

## SPICES

April 16-21, 2007

### Overview:

- Domestic Black Pepper Remained Volatile during Week
- Domestic Jeera Markets Remained Quiet during Week
- Domestic Chilli and Turmeric Traded Weak during Week

### Spices: Domestic Prices for the Week Ending 14.04.2007:

Spice	Grade/Variety	Market	Price (Rs/Kg) For the Week ( 14.04.07)	Price (Rs/Kg) For the Week ( 07.04.07)	Last Month Same Week (Rs/Kg) (17.03.07)	Last Year Same Week (Rs/Kg) ( 15.04.06)
Black Pepper	Malabar Garbled (MG-1)	Cochin	151.67	139	117.67	71.88
Cardamom (Small)	(Auction Price ) Ungraded	Vandanmettu	373.96	380.18 Thekkady	321.41	193.62 Thekkady
Cardamom (Large)	Bada Dana	Gangtok	138.75	138.75	143.75	96.25
Chilli	Non -cold storage	Guntur	-	-	43.2	34.33
Ginger	Best	Cochin	49	49	45	47
	Medium	Cochin	44	44	40	37
Turmeric	Alleppey finger (AFT)	Cochin	24	24	35	47.5
	Rajapuri	Mumbai	55.5	55.5	55.5	54.5
	Duggirala	Mumbai	23.63	24.5	22.25	24.75
Coriander	Indori 5%	Mumbai	32.75	32.75	27.25	29
Cumin	1%	Mumbai	125	125	120	60
	4%	Mumbai	108.75	111.25	110	55.63
Clove		Cochin	270	270	320	285
		Nagarcoil	300	270	290	255

Source: Spices Board of India

## Spices: International Spot Prices for the Week Ending 13.04.2007:

Spice	Origin/Grade	Market	Price For the Week (13.04.07) (US\$/KG)	Price For the Week (06.04.07) (US\$/KG)	Last Month (16.03.07) (US\$/KG)	Last Year Same Week (13.04.06) (US\$/KG)
Pepper	Malabar Garbled (MG-1)	New York	3.97	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	12.08	12.55	11.08	7.75
Chillies	Indian SANNM-4 (Stem less)	New York	3.53	3.53	2.98	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	2.38	2.47	2.53	2.86
Coriander	Canada	New York	0.84	0.84	0.84	0.77
Cumin	Syrian	New York	2.65	2.6	2.56	1.76
	Indian	New York	2.87	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	4.63	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	6.28	5.84

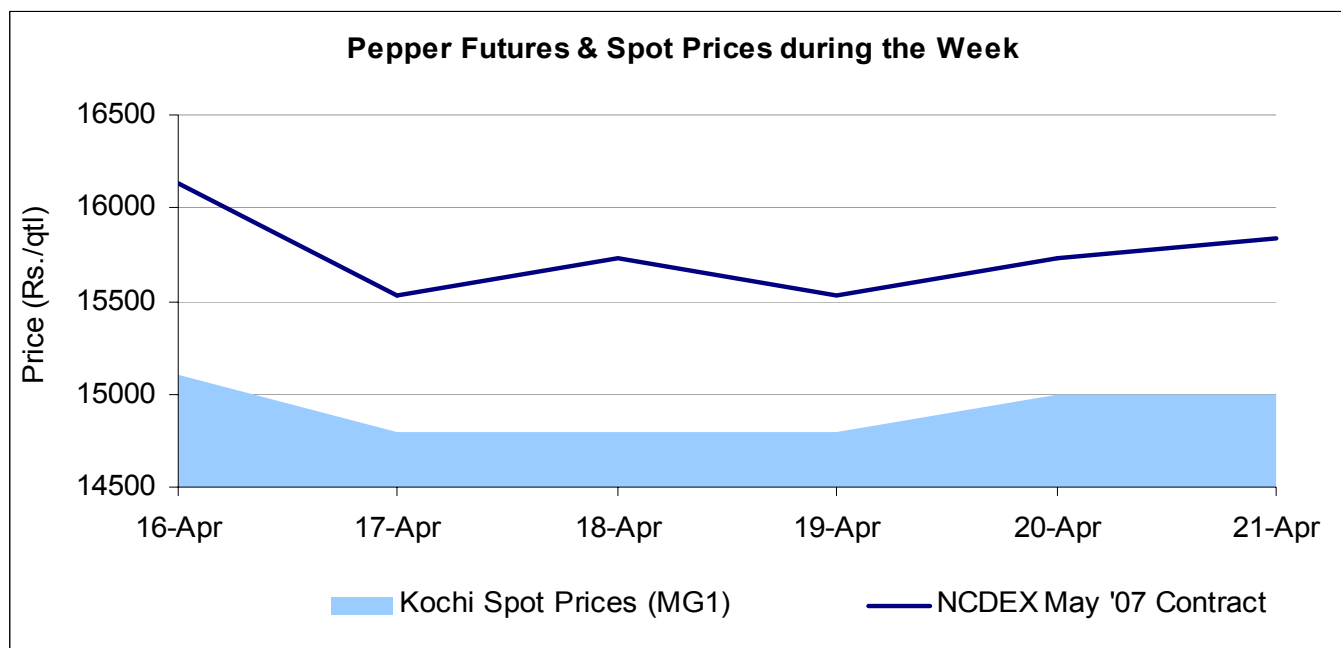
Source: Spices Board of India

## 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 May contract prices in NCDEX. The near-month May contract continues to trade with a premium over the spot prices throughout the week. The difference was significantly higher at the start of the week, but narrowed during the week. The May contract closed above the spot prices by Rs. 835 on Saturday.



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

Pepper	16/04/2007	17/04/2007	18/04/2007	19/04/2007	20/04/2007	21/04/2007
Ungarbled	14500	14200	14200	14200	14400	14400
Garbled	15100	14800	14800	14800	15000	15000

Domestic black pepper markets remained volatile during the week ending April 21, 2007. Prices quoted higher by Rs. 200 per quintal at the beginning of this week, but declined thereafter. However, some late recovery helped prices to stay above the previous weekend's prices. Traders reported limited demand at the higher prices levels that capped further uptrend. Moreover, contradictory reports of Vietnam pepper prices have also added to the uncertainty. However, estimates of lower harvest in Vietnam would support the prices as supply from most of the other sources is unlikely in the coming couple of months. Prices are reported on an average rangebound at other sources. The long-term fundamentals remained supportive for pepper prices on estimates of global demand offsetting supply. At

the domestic front also pepper prices are likely to remain firm in the coming week after some short-term consolidation.

#### Black Pepper Prices in Delhi Market

Grade	(Rs./kg)	
	April 16-21	April 09-14
Golden Unpolished	150-155	157-162
No. 11.5	170-175	170-185
No. 12	175-185	185-190

Note: Prices are in Rs. per Kg.

### Turmeric:

Domestic turmeric markets witnessed a downtrend in prices during the week ending April 21, 2007 amidst lower demand for inventories. Stockists were not willing to enter the markets eyeing further decline in prices over the coming few weeks. However, some mid-week recovery was seen in prices at Erode markets, where stockists were active according to traders. Arrivals were reported on an average higher during the week. According to AP Markfed officials till date they have purchased around 895 quintals from open market at an average price of Rs.2090 per quintal. It is also learnt that they are planning to purchase turmeric bulbs as soon as the good quality bulb is available in the market, however the prices for the same is still not revealed.

#### Turmeric Prices in Erode Market

(Rs./qtl)

Grade	April 16-21	April 09-14
Loose Finger	1900-2050	2000-2175
Loose Gattah	1900-2050	2050-2200

#### Turmeric Prices in Nizamabad Market

(Rs./qtl)

Grade	April 16-21	April 09-14
Finger	1850-1950	1900-2000
Gattah	1700-1825	1750-1850

#### Turmeric Prices in Delhi Market

(Rs./qtl)

Grade	April 16-21	April 09-14
Nizamabad Finger	2600	2600-2700
Erode Finger Mini Selam	3000-3100	2950-3100
Erode Single Polish Gattah	2650-2750	2750-2900
Selam Finger	4400	4400-4500

### Cumin (Jeera):

Domestic jeera markets remained quiet during the week ending April 21, 2007. Prices declined early in this week on reduced offtake amidst steady arrivals. However, it was mostly rangebound for the rest of the week as both, arrivals as well as offtake follow a declining trend. Everyone associated with jeera trade,

directly or indirectly, was anticipating some correction in prices that surged to unexpected levels in recent past. However, eyeing the strong long-term fundamental aspects of jeera, prices may improve after some short-term consolidation.

#### Jeera Prices in Unjha Market

(Rs./20kg)

Grade	April 16-21	April 09-14
FAQ	2280-2360	2300-2400
Ganesh	2510-2630	2530-2670
M/c. Cleaned	2610-2730	2630-2770

#### Jeera Prices in Delhi Market

(Rs./kg)

Grade	April 16-21	April 09-14
Ganesh New	142-145	145
FAQ	136-140	140-145
M/c. Cleaned	145-150	145-150

### Red Chillies:

Domestic red chillies markets witnessed a bearish trend during the week under review. Prices were quoted sharply lower at the start of this week, but remained rangebound at the lower side thereafter. Prices got some support from declining arrivals in the markets. However, lack of buying support failed to cheer up the market sentiments. The reduction in arrivals in physical markets is attributed to diversion towards storage with the cold storage receiving higher intake owing to prevailing lower prices in the markets. Overseas demand that was a major supportive feature in the recent past is not visible anymore. Chilli fundamentals seems bearish at present, though lower arrivals in the markets may lead to some short-term spike in prices in the coming few weeks.

#### Red Chillies Prices in Guntur Market

(Rs./qtl)

Grade	April 16-21	April 09-14
LCA 334	3700-4600	4100-5200

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

## Futures Market (NCDEX):

### Commodity: Black Pepper

Black pepper futures registered significant gains at the start of this week. However, the futures traded downwards thereafter to test week's low on Wednesday. Despite some recovery during the later half, the futures finished lower than week ago levels. MCX may contract traded in the range of Rs. 14,701-15,718 during the week with thin volume and lower open interest. NCDEX May contract traded in the range of Rs. 15,280-16,237 during the week with declining volume as well as open interest.

#### PRICE DRIVERS:

1. Lack of buying support in the markets
2. Contradictory reports of Vietnam prices
3. Vietnam's crop to decline by 10-20 percent
4. International prices on an upward trend

#### OUTLOOK:

**Short Term (One Week):** Moderately firm on improved demand at lower price levels

**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	15310	Support-2	14955
Resistance-1	16650	Resistance-2	17000
Strategy	Go long at corrective dips		

### Commodity: Jeera (Cumin)

Jeera futures witnessed a bearish trade during this week under review. The futures tested this week's high on Monday and traded downwards thereafter for the rest of the week. MCX May contract traded in the range of Rs. 11,631-12,898 during the week with thin volume and declining open interest. NCDEX May contract traded in the range of Rs. 13,560-14,390 during the week with declining volume and mostly steady open interest.

#### PRICE DRIVERS:

1. Lower production estimates for the year
2. Concerns of crop damage in Rajasthan
3. Decline in crop arrivals in the markets

#### OUTLOOK:

**Short Term (One Week):** Slightly firm as arrivals continue to decline

**Medium Term (One Month):** Moderately firm on lower output, higher demand

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

NCDEX Jeera May Contract			
Support-1	13385	Support-2	13100
Resistance-1	14145	Resistance-2	14450
Strategy	Go long at corrective dips		

### Commodity: Turmeric

Turmeric futures started the week with a bearish note and slide from Monday's high to Wednesday's low. The futures recovered back on increased buying support at the lower price levels and pared most of the losses during later half of this week. NCDEX May contract traded in the range of Rs. 2,165-2,257 during the week with moderate volume and declining open interest.

#### PRICE DRIVERS:

1. Weak domestic, overseas demand
2. Stockists are not active at present price level
3. Higher production estimates for the season

#### OUTLOOK:

**Short Term (One Week):** Weaken on increasing arrivals, lacklustre trade

**Medium Term (One Month):** Weak as arrivals expected to reach maximum levels

**Long Term (Three Months):** Bearish on higher domestic production

NCDEX Turmeric May Contract			
Support-1	2200	Support-2	2165
Resistance-1	2280	Resistance-2	2320
Strategy	Go short near resistance levels		

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## WEATHER WATCH:

### Forecast for next 5 days

Model prediction suggest that the day temperatures are likely to remain above normal with heat wave conditions in some areas of northwest, east and central India during next 2-3 days.

The numerical weather prediction models suggest that a north-south oriented trough extending from Sub-Himalayan West Bengal & Sikkim to North Bay of Bengal is likely to persist for next 3-4 days. Under its influence, ongoing fairly widespread to widespread rainfall with isolated heavy falls is likely to continue over northeastern States.

### Zone-wise weather forecast

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

Mainly dry weather is likely.

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

Isolated rain/thundershowers are likely over Jharkhand, West Bengal during next 2-3 days. Fairly

widespread to widespread rain/thundershower is likely over NE States during next 3-4 days and reduces significantly thereafter.

**CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]**

Isolated thundershower is likely over Chhattisgarh during next 24-48 hrs. Day temperature is likely to rise over Madhya Pradesh after 24hrs.

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

Isolated to scattered rain/thundershowers are likely Kerala and coastal Karnataka during next 24Hrs.

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

Isolated rain/thundershowers are likely over Konkan & Goa, Madhya Maharashtra and Marathawada. Mainly dry weather is likely over the region. Day temperatures are likely to remain above normal with heat wave conditions over parts of Rajasthan and Gujarat causing during next 3-4 days.

Source: NCMRWF, GOI

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