

## SPICES

April 23-28, 2007

### Overview:

- Domestic Black Pepper Market Bearish during Week
- Domestic Jeera Markets Weak on Lacklustre Trade Activity
- Domestic Chilli Markets Extended Previous Weakness Further

### Spices: Domestic Prices for the Week Ending 21.04.2007:

Spice	Grade/Variety	Market	Price (Rs/Kg) For the Week ( 21.04.07)	Price (Rs/Kg) For the Week ( 14.04.07)	Last Month Same Week (Rs/Kg) (24.03.07)	Last Year Same Week (Rs/Kg) ( 22.04.06)
Black Pepper	Malabar Garbled (MG-1)	Cochin	149.17	151.67	121.5	71.67
Cardamom (Small)	(Auction Price ) Ungraded	Vandanmettu	394.54	373.96	315.25	213.27
Cardamom (Large)	Bada Dana	Gangtok	126.25	138.75	138.75	98.75
Chilli	Non -cold storage	Guntur	41.8	47.8	43	36.2
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	53.5
	Duggirala	Mumbai	23.13	23.63	23.63	24.88
Coriander	Indori 5%	Mumbai	33.75	32.75	28.25	28.75
Cumin	1%	Mumbai	120	125	122.5	60
	4%	Mumbai	106.25	108.75	108.75	53.75
Clove		Cochin	270	270	295	255
		Nagarcoil	270	300	290	270

Source: Spices Board of India

## Spices: International Spot Prices for the Week Ending 20.04.2007:

Spice	Origin/Grade	Market	Price For the Week (20.04.07) (US\$/KG)	Price For the Week (13.04.07) (US\$/KG)	Last Month (23.03.07) (US\$/KG)	Last Year Same Week (20.04.06) (US\$/KG)
Pepper	Malabar Garbled (MG-1)	New York	3.97	3.97	2.98	1.72
Cardamom (Small)	Guatemala Mixed Green	New York	9.37	9.37	9.37	8.82
	Indian (AGEB)	Saudi Arabia	12.58	12.08	11.46	7.72
Chillies	Indian SANNM-4 (Stem less)	New York	3.53	3.53	3.31	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	1.92
Turmeric	India Alleppey Finger	New York	1.78	1.78	1.78	1.96
Garlic	Chinese	New York	2.38	2.38	2.53	2.98
Coriander	Canada	New York	0.84	0.84	0.84	0.77
Cumin	Syrian	New York	2.76	2.65	2.6	1.76
	Indian	New York	2.87	2.87	2.6	1.76
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

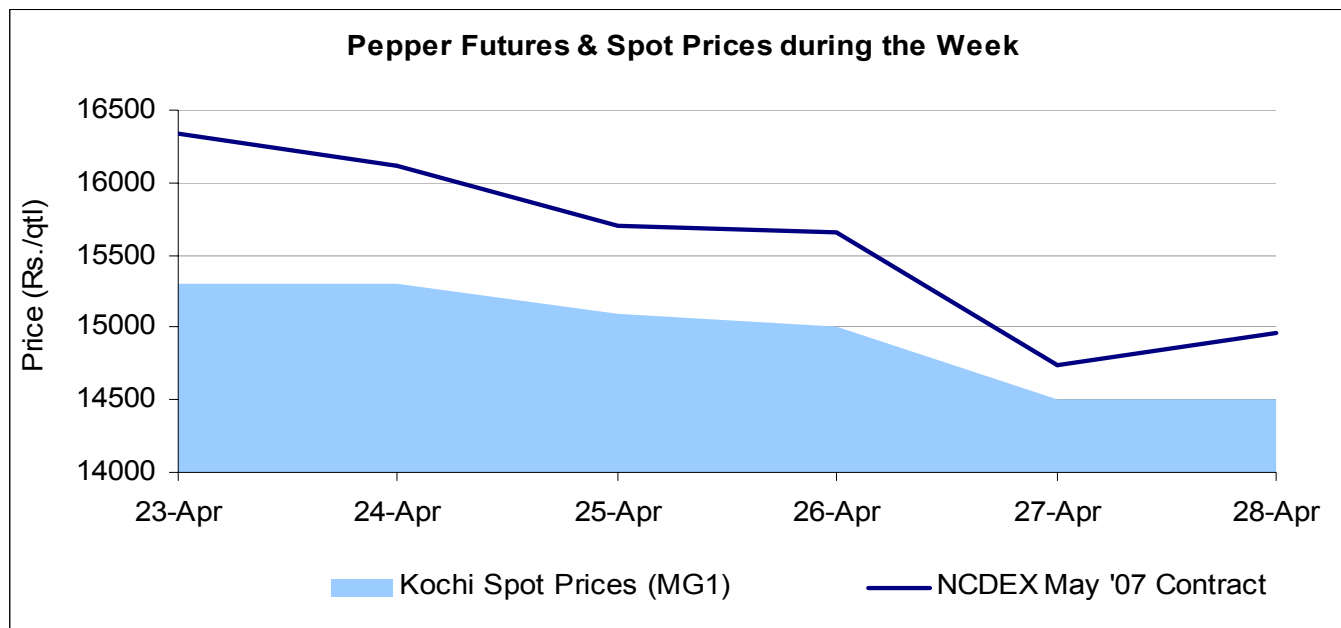
Source: Spices Board of India

## 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 near-month contract was ruling much higher than the spot prices at the start of the week. However, the difference narrowed down through the week. The May contract closed above the spot prices by Rs. 458 on Saturday.



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

Pepper	23/04/2007	24/04/2007	25/04/2007	26/04/2007	27/04/2007	28/04/2007
Ungarbled	14700	14700	14500	14400	13900	13900
Garbled	15300	15300	15100	15000	14500	14500

Black pepper prices eased at domestic markets. After a strong rally in recent past, the uptrend halted as demand dried up at the higher prices levels. At the global markets, Vietnam pepper prices continue to rule firm ahead of Victory Day holidays, while most other sources quoted higher prices as supply continues to dwindle. Vietnam farmers are learnt to have holding back the “black gold” on an anticipation of further rise in prices in the near future. Most other sources are reported to have sold out their stocks and fresh supplies are only expected in the next couple of months. At domestic front, demand remained moderate, but higher prices dented buyer’s interest. Moreover, recent appreciation in Rupee has cut down exporters’ margin to a great extent. However, thanks to the premium enjoyed by Indian pepper in global

markets, the exporters are still capable of making some money out of it. Though the short-term outlook seems murky at present, yet the longer term perspective continues to support the prices.

#### Black Pepper Prices in Delhi Market

Grade	(Rs./kg)	
	April 23-28	April 16-21
Golden Unpolished	147-152	150-155
No. 11.5	170-175	170-175
No. 12	175-180	175-185

Note: Prices are in Rs. per Kg.

### Turmeric:

The physical market for Turmeric started steady, however ended with a bearish note at all the major mandi's. Seasonal demand for the commodity has almost ended and is expected to support the downtrend in the prices. Stockists have entered the markets and however the show lack of buying interest on anticipation of further fall in the prices, demand is likely to crop up at lower levels. There are no fresh export orders in the market because of the strengthening of the rupee against the dollar but the inquiries are still going on. Traders say that one of big market players has purchased around 500 tonnes of Nizamabad fingers from the local traders at Nizamabad at the market price between Rs.2100-2150 per quintal; however, the quantity was very low to support the positive move in the prices.

#### Turmeric Prices in Erode Market

(Rs./qtl)

Grade	April 23-28	April 16-21
Loose Finger	1950-2050	1900-2050
Loose Gattah	1950-2050	1900-2050

#### Turmeric Prices in Nizamabad Market

(Rs./qtl)

Grade	April 23-28	April 16-21
Finger	1800-2000	1850-1950
Gattah	1750-1900	1700-1825

#### Turmeric Prices in Delhi Market

(Rs./qtl)

Grade	April 23-28	April 16-21
Nizamabad Finger	2500-2600	2600
Erode Finger Mini Selam	2900-3100	3000-3100
Erode Single Polish Gattah	2600-2750	2650-2750
Selam Finger	4200-4400	4400

### Cumin (Jeera):

Domestic jeera markets remains weak owing to lacklustre trading activities at the physical markets.

Prices after moving to a higher territory on the back of lower arrivals, start moving southward as trading volume continues to decline. Correction was expected from last few weeks as prices reached unexpected levels in recent past. With estimated decline in jeera production in the country, fundamentals continue to remain firm for jeera and prices are likely to move up in the long-run.

#### Jeera Prices in Unjha Market

(Rs./20kg)

Grade	April 23-28	April 16-21
FAQ	2200-2380	2280-2360
Ganesh	2450-2650	2510-2630
M/c. Cleaned	2550-2750	2610-2730

#### Jeera Prices in Delhi Market

(Rs./kg)

Grade	April 23-28	April 16-21
Ganesh New	138-143	142-145
FAQ	132-138	136-140
M/c. Cleaned	142-147	145-150

### Red Chillies:

Domestic red chillies markets extended previous weakness further and continue to remain bearish. Prices were quoted lower at the start of last week, but remained on an average rangebound at the lower side during the later half of this week. Arrivals were lower than week ago levels, and supported the prices to some extent. However, lack of buying interest in the markets has dampened the market trend. Demand, both domestic as well as overseas is negligible at present. Chilli fundamentals continue to remain bearish, though lower arrivals can support the prices from sliding further in coming few weeks.

#### Red Chillies Prices in Guntur Market

(Rs./qtl)

Grade	April 23-28	April 16-21
LCA 334	3200-4200	3700-4600

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

## Futures Market (NCDEX):

### Commodity: Black Pepper

Black pepper futures registered some gains at the start of this week. However, the futures traded sharply downwards thereafter to test week's low on the weekend. The futures finished lower than fortnight's ago levels. MCX May contract traded in the range of Rs. 14,042-15,800 during the week with thin volume and more or less steady open interest. NCDEX May contract traded in the range of Rs. 14,420-16,450 during the week with declining volume as well as open interest.

#### PRICE DRIVERS:

1. Lack of buying support in the physical markets
2. Vietnam's crop is estimated to decline by 10-20 percent
3. International prices on a continuous upward trend

#### OUTLOOK:

**Short Term (One Week):** Rangebound on weak demand at higher 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	13790	Support-2	13400
Resistance-1	15240	Resistance-2	15700
Strategy	Go short at rallies		

### Commodity: Jeera (Cumin)

Jeera futures witnessed almost a bearish trade during this week. However, some buying interest at lower levels has supported the futures during the weekend. The futures tested current months' low in both the exchange. MCX May contract traded in the range of Rs. 10,855-12,140 during the week with thin volume and declining open interest. NCDEX May contract traded in the range of Rs. 12,111-13,849 during the week with declining open interest and lower volume.

#### PRICE DRIVERS:

1. Lower production estimates for the year
2. Lacklustre trading activities in the markets
3. Decline in crop arrivals in the markets

#### OUTLOOK:

**Short Term (One Week):** Consolidate on declining trading volume

**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	11470	Support-2	11200
Resistance-1	13220	Resistance-2	13480
Strategy	Go short at rallies		

### Commodity: Chillies

Chilli futures started the week with a weak note and registered significant losses at the start of this week. The futures extended the weakness further to test this week's low on Friday. The futures surged at the weekend and pared some of the earlier losses, but finished the week at a much lower level. NCDEX June contract traded in the range of Rs. 4,757-5,475 during the week with moderate volume and mostly steady open interest.

#### PRICE DRIVERS:

1. Weak demand at higher price levels
2. Report of crop failure in China this year
3. Declining arrivals in the physical markets
4. Farmers preferring to store chilli in cold storage

#### OUTLOOK:

**Short Term (One Week):** Rangebound on declining arrivals as well as weak demand

**Medium Term (One Month):** Moderately bearish on weak domestic, overseas demand

**Long Term (Three Months):** Bearish on higher crop size

NCDEX Chilli June Contract			
Support-1	4810	Support-2	4690
Resistance-1	5310	Resistance-2	5440
Strategy	Go short near resistance levels		

---

## WEATHER WATCH:

### Forecast for next 5 days

Model predictions suggest that the temperatures are likely to be above normal over NW and parts of central India. Heat wave conditions may cover some more parts of NW India (including Delhi), east and central India during next 3-4 days.

Model predictions suggest that a western disturbance may approach J&K region by 30 April. Under its influence J&K and H.P. may receive isolated to scattered rain on 30th April.

Ongoing fairly widespread rain over NE states is expected to reduce in next 24 Hrs.

### Zone-wise weather forecast

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

Isolated to scattered rain is likely over J&K and H.P. during 29-30 April. Mainly dry weather is likely over rest of the region.

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

Mainly dry weather is likely over during next 2-3 days. Ongoing fairly widespread to widespread rain/thundershower over NE States is likely to reduce during next 24 Hrs.

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

Mainly dry weather is likely over the region.

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

Scattered rain/thundershowers are likely over Nicobar Islands. Isolated to scattered rain/thundershowers are likely Tamil Nadu, Kerala, coastal Karnataka and coastal A.P. during next 28-29 April.

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

Isolated duststorm/thundershowers are likely over north Rajasthan. Mainly dry weather is likely over the region. Day temperatures are likely to rise over Rajasthan and Gujarat during next 3-4 days.

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.