

Spot Market Recap

Turmeric:

- Turmeric markets remained weak as buying activity declined over the week and arrivals remained higher in Nizamabad.
- Expected higher production aspects kept sentiments weak for Turmeric.
- However downtrend of turmeric markets may pause as exports to Japan have started again.
- The exports orders which had come before the quake in Japan are now being dispatched as the situation in Japan has is still worrying but in a stable condition.
- This might lend support at lower prices and the down trend may temporarily stop.
- According to customs department, Turmeric exports for year April-March 2010-11 were lower at 49,250 tonnes compared to April-March 2009-10 at 50,750 tonnes.

Fundamental analysis

Turmeric Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (26 May to 01 June 2011) in bags	Arrivals during Previous week (18-25 May 2011) in bags	Arrivals during last year (26 May to 01 June 2011) in bags
Nizamabad(Andhra Pradesh)	35.8	11,000	9,000	8,100
Erode(Tamil Nadu)	10	33,000	61,000	30,000

1 bag = 90kgs

Taking Nizam markets as indicative market, turmeric cash markets remained weak compared with last week on higher arrivals. With the arrivals totalling of just 11,000 bags over this week markets remained lower. Arrivals remained higher on higher production for 2010-11 at 60-65 lakh bags. Carry-out stock for this season is at 15 lakh bags in Erode and this according to trade sources is higher compared to last year carry-out stock of 5 lakh bags. This may bring the prices down.

Nizam prices might fall further as Turmeric acreage and production was improved significantly for 2010-11 as farmers more area under turmeric after getting good returns in the last 2 years. Prices also fell as optimal weather conditions are expected after IMD said that monsoons this year could be normal.

Sowing for turmeric in Tamil Nadu started in March and 35-45% sowing has been completed for 2011-12. Sowing was done by farmers in March as prices in March were higher. However prices fell in May due to higher arrivals and weak demand which causes turmeric sowing to slow down. Trade sources added that the rest of sowing will be gather momentum on the onset of monsoons in June. Temporary pause in sowing progress might lend support to the falling prices but however with sowing to gain momentum during June might pull down the prices further going ahead with active planting progress.

Turmeric sowing in Andhra Pradesh as on date has been covered in 0.003 lakh hectares which is higher compared to last year sowing which is Nil according to the District Joint Directors of Agriculture in Andhra Pradesh. The normal target for turmeric acreage in India is 0.63 lakh hectares.

Turmeric Exports

Year	Export in Tonnes
April-March 2010-11	49,250
April-March 2009-10	50,750
Source: ESTIMATE BASED ON DLE FROM CUSTOMS	

Turmeric exports in the year April-March 2010-11 decreased by 2.95% to 49,250 tonnes from 50,750 tonnes during the same period previous year. The Indian government had targeted 50,000 tonnes for April-March 2010-11 but export failed to meet the said target. Higher prevailing prices compared with major exporting nations divert the demand off from Indian ports. According to the Spices Board, Turmeric exports in the quarter of Feb-April 2011 have been lower due to higher prices. However we expect that exports might be higher for the next quarter of Mar-May 2011 at 50,000 tonnes due to lower competitive prices and higher production estimates of 70-75 lakh bags. The United Arab Emirates, Iran, Bangladesh and Malaysia are the main buyers of Indian turmeric.

Turmeric Statistics

Year	Production
2009-10	45-48
2010-11	65-70
2011-12*	65-70

*-Projected

Production in Lakh Bags

1 bag = 90 kgs

Turmeric production in 2009-10 was 45-48 lakh bags and in 2010-11 production is estimated at 65-70 lakh bags. We expect the acreage to be in range of 60,000-65,000 hectares in A.P in 2011-12 compared to 63,000 hectares the previous year. So we expect the production also to be in the range of 65-70 lakh bags.

Turmeric Price Outlook

Turmeric was trading in the price band of Rs. 8,100-8,600 per quintal in the Nizam market which is expected to drop in the next week due to higher production number anticipated as farmers have increased acreage of cultivation due to good monsoon predicted. So we expect a prices drop of another Rs.500/quintal for the next week firstly due to weak demand and secondly due to higher arrivals expected in both Erode and Nizam. We are expecting that prices may drop to the extent price band of Rs. 7,500/quintal.

Expected Price range of Turmeric Prices for next week

Markets	Expected Range of Turmeric
Nizamabad	7,500
Erode	8,000

Prices-Rs/quintal

Nizam prices- Nizam quality

Erode prices-Finger quality

Turmeric Prices at Nizamabad



Price-Rs/ql

Spot Prices Weekly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		Change
			01.06.11	26.05.11	
Turmeric	Erode	Finger	8700-9700	8950-9950	-250
		Gattah	8200-9200	8450-9450	-250
	Nizamabad	Nizam	Closed	Closed	-

Spot Market Recap
Jeera:

- Cumin Seed markets fell during previous week owing to lack of buying support and higher arrivals.
- Weak cues from international front added to a pinch of salt to the market sentiments.
- Jeera auction has resumed in the Jodhpur APMC market after 36 years and this will help the farmers to reduce their travel expenses as farmers used to bring their produce to the mandis of Gujarat which reduces the grower's margin.
- Jeera exports for year April-March 2010-11 were lower at 32,500 tonnes compared to April-March 2009-10 at 49,750 tonnes.

Fundamental analysis
Jeera Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (26 May to 01 June 2011) in bags	Arrivals during Previous week (18-25 May 2011) in bags	Arrivals during last year (26 May to 01 June 2011) in bags
Unjha (Gujarat)	80	54,000	49,500	30,000
Jodhpur (Rajasthan)	-	1,500	950	Nil

Unjha 1 bag = 55kgs

Jodhpur 1bag = 80kgs

Taking Unjha cash markets as indicative market, arrivals remained higher at 54,000 bags during the week under review compared with previous year same period when arrivals reported at 30,000 bags. Marked improvement in arrivals is primarily due to the liquidation of inferior quality of jeera stock which helped to keep prices at subdued note.

However, as per the trade sources the total production of Cumin seed in the current season is likely to be around 27 lakh bags from the previous estimate of 21-22 lakh bags. Crop output is expected to stay higher in Syria and Turkey as trade estimate 40,000 tonnes in Syria and 14,000-15,000 tonnes in Turkey. This may create a surplus of stocks in the international markets and this may bring prices down. According to MSN weather conditions are set to improve over the next week which may support the harvest in Syria and Turkey.

Exports of Jeera

Year	Export in Tonnes
April-March 2010-11	32,500
April-March 2009-10	49,750
Source: ESTIMATE BASED ON DLE FROM CUSTOMS	

Jeera exports in the year April-March 2010-11 decreased by 34.67% to 32,500 tonnes from 49,750 tonnes in April-March 2010-11. The Indian government had targeted 40,000 tonnes for April-March 2010-11. According to the Spices Board, jeera exports in the quarter of Feb-April 2011 have been lower due to higher prices. However we expect that exports might be lower for the next quarter of Mar-May 2011 at 30,000 tonnes due to higher competitive prices with the export countries like Syria and Turkey and lower production estimates of 22-25 lakh bags.

Jeera Price Outlook

Jeera was trading in the price band of Rs. 13,400-13,900 per quintal (indicated by the blue lines) which is expected to fall further due to higher arrivals expected in the next week. We expect prices to stay in the fall to of Rs.13,100/quintal (indicated by the red line).

Expected price range of Jeera during coming week

Markets	Expected Range of Jeera
Unjha	13,000-13,100
Jodhpur	13,400-13,500
Nagaur	13,500-13,600

Prices-Rs/quintal

Unjha prices- Loose quality

Jodhpur and Nagaur- Loose quality

Jeera Prices at Unjha



Price-Rs/ql

Spot Prices Weekly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		Change
			01.06.11	26.05.11	
Cumin Seed	Unjha	Loose	13450	13700	-250
		Machine Cut	14025	14275	-250
		NCDEX Quality	14525	14775	-250
	Jodhpur	Loose	13700-13800	14000	-200
	Nagaur	Unpolished	13800	14000	-200

Spot Market Recap

Coriander Seed:

- Coriander seed markets gets some respite this week after a continuous fall during last couple of weeks owing to resurfacing demand at lower quotes. Relatively lower arrivals also lend underlying support to the prices.
- Expectation of improvement of increase in supply during coming week is likely to drag down the prices which might results the prices to stay in a consolidation.
- Coriander exports for year April-March 2010-11 were lower at 40,500 tonnes compared to April-March 2009-10 at 47,250 tonnes.

Fundamental analysis

Coriander Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (26 May to 01 June 2011)	Arrivals during Previous week (18-25 May 2011)	Arrivals during last year (26 May to 01 June 2010)
Kota (Rajasthan)	110.36	2650	4105.1	1259.7
Ramganj	87.02	24,500	55,000	13,100

Kota=in Tonnes

Ramganj=in Bags (1bag=40 kg)

Taking Kota cash markets as indicative market, arrivals remained higher at 2650 tonnes during the week under review as against 1259.7 tonnes during same period last year. Higher arrivals primarily attributed to higher production and marked improvement of carry forward stocks which is estimated at 25-30 lakh bags.

Exports of Coriander

Year	Export in Tonnes
April-March 2010-11	40,500
April-March 2009-10	47,250
Source: ESTIMATE BASED ON DLE FROM CUSTOMS	

Coriander exports in the year April-March 2010-11 decreased by 14.28% to 40,500 tonnes from 47,250 tonnes in April-March 2010-11. The Indian government had targeted 35,000 tonnes for April-March 2010-11. According to the Spices Board, coriander exports in the quarter of Feb-April 2011 have been lower due to lower prices. However we expect that exports might be higher for the next quarter of Mar-May 2011 at 30,000 tonnes due to lower competitive prices and lower production estimates of 65-75 lakh bags compared to 80 lakh bags in the previous year.

Coriander FED stocks expiry for 05-June-11 in NCDEX for Kota, Jaipur and Ramganj is 388 MT which was taken as delivery and creating ample supply in the markets and in turn pulling the markets down.

Coriander Price Outlook

Coriander was trading in the price band of Rs. 3,300-3,700 per quintal (indicated by the blue lines) which is expected to remain in same range as demand may decrease at highs. We expect the prices to remain in this range as arrivals might improve at highs and prices might come down to the lower range. Meanwhile, any further decline in prices shall stand discouraging for the farmers to bring their produce at market yard which is likely to support the prices at lower levels.

Expected Price range of Coriander Prices for next week

Markets	Expected Range of Coriander
Kota	3300-3700
Ramganj	3300-3600

Prices-Rs/quintal
Kota- Badami quality
Coriander Prices at Ramganj



Price-Rs/mtl

Spot Prices Weekly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		Change
			01.06.11	26.05.11	
Coriander Seed	Ramganj	Badami	3450-3550	3350-3450	100
		Eagle	3750-3850	3650-3750	100
	Kota	Badami	3725	3575	150
		Eagle	3825	3675	150
	Baran	Badami	3900-4000	3675-3775	225
		Eagle	4025	3825	200

Spot Market Recap

Black Pepper:

- Black Pepper fell as demand remained sluggish at higher levels.
- Prices were weak after farmers release stocks and this created a surplus which brought down the prices sharply.
- The National Commodity & Derivatives Exchange (NCDEX) has levied 10 per cent special margin on all active running contracts of pepper to control volatility in the prices.
- However Pepper exports for year April-March 2010-11 were lower at 18,850 tonnes compared to April-March 2009-10 at 19,750 tonnes.

Fundamental Analysis

Black Pepper Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (26 May to 01 June 2011) in tonnes	Arrivals during Previous week (18-25 May 2011) in tonnes	Arrivals during last year (26 May to 01 June 2011) in tonnes
Kochi (Kerala)	-58.81	86.5	187	210

Arrivals remained lower at 86.5 tonnes during the week ended on May31, 2011 as against 210 tonnes in the same period last year. Arrivals were lower as peak season is over coupled with lower production estimation for 2010-11. Lower beginning stocks and anticipation of lower production year on year basis are the reason for lower arrivals.

Globally the Malaysian crop is due in July and production in 2011 is expected at 25672 tonnes higher compared to 24227 tonnes in 2010. So this may increase supply in July which may pull the prices down.

The Indonesian crop is due from August which may not affect the prices as of now. However the Indonesian crop this year is at 37,000 tonnes lower compared to 52,000 tonnes in 2010. This may create a shortage scenario and may keep the markets firm in the long term.

Black Pepper Exports

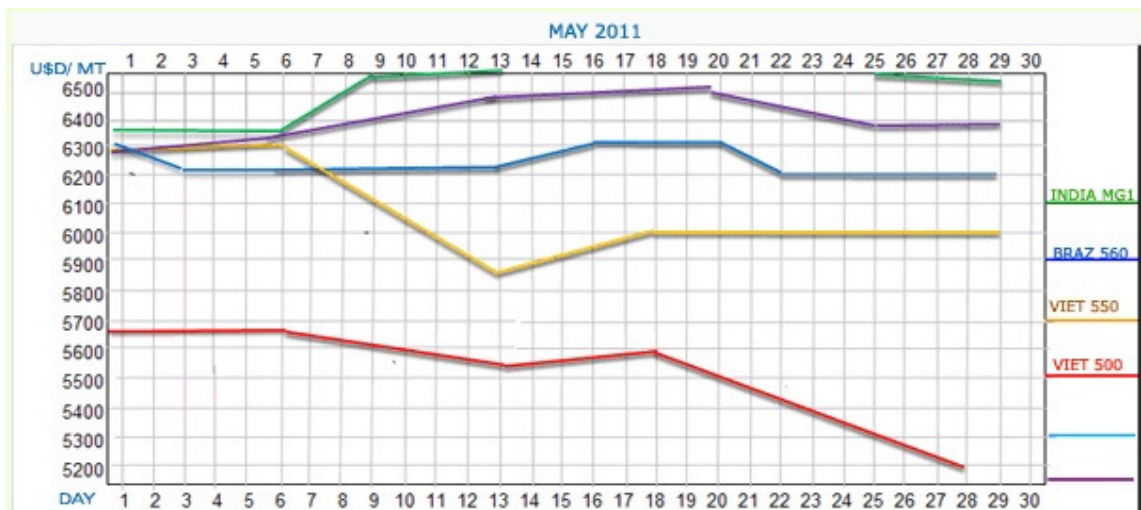
Year	Export in Tonnes
April-March 2010-11	18,850
April-March 2009-10	19,750
Source: ESTIMATE BASED ON DLE FROM CUSTOMS	

Pepper exports in the year April-March 2010-11 decreased by 4.55% to 18,850 tonnes from 19,750 tonnes in April-March 2010-11. The Indian government had targeted 20,000 tonnes for April-March 2010-11. According to the Spices Board, Pepper exports in the quarter of Feb-April 2011 have been lower at 16,600 tonnes due to higher prices and lower production. However we expect that exports might be lower for the next quarter of Mar-May 2011 at 15,000 tonnes due to higher competitive prices and lower production estimates of 45,000 tonnes compared to 48,000 tonnes in the previous year.

Black Pepper Price Outlook

Black Pepper was trading in the price band of Rs. 27000-28000/quintal (indicated by the blue lines) which is expected to move up as unfavourable weather conditions in Malaysia where peak arrival season is July.

International Pepper prices



Prices-US/MT

However, current spread between the Indian Asta MG-1 quality and Vietnam Asta quality is \$850/MT. The usual spread between the two usually hovers near USD \$600/MT which is marginally on a higher side. This might encourage US and European buyers to buy from Vietnam and demand in Indian may decline. Vietnam crop which is yet to release 65% of its stocks may see a shorter demand and Vietnam markets may move higher.

Expected Price range of Black Pepper Prices for next week

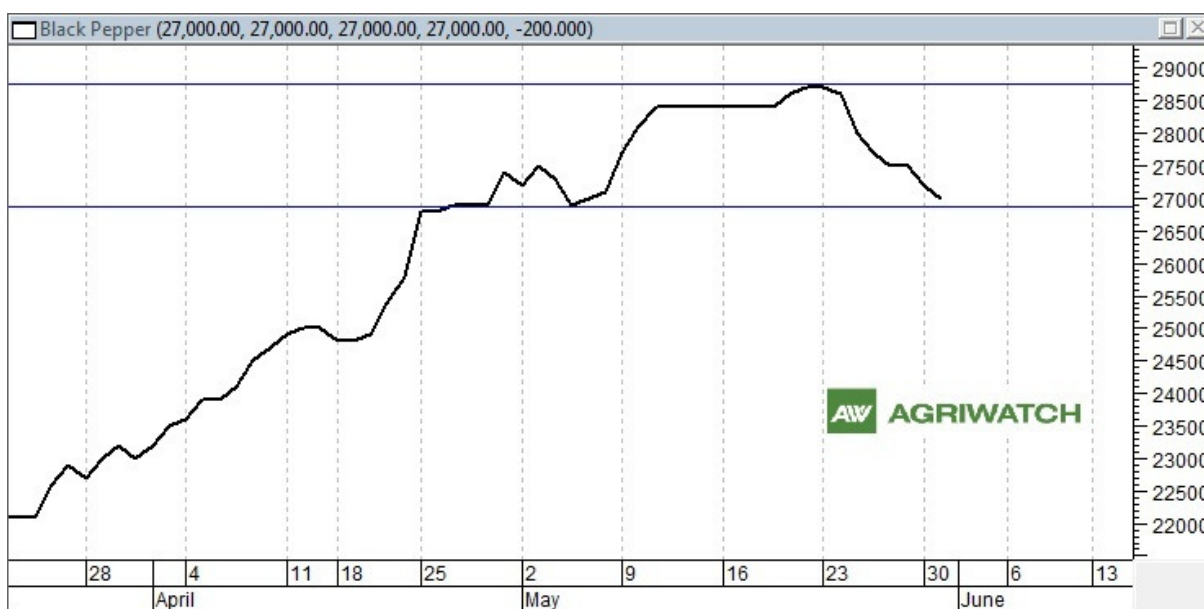
Markets	Expected Range of Black Pepper
Kochi	26500-28700
New Delhi	27500-29500

Prices-Rs/quintal

Kochi- Ungarbled quality

New Delhi-Unpolished quality

Domestic Pepper Prices



Prices-Rs/quintal

Spot Prices Weekly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		Change
			01.06.11	26.05.11	
Black Pepper	Kochi	Ungarbled	27000	28000	-1000
		Garbled	27800	28800	-1000
	New Delhi	Unpolished	27500	28000	-500
		Number 11.5	32500	33000	-500

Spot Market Recap

Cardamom:

- Cardamom markets fell during the past week backed by strong arrivals.
- Markets moved lower on selling pressure at auctions held in Kerala and Tamil Nadu, as growers were liquidating accumulated stock prior to onset of fresh planting.
- Congenial weather forecast and early onset of the monsoon is the driving factors helping to ease the cardamom prices.
- Cardamom small and large exports for year April-March 2010-11 were lower at 1,950 tonnes compared to April-March 2009-10 at 2,975 tonnes.

Fundamental Analysis

Cardamom Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (26 May to 01 June 2011) in Kgs	Arrivals during Previous week (18-25 May 2011) in Kgs	Arrivals during last year (26 May to 01 June 2011) in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam, Kumily, Santhanpara & Bodinayakanur (Kerala)	208.12	291,198	235,771	94,507

Arrivals remained higher at 291,198 Kgs during the week of May 26-01 June, 2011 as against 94,507 Kgs in the same period last year.

Additional markets are expected to fall Markets also fell on sluggish spot market demand against adequate stocks position. Any near term price rise shall encourage stockist to liquidate their stocks which might results into higher arrivals during coming week.

Cardamom Exports

Year	Export in Tonnes
April-March 2010-11	1,950
April-March 2009-10	2,975
Source: ESTIMATE BASED ON DLE FROM CUSTOMS	

Cardamom (Small & Large) exports in the year April-March 2010-11 decreased by 34.45% to 1,950 tonnes from 2,975 tonnes in April-March 2010-11. The Indian government had targeted 2,000 tonnes for April-March 2010-11. According to the Spices Board, Cardamom exports in the quarter of Feb-April 2011 have been higher at 865 tonnes due to higher prices. However we expect that exports might be lower for the next quarter of Mar-May 2011 at 750 tonnes due to lower competitive prices.

Expected Price range of Cardamom Prices for next week

Markets	Expected Range of Cardamom
Vandanmettu	610-615
Bodinayakanur	500-510
Santhanpara	515-520

Prices-Rs/Kg

Vandanmettu, Bodinayakanur and Santhanpara - Loose quality

Spot Prices Weekly Change

Commodity	Centre	Variety/Type	Price Rs/Kg		Change
			01.06.11	26.05.11	
Cardamom (Small)	Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur	Small			
		Max Auction Price	980	877.5	102.5
		Average Auction Price	609.97	659.32	-49.35

Spot Market Recap
Red Chilli:

- Red Chilli markets remained sideways in last week and trading activities were seen minimal as the benchmark market of Guntur remained closed till June 1st week due to annual summer vacations.
- However sources added that after summer vacations market may re-open with expectation of surge in arrivals which is likely to soften the market sentiments.
- However, prices could continue to rise in the next two weeks on strong demand against the projected lower crop.
- Chilli exports for year April-March 2010-11 were higher at 240,000 tonnes compared to April-March 2009-10 at 204,000 tonnes.

Red Chilli

Red Chilli sowing season starts from the onset of monsoon in June. Sowing intentions for Red Chilli in 2011-12 show an increase as prices are competitive compared to soyabean and cotton. However the final sowing may depend on the monsoons which according to IMD is expected to start in June and is expected to be normal. So if monsoons are normal then sowing intentions may be higher which may pull markets lower.

Red Chilli sowing in Andhra Pradesh as on date has been covered in 0.001 lakh hectares which is higher compared to last year sowing which is Nil according to the District Joint Directors of Agriculture in Andhra Pradesh. The normal target for turmeric acreage in India is 1.61 lakh hectares.

According to the Spices Board, chilli exports in the quarter of Feb-April 2011 have been higher at 218,500 tonnes due to higher prices and higher production. We expect that exports might be higher for the next quarter of Mar-May 2011 at 220,000 tonnes due to lower competitive prices and higher production expected this year at over 1 crore bags.

Spot Prices Weekly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		Change
			01.06.11	26.05.11	
Red Chilli	Guntur	LCA 334	Closed	Closed	-
		Bedki	Closed	Closed	-

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