards for the rest of the week on increased selling interest and tested this week's low on Saturday. NCDEX June contract traded in the range of Rs. 5,732-6,274 during the week with higher volume and increasing open interest.

PRICE DRIVERS:

1. Weak demand at higher price levels
2. Report of crop failure in China this year
3. Export up 9 percent in April-Feb 2006-07
4. Increasing arrivals in the markets

OUTLOOK:

Short Term (One Week): Weaken on lower demand at higher price levels

Medium Term (One Month): Slightly bearish as crop arrivals reach its highest levels

Long Term (Three Months): Moderately bearish on higher crop size

NCDEX Chilli June Contract

Support-1	5530	Support-2	5335
Resistance-1	5975	Resistance-2	6170

Strategy	Go short near resistance levels
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WEATHER WATCH:

Forecast for next 5 days

Presently a western disturbance lies over north Pakistan and adjoining area. A cyclonic circulation also lies over Haryana and adjoining area. Under its influence scattered to fairly widespread rainfall/thundershower are likely over J&K, H.P. and Uttarakhand during next 2-3 days. Scattered rainfall/thundershower are also expected over Punjab, Haryana, Delhi and west U.P. during 18-19 April, 07.

Heat wave conditions continued to prevail over many parts of Rajasthan and isolated pockets of Punjab, Haryana and West Madhya Pradesh. The model prediction suggests that day temperatures are likely to fall and may cause respite from the prevailing heat wave conditions in coming 2 days.

Isolated to scattered rain/thundershower is also likely over south Peninsula, east coast and over northeastern States during next 2-3 days.

Zone-wise weather forecast

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

Scattered to fairly widespread rain is likely over J&K, H.P. and Uttarakhand during next 2-3 days. Isolated thundershower is likely over Punjab, Haryana, Delhi

and west U.P. during 18-19 April. Day temperature is likely to fall during next 2 days.

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

Isolated rain/thundershowers are likely over Jharkhand, West Bengal and NE states.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Mainly dry weather is likely over the rest region.

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

Isolated rain/thundershowers are likely over south Tamil Nadu and Kerala.

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

Mainly dry weather is likely over the region. Day temperatures are likely to fall over north Rajasthan during next 48 Hrs.

Source: NCMRWF, GOI

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