

SPICES

June 25-30 2007

Overview:

- Domestic Black Pepper Extend Advances Further
- Domestic Red Chillies Witnessed Lacklustre Trade
- Domestic Jeera Remain Firm on Thinning Arrivals
- Brazil Pepper Export Jumped to 4,157 MT in May 2007

Spices: Domestic Spot Prices for the Week Ending 23.06.2007:

Spice	Grade/Variety	Market	Price (Rs/Kg) For the Week (23.06.07)	Price (Rs/Kg) For the Week (16.06.07)	Last Month Same Week (Rs/Kg) (26.05.06)	Last Year Same Week (Rs/Kg) (24.06.06)
Black Pepper	Malabar Garbled (MG-1)	Cochin	141.33	140.00	144.33	69.10
Cardamom (Small)	(Auction Price) Ungraded	Vandanmedu	No Auction	355.48	357.76	206.00
Cardamom (Large)	Bada Dana	Gangtok	120.00	122.50	121.25	120.00
Chilli	Non -cold storage	Guntur	45.00	-	-	47.00
Ginger	Best	Cochin	33.00	-	-	34.80
	Medium	Cochin	48.00	48.00	48.00	57.00
	Alleppey finger (AFT)	Cochin	24.00	24.00	24.00	45.00
Turmeric	Rajapuri	Mumbai	53.50	53.50	55.50	55.50
	Duggirala	Mumbai	22.75	23.25	22.88	26.25
Coriander	Indori 5%	Mumbai	32.88	32.75	32.25	29.25
Cumin	1%	Mumbai	113.75	115.00	111.25	70.63
	4%	Mumbai	96.25	96.25	92.50	65.63
Clove		Cochin	240.00	240	250.00	330.00
		Nagarcoil	240.00	240.00	250.00	360.00

Source: Spices Board of India

Spices: International Spot Prices for the Week Ending 22.06.2007:

Spice	Origin/Grade	Market	Price For the Week (22.06.07) (US\$/KG)	Price For the Week (15.06.07) (US\$/KG)	Last Month (25.05.07) (US\$/KG)	Last Year Same Week (23.06.06) (US\$/KG)
Pepper	Malabar Garbled (MG-1)	New York	4.19	4.19	4.26	1.76
Cardamom (Small)	Guatemala Mixed Green	New York	9.37	9.37	9.37	8.82
	Indian (AGEB)	Saudi Arabia	12.43	12.39	12.75	7.81
Chillies	Indian SANNM-4 (Stem less)	New York	2.54	2.54	2.76	1.94
Ginger	India Cochin	New York	2.21	2.09	2.09	2.03
	Chinese Peeled	New York	1.76	1.76	1.76	1.83
Turmeric	India Alleppey Finger	New York	1.78	1.78	1.78	1.85
Garlic	Chinese	New York	2.21	2.21	2.27	2.98
Coriander	Canada	New York	1.06	1.06	1.06	0.77
Cumin	Syrian	New York	3.08	3.08	2.76	1.81
	Indian	New York	3.20	3.20	2.87	1.81
Fennel	Indian (ASTA)	New York	1.57	1.57	1.61	1.81
	Egyptian	New York	3.20	3.20	2.87	1.81
Fenugreek	India/Turkey	New York	0.99	0.99	0.99	0.81
Clove	Mad/Zanz/Com/ Indo	New York	4.41	4.41	4.52	4.96
	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

Brazil Pepper Export Jumped to 4,157 MT in May 2007

According to a latest report by the International Pepper Community (IPC), pepper export from Brazil during May 2007 was 4,157 metric tonnes (mt) valued at USD12.48 million as against export of 641 mt valued at USD1.09 million in May 2006.

During January-May 2007, total export from Brazil was 17,421 mt valued at USD45.61 million. When compared to exports of 10,930 mt during the same period last year, there was a significant increase of 6,491 mt or 59 per cent, the report added.

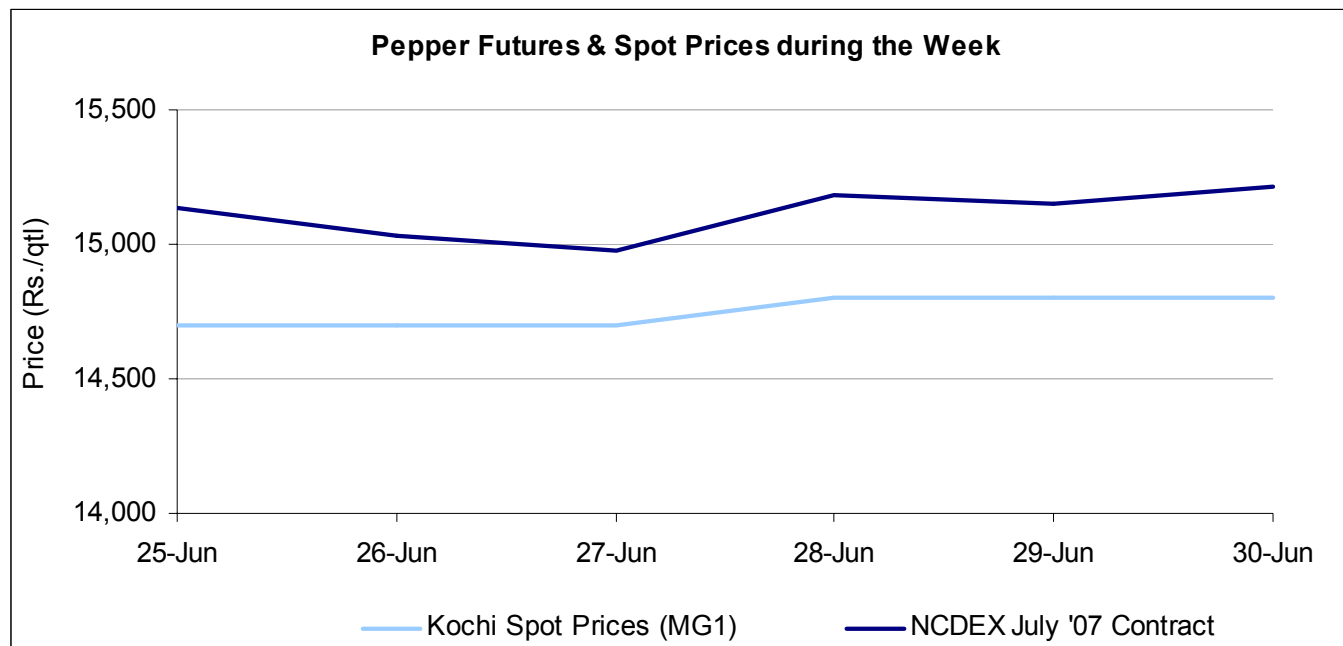
Source: International Pepper Community

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 July contract prices in NCDEX. The near-month July contract continues to trade with premium against the spot prices. The gap between near-month futures prices narrowed down during mid-week, but widened again at the weekend as futures prices increased against a steady spot price. The July contract closed above the spot prices by Rs. 416 on Saturday.



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

Pepper	6/25/2007	6/26/2007	6/27/2007	6/28/2007	6/29/2007	6/30/2007
Ungarbled	14100	14100	14100	14200	14200	14200
Garbled	14700	14700	14700	14800	14800	14800

Domestic black pepper markets continue to remain firm amid improved demand. Market remains supported by increased export inquiries as well as a firm futures market. Prices remain highly competitive in world market despite the increase. Lower price tag of Indian pepper has in turn helped to ship more of the commodity to the US as compared to pepper from other sources like Vietnam and Brazil. Notwithstanding a decline of 16 per cent in pepper import by the US during January-April 2007, its import from India has increased by a whopping 234 per cent at 4,950 metric tonnes. However, Brazil exported 17,422 metric tonnes of pepper during January-May 2007, up by 59 per cent from 10,931 metric tonnes during the corresponding period of last year with

shipping more to non-traditional markets like Germany, Spain, and Holland, according to the Brazilian Pepper trade Board. Black pepper prices are likely to remain firm in the week ahead owing to its strong fundamentals.

Black Pepper Prices in Delhi Market

Grade	(Rs./kg)	
	June 25-30	June 18-24
Golden Unpolished	145-147	141-145
No. 11.5	165-170	165-170
No. 12	175-180	170-180

Note: Prices are in Rs. per Kg.

Turmeric:

Turmeric prices at the auctions during the week were traded steady to slightly firm. The daily arrivals were low as compared to a week ago. A local trader at Sangli said that this year the sowing at all the major centers at Andra Pradesh and Tamil Nadu is likely to remain at the lower levels in the range of 5-40 % as compared to year ago except Maharashtra, where the acreage would increase. He also said the low rate of land under turmeric cultivation is mainly due to the low prices fetched for the commodity during the current year. There was good export demand for Turmeric powder for the Rajapuri variety as well as enquiries were also made for Nizamabad finger and around 500-700 tonnes were exported.

Turmeric Prices in Erode Market

(Rs./qtl)

Grade	June 25-30	June 18-23
Loose Finger	2000-2100	2025-2100
Loose Gattah	1900-1950	1950-2050

Turmeric Prices in Nizamabad Market

(Rs./qtl)

Grade	June 25-30	June 18-23
Finger	1900-1980	1875-1925
Gattah	1800-1850	1800-1825

Turmeric Prices in Delhi Market

(Rs. /qtl)

Grade	June 25-30	June 18-23
Nizamabad Finger	2400-2450	2450
Erode Finger Mini Selam	2850	2850
Erode Single Polish Gattah	2400-2450	2450
Selam Finger	4100-4150	4150

Cumin (Jeera):

Domestic jeera markets remain on an average firm amid thinning arrivals. Prices were quoted in a higher range in benchmark Unjha markets owing to improved offtake amid lower arrivals. The market remained supported by increased export inquiries for Indian jeera. Traders are reporting higher demand from Singapore at present that has provided some element of firmness in the market. Jeera futures prices that were on a continuous downtrend on quality concerns of stocks with exchange warehouses, started rising on news that exchange officials have resolved the issue. Long-term outlook on jeera continue to remain firm on domestic as well as global supply shortage. Jeera prices are expected to remain on an average firm in the week ahead.

Jeera Prices in Unjha Market

(Rs. /20kg)

Grade	June 25-30	June 18-23
FAQ	2420-2540	2400-2520
Ganesh	2520-2640	2500-2620
M/c. Cleaned	2720-2840	2700-2820

Jeera Prices in Delhi Market

(Rs./kg)

Grade	June 25-30	June 18-23
Ganesh New	130-131	130
FAQ	122-123	122
M/c. Cleaned	130-131	130

Red Chillies:

Red Chilli prices at the Guntur spot market remained unchanged during the week with no major change taking place. Traders say that the export demand from Bangladesh, Malaysia, Srilanka and Singapore is reported to be steady in the market as that of week ago. There are stocks to the tune of 7-8.5 million bags of 40-45 kg each in the cold storages of Andhra Pradesh. 18,000 tonnes of chillies valued at Rs 97.20 crore were exported in May, while about 22,000 tonnes worth Rs 126.5 crore were shipped out of India in April. Global supply of chillies is less this year as output is hit in both India and China as per spice board official.

Red Chillies Prices in Guntur Market

(Rs. /qtl)

Grade	June 25-30	June 18-23
LCA 334 Cold Storage	4000-4500	4000-4600

Cardamom:

According to a local trader at Vandanmedu, daily auction for the next crop season is likely to resume from 1st week of July onwards. Local member of the auction said that the due to heavy wind the cardamom tree has witnessed withering of the cardamom capsules. The vagaries of the weather would bring down the production next season by 30-40 percent at Kerala and Tamil Nadu, besides delaying the harvesting, which might take place only by late August. Adding to this the yield this year is likely to come down by 20% as the plants have damaged due to the harsh wind.

Cardamom Auction Prices in Pulianmalai

(Rs. /kg)

Grade	June 30	June 23
7 mm	Closed	Closed

Futures Market (NCDEX):

Commodity: Black Pepper

Black pepper futures remain bullish during the week. The futures started the week with a firm note, but tested week's low on Thursday due to profit taking. The futures recovered back to week's high on Friday to finish the week at a higher level. MCX August contract traded in the range of Rs. 14,650-15,269 during the week with moderate volume and almost steady open interest. NCDEX August contract traded in the range of Rs. 15,245-15,920 during the week with higher volume and increasing open interest.

PRICE DRIVERS:

- Good quality stocks available only with exchange warehouses
- India's export up 50% on year at 2,200 tonnes in May 2007
- Increased US demand for Indian pepper
- Global prices mostly steady to firm

OUTLOOK:

Short Term (1 Week): Firm on increased demand from US, firm global prices

Medium Term (1 Month): Firm due to domestic, global production shortfall

Long Term (3 Months): Bullish as global demand will exceed supplies this year

NCDEX Black Pepper August Contract			
Support-1	15175	Support-2	15000
Resistance-1	16025	Resistance-2	16200
Strategy	Remain long, buy at corrective dips		

Commodity: Jeera (Cumin)

Jeera futures started the week with a bearish note and extended the weakness further. The futures registered sharp losses on Friday and tested week's low on Saturday to finish at a lower level. MCX July contract traded in the range of Rs. 10,600-11,250 during the week with thin volume and declining open interest. NCDEX August contract traded in the range of Rs. 12,355-13,320 during the week with higher volume and increasing open interest.

PRICE DRIVERS:

- Increasing export inquiries for Indian jeera
- Thinning arrivals in the markets
- Reduced global supplies of quality jeera

- Lower production of jeera this year

OUTLOOK:

Short Term (1 Week): Slightly firm on thinning arrivals amid improved demand

Medium Term (1 Month): Firm on lower output, expected overseas demand

Long Term (3 Months): Firm on global production shortfall

NCDEX Jeera August Contract			
Support-1	12700	Support-2	12550
Resistance-1	13325	Resistance-2	13480
Strategy	Go long at corrective dips		

Commodity: Cardamom

Opening firm, MCX Cardamom June futures contract maintained the firmness through out the week. The contract witnessed fresh high of Rs.492.5/kg and low at Rs.475/kg during the mid-week. Volumes gains significantly as compared to the week ago and supported the price movement. Open interest gained slightly as compare to the last week.

PRICE DRIVERS:

- Weak domestic as well as export demand in physical markets
- Global supplies to remain tight ahead
- Anticipation of rainfall at the growing areas
- Domestic output to fall 30-40% amidst low yield

OUTLOOK:

Short Term (1 Week): Rangebound on reports of rainfall at the growing areas

Medium Term (1 Month): Slightly firm due to expectation of export demand

Long Term (3 Months): Bullish on anticipation of low production due to excess damage

NCDEX Cardamom July Contract			
Support-1	468.4	Support-2	460.2
Resistance-1	496.5	Resistance-2	503.2
Strategy	Remain long, buy on dips		

WEATHER WATCH:

Forecast for next 5 days

Northern limit of monsoon passes through Barmer, Bikaner, Churu, Rohtak, Ludhiana and Amritsar on 30 June, 07. A well marked low pressure area lies over south-west Madhya Pradesh and adjoining area. It is likely to move westwards direction and weaken during next 72 hrs. An offshore trough running from Kerala coast to Konkan Coast. Under the combined effect of both the system widespread with scattered very heavy rainfall is likely over Konkan & Goa, Madhya Maharashtra, Marathwara, West Madhya Pradesh, East Rajasthan and Gujarat during next 48 hrs. Isolated extremely heavy (> 25 cm) rainfall is also expected over Konkan & Goa (including Mumbai), Madhya Maharashtra and Gujarat during next 24 hrs. Rainfall is also likely to occur over H.P., Uttarakhand, during next 48 days. Models predictions suggest that another low pressure area is expected to form over North Bay of Bengal around 5th July 07. Therefore monsoon is likely to be inactive phase during next week also.

Zone-wise weather forecast

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

Fairly widespread rainfall is likely over Himachal Pradesh and Uttaranchal during next 2 days. Isolated rainfall is likely over rest of the region during next 3-4 day.

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

Scattered rainfall is likely over Orissa, Jharkhand, west Bengal and NE States during next 3 days. Rainfall activities may increase over Orissa, Jharkhand and West Bengal during 5- 6 July. Bihar and East Uttar Pradesh is likely to receive isolated rainfall only.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Widespread rainfall with isolated heavy fall is likely over Madhya Pradesh and Vidarbha during next 2 days. Rainfall activities may reduce over region after 2 days.

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

Widespread rainfall with isolated heavy fall is likely over Coastal Karnataka and Kerala during next 2-3 days. Scattered rainfall is likely over rest of the region.

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

Widespread with isolated heavy fall is likely over Konkan and Goa, Madhya Maharashtra, Marathwara, Gujarat and East Rajasthan during 48 hrs. Rainfall activities over West Rajasthan are likely to increase after 24 hrs.

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.