

SPICES

April 30-May 05, 2007

Overview:

- Domestic Black Pepper Market Remains Firm during Week
- Domestic Jeera Markets Witnessed Firm Trend on Thinning Arrivals
- Domestic Chilli Markets Remains Firm Amidst Rangebound Trade

Spices: Domestic Prices for the Week Ending 28.04.2007:

Spice	Grade/Variety	Market	Price (Rs/Kg) For the Week (28.04.07)	Price (Rs/Kg) For the Week (21.04.07)	Last Month Same Week (Rs/Kg) (31.03.07)	Last Year Same Week (Rs/Kg) (29.04.06)
Black Pepper	Malabar Garbled (MG-1)	Cochin	149.5	149.17	130.33	70.5
Cardamom (Small)	(Auction Price) Ungraded	Vandanmettu	357.75	394.54	370.58	205.67
Cardamom (Large)	Bada Dana	Gangtok	122.5	126.25	137.5	112.5
Chilli	Non -cold storage	Guntur	40	41.8	43	-
Ginger	Best	Cochin	50	49	46	50
	Medium	Cochin	45	44	42.5	39
Turmeric	Alleppey finger (AFT)	Cochin	24	24	24	47.5
	Rajapuri	Mumbai	55.5	55.5	55.5	38 (Chennai)
	Duggirala	Mumbai	23.13	23.13	24.5	33 (Chennai)
Coriander	Indori 5%	Mumbai	32.75	32.75	30.25	36.5 (Chennai)
Cumin	1%	Mumbai	117.5	120	122.5	67.5 (Chennai)
	4%	Mumbai	103.75	106.25	110	62.5 (Chennai)
Clove		Cochin	270	270	270	290
		Nagarcoil	265	270	270	290

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

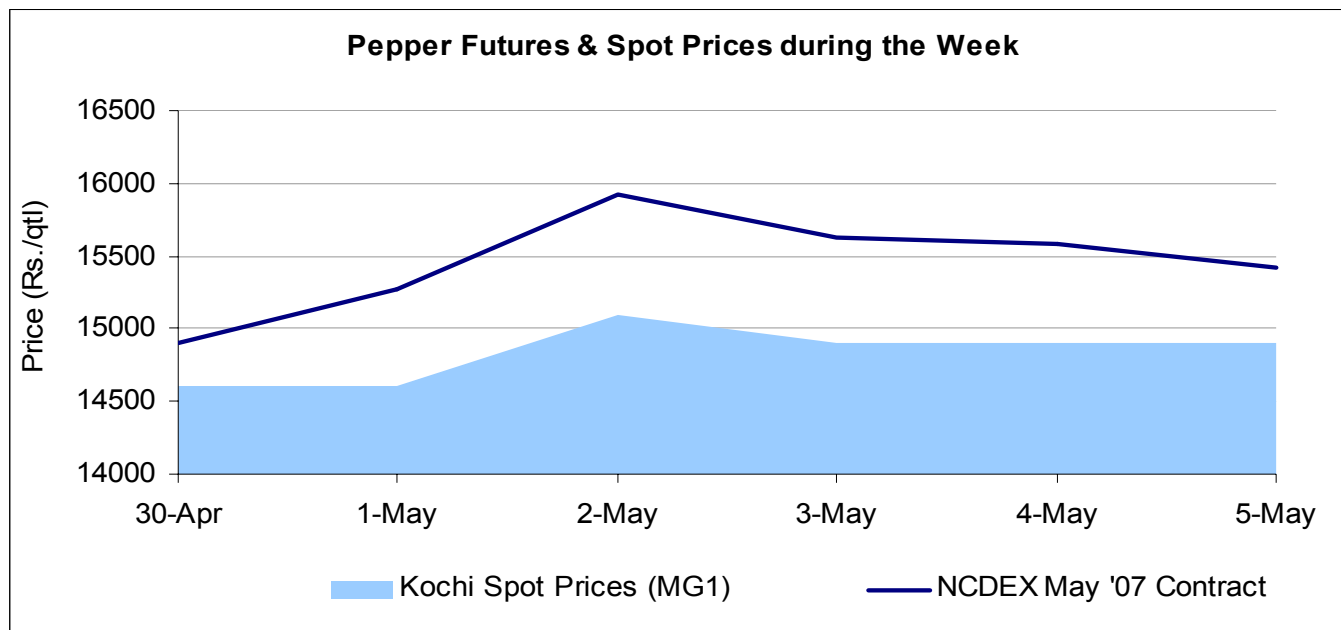
Source: Spices Board of India

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 till mid-week. However, the difference narrowed down during the weekend as futures prices declined as against steady spot prices. The May contract closed above the spot prices by Rs. 522 on Saturday.



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

Pepper	30/04/2007	01/05/2007	02/05/2007	03/05/2007	04/05/2007	05/05/2007
Ungarbled	14000	Closed	14500	14300	14300	14300
Garbled	14600	Closed	15100	14900	14900	14900

Black pepper prices remain firm at domestic markets. Prices moved up to the highs during mid-week, but eased slightly towards the later half of the week on profit sales. However, prices managed to remain at a higher level as compared to previous weekend. Indian pepper market is taking cues from global markets, wherein prices are in a continuous uptrend. Vietnam prices are reported higher on increased demand amidst limited stocks. Vietnamese farmers are releasing stocks only when prices are at par their expectations, resulting into supply squeeze. Most of the other producing nations are out of stocks at present and would harvest fresh crop only after a couple of months. At the domestic front, demand continues to remain moderate, but both sellers as well as buyers preferred to wait-and-watch at the

present higher price levels. All eyes are in international pepper prices at present and any sharp rise would strengthen pepper prices in India in the near future.

Black Pepper Prices in Delhi Market

Grade	(Rs./kg)	
	April 30 - May 05	April 23-28
Golden Unpolished	145-150	147-152
No. 11.5	170-175	170-175
No. 12	175-190	175-180

Note: Prices are in Rs. per Kg.

Turmeric:

Turmeric prices remain weak at all the major spot markets amidst thin demand and supply glut. According to traders, sowing for the next season has commenced at Maharashtra and Mysore districts at Karnataka State post Akshay Trithiya festival; the climate at the time of sowing is favourable for the crop. Traders anticipate that the area under cultivation at Maharashtra is likely to increase this year, as farmers would grow Turmeric on sugarcane field as it improves the soil texture. Fresh export orders were not placed this week as well amidst low demand. Stockists are buying regularly in the market. Big players purchased around total quantity of 1,000 tons from the Nizamabad spot market at Rs. 2,100-2,150 per quintal, however not yet started to procure bulbs.

Turmeric Prices in Erode Market

(Rs./qtl)

Grade	April 30 - May 05	April 23-28
Loose Finger	1950-2050	1950-2050
Loose Gattah	1950-2050	1950-2050

Turmeric Prices in Nizamabad Market

(Rs./qtl)

Grade	April 30 - May 05	April 23-28
Finger	1800-1900	1800-2000
Gattah	1700-1750	1750-1900

Turmeric Prices in Delhi Market

(Rs./qtl)

Grade	April 30 - May 05	April 23-28
Nizamabad Finger	2500-2650	2500-2600
Erode Finger Mini Selam	2850-3100	2900-3100
Erode Single Polish Gattah	2550-2650	2600-2750
Selam Finger	4200-4300	4200-4400

Cumin (Jeera):

Domestic jeera markets remain firm owing to thinning arrivals. Though the trading volume remained lower, yet declining arrivals have supported the prices to a greater extent. Traders anticipate the prices to increase further if arrivals continue the declining trend

in the coming few weeks. The long-term fundamentals of jeera remain firm with estimated lower production during this season. Jeera production in the country is projected to decline sharply owing to reduced acreage in Gujarat and unseasonal rainfalls in Rajasthan. Harvesting is almost completed at present in most of the major jeera producing regions. Jeera prices are likely to consolidate in the coming days, with possibility of some short-term spike on reduced arrivals.

Jeera Prices in Unjha Market

(Rs./20kg)

Grade	April 30 - May 05	April 23-28
FAQ	2250-2350	2200-2380
Ganesh	2350-2525	2450-2650
M/c. Cleaned	2550-2650	2550-2750

Jeera Prices in Delhi Market

(Rs./kg)

Grade	April 30 - May 05	April 23-28
Ganesh New	125-132	138-143
FAQ	125-128	132-138
M/c. Cleaned	135-140	142-147

Red Chillies:

Domestic red chillies markets remain on an average firm. Prices were quoted higher at the beginning of the week and remained rangebound thereafter. The market remains supported by declining arrival, while lack of buying support has dampened the market sentiments. Diversion of crop arrivals toward cold storage also remains supportive for the markers. Overseas demand that caused sharp rise in chilli prices in recent past is not visible at present. Domestic demand also remained weak. 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 30 - May 05	April 23-28
LCA 334	3500-4300	3200-4200

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

Futures Market (NCDEX):

Commodity: Black Pepper

Black pepper futures started the week with a firm note and extended the advances further to test week's high on Thursday. However, the futures ran into profit taking and curbed some of the advances later in the week. MCX June contract traded in the range of Rs. 14,550-15,980 per quintal during the week with moderately higher volume and almost steady open interest. NCDEX June contract traded in the range of Rs. 15,310-16,920 per quintal during the week with higher volume as well as increasing open interest.

PRICE DRIVERS:

1. Moderate buying support in the markets
2. Vietnam's crop to decline by 10-20 percent
3. Vietnamese farmers holding back stock
4. International prices on an upward trend

OUTLOOK:

Short Term (One Week): Firm on increasing international prices

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

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

NCDEX Black Pepper June Contract			
Support-1	15700	Support-2	15360
Resistance-1	16960	Resistance-2	17300
Strategy	Buy at dips towards support levels		

Commodity: Jeera (Cumin)

Jeera futures remained volatile through the week, testing week's high on Thursday and sliding thereafter on profit taking at higher price levels. MCX June contract traded in the range of Rs. 11,202-11,970 per quintal during the week with moderate volume and increasing open interest. NCDEX June contract traded in the range of Rs. 12,840.2-13,769 per quintal during the week with higher volumes and increasing open interest.

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 arrivals as well as trading volume

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

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

NCDEX Jeera June Contract			
Support-1	12625	Support-2	12450
Resistance-1	13425	Resistance-2	13600
Strategy	Hold short position with caution		

Commodity: Turmeric

Bearish sentiments continued to rule for the NCDEX Turmeric futures and ended the week with significant loss. Selling pressure dominated after the NCDEX June contract tested a high at Rs. 2,274 on Monday and the contract registered a steep fall to Rs. 2,162, lowest since last 45 days. NCDEX June contract traded in the range of Rs. 2,162-2,274 per quintal during the week. Volumes and open interest surged as compared to previous week.

PRICE DRIVERS:

1. Low domestic demand.
2. Weakening export demand.
3. Stockiest has entered the market

OUTLOOK:

Short Term (One Week): Weaken on low demand

Medium Term (One Month): Rangebound on anticipation of export demand.

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

NCDEX Turmeric June Contract			
Support-1	2124	Support-2	2060
Resistance-1	2215	Resistance-2	2275
Strategy	Sell at rallies towards resistance		

WEATHER WATCH:

Forecast for next 5 days

Model prediction suggests that gradual rise in day temperatures is likely over plains of northwest India, East Uttar Pradesh, Rajasthan and central India during next 3-4 days.

It is likely to cause heat wave conditions to develop over some more pockets of NW India from 8th May during next 3-4 days.

A western disturbance is likely to affect J&K and adjoining region during next 24-48 Hrs.

NE states are likely to receive scattered to fairly widespread rain/thundershower from tomorrow during next 3-4 days.

Zone-wise weather forecast

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

Scattered rain is likely over J&K and H.P. during next 24-48 Hrs and isolated thundershower over parts of adjoining plain viz. Punjab, Haryana.

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

Scattered to fairly widespread rain/thundershower is likely over NC#E states from tomorrow during next 3-4 days. Bihar, Jharkhand, West Bengal, Orissa are likely to receive isolated to scattered thundershowers.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Mainly dry weather is likely over the region.

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

Isolated to scattered rain/thundershowers are likely over Andaman & Nicobar Islands during 2-3 days. Isolated rain/thundershowers are likely Tamil Nadu, Kerala, coastal Karnataka and coastal A.P. during next 2 days.

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

Mainly dry weather is likely over the region.

Source: NCMRWF, GOI

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