

Spot Market Recap

Turmeric:

- Nizam prices declined during the week 16th-22nd June 2011 backed by higher arrivals when compared to last week.
- Turmeric prices at Erode stay range bound with marginal improvement owing to scattered buying activity seen from the masala millers prior to active onset of the monsoon.
- Sowing in turmeric producing state is under progress with the monsoon covering entire peninsular and central region and weather remains congenial for the growth and development.
- However, actual rainfall during July and August remain crucial for turmeric productivity and any major deviation from its normal might get reflected in turmeric production.

Fundamental analysis

Turmeric Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (16 th -22 nd June 2011) in bags	Arrivals during the week (09 th -15 th June 2011) in bags	Arrivals during last year (16 th -22 nd June 2010) in bags
Nizamabad(Andhra Pradesh)	337.5	17,500	16,500	4,000
Erode(Tamil Nadu)	-26.31	28,000	29,000	38,000

1 bag = 90kgs

Relatively higher arrivals week on week in Nizam market continues to weigh on the market sentiments. In Nizam, arrivals during the week recorded at 17,500 bags up by 6.06 per cent as compared to last week's supply. In Erode, arrivals during the week were recorded at 28,000 bags down by 3.44 per cent as compared to last week's supply.

Market participant keep close watch on the monsoon and its advancement. The long range weather forecast released by IMD hints at relatively lower precipitation projection when compared with the actual rainfall over turmeric growing region. Turmeric is a deep rooted crop and grown in clay loam to clay rich soils of south and minor deficit is not likely to have greater impact on its production as these soils are having higher water holding capacity.

However, distribution of rainfall is of major importance over turmeric growing regions of AP, TN and Maharashtra and any long dry spell during July might lead to short term speculation of lower yield and actual

yield will depend on the amount of precipitation received during July and Aug. IMD is currently projection normal monsoon with equitable distribution of rainfall over the principal turmeric growing regions.

Meanwhile, greater interest of masala millers to cover their August – September requirement is likely to lend underlying support to the turmeric prices for short term. North Indian bulk buyers are buying from South taking the advantage of lower prices which declined during previous couple of weeks. However stockists, traders and famers are not holding to the stocks fearing further price decline. We expect prices might find support at lower levels with expectation of further increase in demand during Aug.

Weather Watch

According to IMD scattered to isolated rainfall would occur over Madhya Maharashtra, Marathwada, Andhra Pradesh and Tamil Nadu during next week. Conditions are unfavorable for the crop sowing/germination of Turmeric in all the 3 states.

Actual rainfall and % Departure for the period of 01st – 21st June

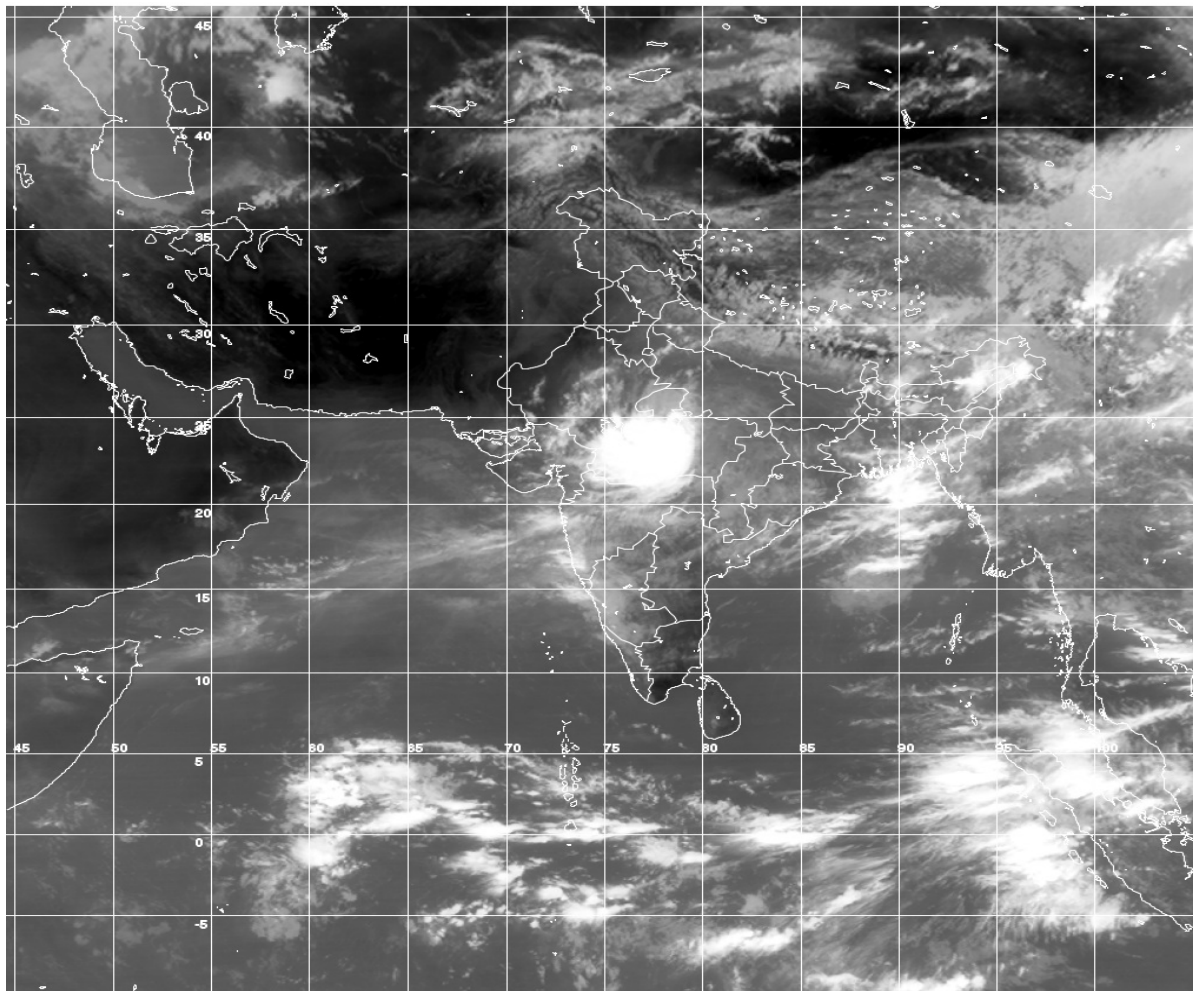
Regions	Actual Rainfall (mm) 01 st – 21 st June	Normal Rainfall (mm) 01 st – 21 st June	% Departure from LPA 01 st – 21 st June
Madhya Maharashtra	100.6	88.0	14
Telengana	55.1	81.4	-32%
Rayalaseema	43.5	50.3	-13%
Tamil Nadu and Pondicherry	30	34.3	-12%

Source: IMD

The cumulative seasonal rainfall for the Madhya Maharashtra in Maharashtra during 01st -21st June 2011 during this year's monsoon has so far been 14% above the LPA. This suggests congenial weather for sowing to germination in Madhya Maharashtra.

The cumulative seasonal rainfall for the Telengana and Rayalaseema in A.P during 01st -21st June 2011 has so far remained deficit by -32% and -13% respectively below the LPA. Initial deficit of precipitation over the principal turmeric growing region of the above mentioned region delayed sowing. However turmeric sowing is likely to gain momentum again with peak monsoonal showers during July. Similarly, rainfall deficit of nearly 12% below LPA in T.N. and Pondicherry resulted into sluggish sowing progress of turmeric in the state.

Sowing is likely to gain momentum during the next couple of weeks which might pave the way for better production as farmers in T.N gained considerable from turmeric during previous two years.



Source: IMD

Sowing Progress:

Turmeric has been sown in 0.039 lakh hectares in A.P has as of 22nd June 2011. Turmeric sowing witness marginal improvement week on week basis but is likely to gain momentum during July. The comparative sowing is tabulated below:

Turmeric Crop Sowing Progress: Andhra Pradesh

Area in Lakh hectares	Normal	During Corresponding Period	Current Year as on	% Sown to
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Crop	Season	As on date	As on 22/06/09	As on 16/06/10	22/06/11	Season	As on date
Turmeric	0.63	0.039	0.006	0.03	0.001	0	2

Turmeric Price Outlook

Turmeric prices remained in the range of Rs. 7,400-7,600 per quintal in the Nizam market with expectation of marginal improvement for short term from the current price levels. Price range is tabulated as follows:

Expected Price range of Turmeric Prices for next week

Markets	Expected Range of Turmeric
Nizamabad	7,400-7,600
Erode	8,700-8,900

Prices-Rs/quintal

Nizam prices-Nizam quality

Erode prices-Finger quality

Turmeric Prices at Nizamabad



Price-Rs/mtl

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (22-06-2011)	Week Ago (16-06-2011)	Month Ago (23-05-2011)	Year Ago (22-05-2010)
Turmeric	Nizamabad-Nizam Cold	-1.31	7400-7500	7500-7600	8550-8650	13000-13200
	Erode-Finger	0.51	8800-9800	8750-9750	9350-10350	14000-14800

Spot Market Recap

Jeera:

- Prices fell as arrivals improved in the Unjha market. Lower domestic and export demand continue to weigh on the market sentiments.
- However reports of adverse weather in other major producers such as Turkey and Syria might get underlying support to the jeera prices moving forward.

Fundamental analysis

Jeera Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (16 th -22 nd June 2011) in bags	Arrivals during the week (09 th -15 th June 2011) in bags	Arrivals during last year (16 th -22 nd June 2010) in bags
Unjha (Gujarat)	80.0	45,000	39,000	25,000
Jodhpur (Rajasthan)	192.8	410	750	140

Unjha 1 bag = 55kgs

Jodhpur 1bag = 80kgs

Taking Unjha cash markets as the indicative market, arrivals were higher at 45,000 bags during the period of 16th- 22nd June 2011 as compared to previous year same period when arrivals were reported at 25,000 bags. Higher arrivals in Unjha and Jodhpur are mainly attributed to liquidation of stocks by farmers and stockists. However, prices may get underlying support at subdued price levels on reports of weather aberration in Syria and Turkey which might results into delay in shipment from these regions.

Jeera Price Outlook

Jeera is trading in a narrow price band of Rs.13,200-13,300 per quintal in the Unjha market which is acting as good support levels. Short term looks remain positive as rains in Gujarat and Rajasthan during July onwards is likely to lower the arrival which is likely to lend underlying support to the market prices. Keeping in view the above factors, we expect some buying at lower quotes might occur in near term with expectation of improvement in prices by Rs.200-300/quintal from the current price levels for next week. Next week trading range is illustrated in the following table:

Expected price range of Jeera during coming week

Markets	Expected Range of Jeera
Unjha	13,400-13,500
Jodhpur	13,300-13,500

Prices-Rs/quintal

Unjha prices- Loose quality

Jodhpur- Loose quality

Jeera Prices at Unjha



Price-Rs/ctl

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/QtI)			
			Current (22-06-2011)	Week Ago (16-06-2011)	Month Ago (21-05-2011)	Year Ago (22-05-2010)
Cumin Seed	Unjha-Loose	-1.85	13200	13450	13900	11950
	Jodhpur - Loose	-3.70	12500-13000	13500	14000	11100

Spot Market Recap

Coriander Seed:

- Prices weakened as domestic and export demand remained weak.

- Higher carry-out stocks at 25 lakh bags continued to weigh on prices.
- Markets sentiments remained weak as 1.5-2 lakh bags of warehouse stocks is expected to be released in the cash markets by June 27th 2011.
- However, over the last week arrivals have declined due to the lean season and rainfall in Rajasthan.

Fundamental analysis

Coriander Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (16 th -22 nd June 2011) in bags	Arrivals during the week (09 th -15 th June 2011) in bags
Kota	-10.90	14,700	16,500
Ramganj	1.02	19,700	19,500
Baran	-13.04	20,000	23,000

1 bag=40 kg

Taking Kota cash markets as the indicative market, arrivals remained lower at 15,000 bags during 16th-22nd June as against 16,500 bags during same period last week. Arrivals were lower as heavy rains in Rajasthan stand discouraging for growers and stockists to bring their stocks into the market yard. However, higher carry-in stock pulled market sentiments weak. Moving forward, rainfall is to increase in Rajasthan with anticipation of subsequent decline in arrivals which is likely to underpin the market sentiments.

Coriander Price Outlook

Coriander was trading in a narrow price band of Rs. 3,150-3,225 per quintal (indicated by the blue lines). We expect prices to recover from its recent bottom and might go up towards Rs. 3,475 per quintal (indicated by the red line).

Expected Price range of Coriander Prices for next week

Markets	Expected Range of Coriander
Kota	3,475-3,500
Ramganj	3,250-3,300

Prices-Rs/quintal

Kota and Ramganj- Badami quality

Coriander Prices at Ramganj



Price-Rs/qlt

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (22-06-2011)	Week Ago (16-06-2011)	Month Ago (22-05-2011)
Coriander Seed	Ramganj-Badami	-1.49	3200-3300	3250-3350	3550-3650
	Kota-Badami	-4.19	3425	3575	3850
	Baran-Badami	-5.06	3650-3750	3850-3950	3900-4000

Spot Market Recap

Black Pepper:

- Black Pepper prices rule firm during the week under review backed by lower arrivals and dwindling global stock position.
- Arrivals declined as heavy rainfall in Wayanad and Idukki districts of Kerala reduced transportation in the local mandis.
- Prices moved higher on account of lower stock availability in the domestic market and higher demand from institutional buyers.

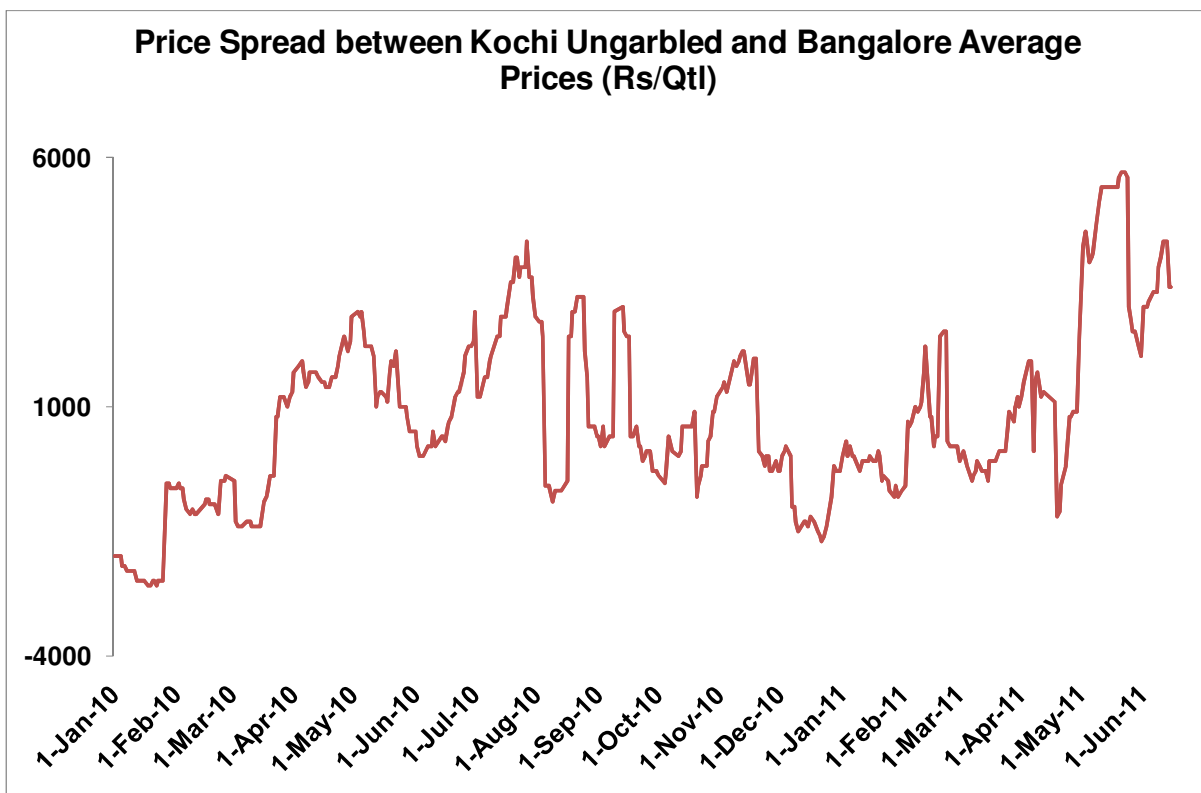
Fundamental Analysis

Black Pepper Arrival Scenario

Market	% Change during corresponding period last year	Arrivals during the week (16 th -22 nd June 2011) in tonnes	Arrivals during the week (09 th -15 th June 2011) in tonnes	Arrivals during last year (16 th -22 nd June 2010) in tonnes
Kochi (Kerala)	-30.9	114	124	165

Arrivals seen low at 114 tonnes during 16th -22nd June 2011 as against 165 tonnes in the same period previous year. Arrivals declined as production of pepper in India in 2010-11 is projected to be 48,000 tonnes as compared to 50,000 tonnes last year. Keeping in view the lower production projection and tight stock scenario during 2010-11 Indian pepper prices for Asta grade failed to compete with Brazilian prices as Indian prices remained significantly higher when compared with other sources. Lower export enquiry from US and EU might soften domestic prices. Any major decline in pepper price is likely to shift in demand towards Indian pepper on tight global crop outlook and likely to lend underlying support to the pepper prices.

Spread Analysis



Average spread between the Black Pepper prices of Kochi and Bangalore during the period of Jan 10th 2010 to till date has remained in the positive region at Rs 866/Qtl. Average weekly spread for the week 16th to 22nd June 2011 was seen at Rs 3450/Qtl which was Rs 816/Qtl a year ago during same period. We expect the spread between Kochi and Bangalore to remain in the positive territory and likely to stay close towards its average near Rs 865/Qtl indicating that pepper prices at Bangalore might move up at faster rate when compared with pepper prices at Kochi owing to tight supply anticipation.

Black Pepper Price Outlook

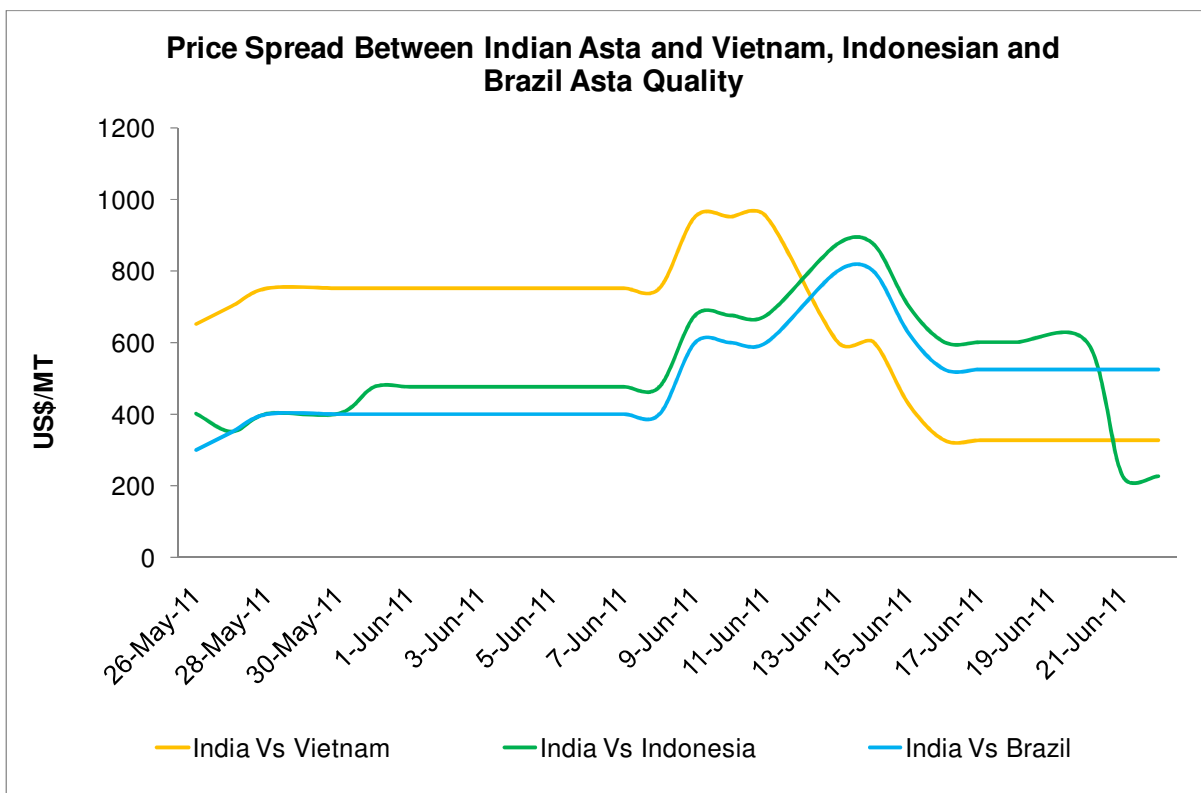
Black Pepper was trading in the price band of Rs. 27,200-28,000/quintal (indicated by the blue lines) which is expected to move up supported by lower stock position and expectation of better demand. We expect the prices to move higher to Rs.29,000 /quintal (indicated by the red line).

Domestic Pepper Prices



Prices-Rs/quintal

Comparative Global Pepper Prices



Current spread between Indian Asta and Vietnam Asta declined to US \$325/MT during the week under review compared to the previous week when the spread was US \$425/MT. The spread continue to narrow due to demand shifting to Vietnam. We expect the spread to move further down towards US \$ 300/MT. However, at a current spread of US \$ 250/MT we expect international demand to shift towards Indian ports and push the markets higher in the short term which might lend underline support to the domestic prices.

Similarly, current spread between Indian Asta and Indonesian Asta is close to US \$225/MT compared to previous week's spread of US \$700/MT. We expect the Indonesia quote of black pepper to decline further owing to new crop harvest which might help to widen the spread further.

Expected Price range of Black Pepper Prices for next week

Markets	Expected Range of Black Pepper
Kochi	29,000
New Delhi	30,000

Prices-Rs/quintal

Kochi- Ungarbled quality

New Delhi-Unpolished quality

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (22-06-2011)	Week Ago (16-06-2011)	Month Ago (21-05-2011)	Year Ago (22-05-2010)
Black Pepper	Kochi-Ungarbled	2.19	28000	27400	28700	16300
	Kochi-Garbled	2.12	28800	28200	29500	16800
	New Delhi-Unpolished	1.06	28500	28200	28400	16600

Spot Market Recap

Cardamom:

- Cardamom prices remained weak on higher arrivals.
- Offloading of stocks was continuous from stockists.

Fundamental Analysis

Cardamom Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (16 th -22 nd June 2011) in Kgs	Arrivals during the week (09 th -15 th June 2011) in Kgs	Arrivals during last year (16 th -22 nd June 2010) in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam, Kumily, Santhanpara & Bodinayakanur (Kerala)	45.6	335,827	230,552	57,761

Arrivals remained higher at 335,827 Kgs during the period of 16th – 22nd June, 2011 as against 230,552 Kgs in the last week. Prices remained weak on higher arrivals and continuous offloading of stock. With approaching festivals one could see demand start improving at lower quotes and likely to lend underlying support to the cardamom prices on anticipated higher demand from stockists and retailers.

Actual rainfall and % departure for the period of 01st – 21st June

Regions	Actual Rainfall (mm) 01st – 21st June	Normal Rainfall (mm) 01st – 21st June	% Departure from LPA 01st – 21st June
Kerala	665.3	426.5	56%
North Interior Karnataka	73.3	69.2	6%
South Interior Karnataka	117.4	90.2	30%
Tamil Nadu and Pondicherry	30	34.3	-12%

Source: IMD

The cumulative seasonal rainfall for the Kerala and Karnataka during 01st -21st June 2011 remain favourable for cardamom and initial showers stand supportive for production and productivity.

Cardamom Price Outlook

Cardamom was trading in the price band of Rs. 686- 786/Kgs (indicated by the blue lines) which is expected to move higher supported by resurfacing of export demand. With initial marginal decline, we expect the cardamom price to move up towards 825/Kgs (indicated by the red line).

Cardamom Prices



Prices-Rs/quintal

Expected Price range of Cardamom Prices for next week

Markets	Expected Range of Cardamom
Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur	685 on lower side and 825 at higher levels

Prices-Rs/Kg

Loose quality

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Year	Prices (Rs/Kg)			
			Current	Week	Month	Year

			(22-06-2011)	Ago (16-06-2011)	Ago (22-05-2011)	Ago (22-06-2010)
Cardamom	Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur -Loose	-52.07	743.37	753.18	696.03	1551.17

Spot Market Recap

Red Chilli:

- Red Chilli prices remained steady to firm as domestic demand remained supportive.
- Lower arrivals lend additional support to the prices.

Fundamental Analysis

Red Chilli Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (16 th -22 nd June 2011) in Kgs	Arrivals during the week (09 th -15 th June 2011) in Kgs	Arrivals during last year (16 th -22 nd June 2010) in Kgs
Guntur(Andhra Pradesh)	-6.25	150,000	160,000	145,000

1 Bag=45 Kgs

Arrivals in Guntur were 150,000 bags over this week compared to 160,000 bags in the previous week. Dwindling arrivals week on week coupled with expectation of improvement in demand with onset of monsoon during coming couple of weeks will underpin the market sentiments moving forward.

Chilli Sowing Progress:

As of 22nd June 2011 chilli sowing area covered is 0.003 lakh hectares as against normal sowing of 0.021 lakh hectares. However, active sowing will now depend on the rainfall in the state of A.P which is likely to

gain momentum going ahead with the monsoon showers. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 22/06/11	% Sown to	
Crop	Season	As on date	As on 22/06/09	As on 16/06/10		Season	As on date
Red Chilli	1.61	0.021	0.013	0.00	0.003	0	13

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous year	Prices (Rs/Qtl)			
			Current (22-06-2011)	Week Ago (16-06-2011)	Month Ago (22-05-2011)	Year Ago (22-06-2010)
Red Chilli	Cold Storage	33.3	6400	6500	Closed	4300-4800
	Guntur-Bedki	14.4	7000	6500	Closed	6000-6100

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