

Spot Market Recap

Turmeric:

- Turmeric prices declined during the week under review backed by higher arrivals as compared to the previous year.
- Prices are likely to stay range bound with weak bias owing to higher beginning stocks and better production prospects.
- Keeping in view the relatively better supply scenario over previous two years, we expect buyers to take a cautious approach in procurement. As demand and prices continue to stay weak, buyers are only fulfilling their current needs and not going for aggressive stocking.

Fundamental analysis

Turmeric Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (09 th -15 th June 2011) in bags	Arrivals during the week (02 nd -8 th June 2011) in bags	Arrivals during last year (09 th -15 th June 2010) in bags
Nizamabad(Andhra Pradesh)	400	16,500	24,500	3,300
Erode(Tamil Nadu)	17.07	24,000	33,000	20,500

1 bag = 90kgs

Nizam cash markets remained weak during the week till 15th June 2011 due to increased supply in the markets during the week under review compared to last year's supply. In Nizam arrivals during the week recorded at 16,500 bags up by 400 per cent as compared corresponding period last year. In Erode, arrivals during the week were recorded at 24,000 bags up by 17.07 per cent as compared to corresponding period last year. Marked improvement in turmeric arrivals from Nizamabad is primarily attributed to better production during 2010-11 as compared to previous year when crop size reduced significantly from the region owing to weather aberrations during its critical crop stage of rhizome formation.

With recovery of production from Nizamabad district during 2010-11, arrivals are expected to be higher y-o-y. Expectation of better arrivals might keep prices weak and negate any immediate jump in prices in the short term. However, demand might pick up during late July which is likely to lend underlying support to the turmeric prices moving forward.

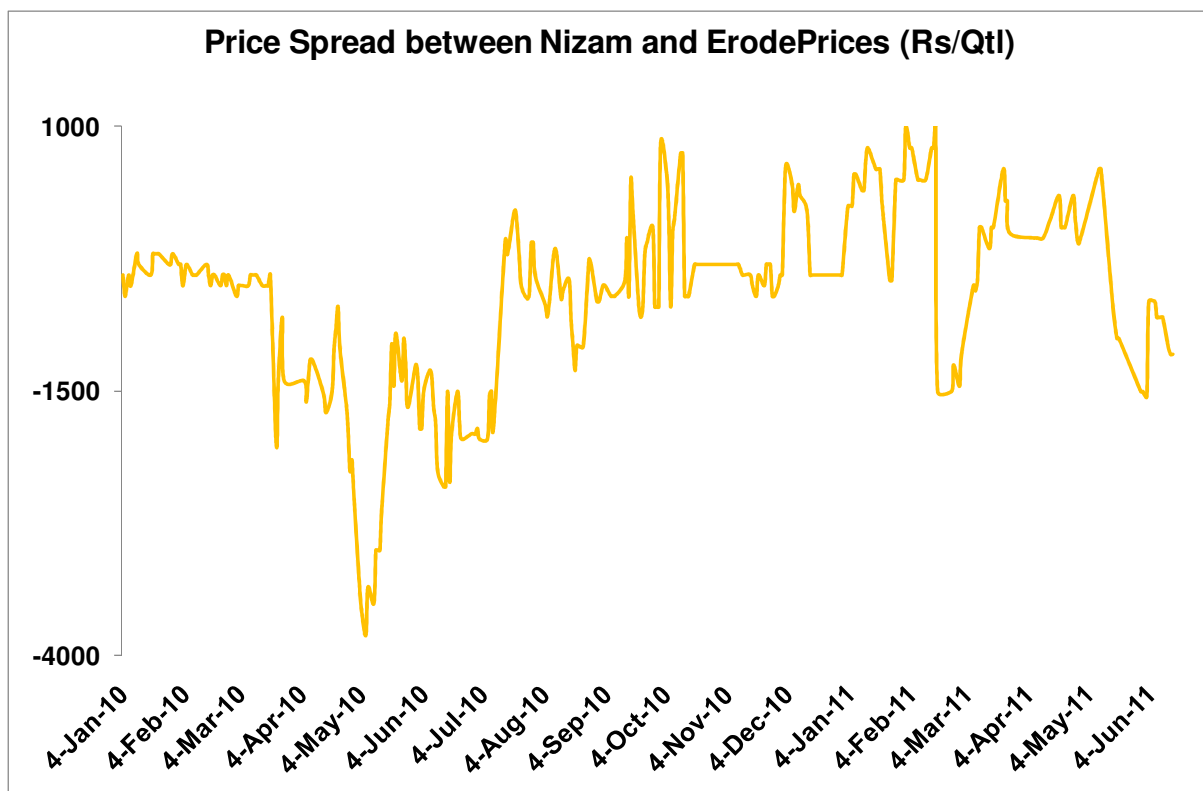
Sowing Progress:

Active sowing of turmeric has not yet started in A.P. as of 15th June 2011. Usually acreage under, turmeric in AP is 0.63 lakh hectares of which .40 lakh hectares should have been sown by now. This year only scattered sowing with marginal area covered has been reported. However turmeric sowing is expected to gain momentum with active precipitation over the growing regions which might help to bring the final acreage near its normal sown area of 0.63 lakh hectares.

Turmeric Crop Sowing Progress: Andhra Pradesh

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 15/06/11	% Sown to	
	Season	As on date	As on 15/06/09	As on 16/06/10		Season	As on date
Turmeric	0.63	0.004	0.002	0	0	0	0

Spread Analysis



Average spread between the turmeric prices of Nizamabad and Erode for the period of Jan 10 to till date stayed in negative territory and was close to Rs -615/Qtl. Meanwhile, Average current weekly spread from 9th June 11 to 16th June 11 was seen at Rs -1150/Qtl which was Rs -2100 a year ago during same period. During the previous year, spread stayed at higher levels owing to quality concern for Nizamabad turmeric while Erode turmeric was fetching premium. Keeping in view the current crop quality for both Nizamabad and Erode we expect spread to narrow down towards its average near Rs -615 indicating more faster decline expected for Erode turmeric than Nizamabad market considering higher supply y-o-y. Spread price behaviour is shown in the above chart indicating its direction.

Turmeric Price Outlook

Turmeric prices stayed in a tight price band of Rs. 7,600-7,900 per quintal in the Nizam market which is expected to stay sideways with marginal weakness. This is mainly due to the expectation of decline in arrivals should stockists retain stocks given the lower prices. Since, aggressive demand is not expected in the short term, we expect prices to stay in a tight trading range as indicated in the following table:

Expected Price range of Turmeric Prices for next week

Markets	Expected Range of Turmeric
Nizamabad	7,500-7,600
Erode	8,200-8,300

Prices-Rs/quintal

Nizam prices-Nizam quality

Erode prices-Finger quality

Turmeric Prices at Nizamabad



Price-Rs/qlt

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/QtI)			
			Current (16-06-2011)	Week Ago (09-06-2011)	Month Ago (16-05-2011)	Year Ago (16-06-2010)
Turmeric	Nizamabad-Nizam Cold	-3.79	7500-7600	7800-7900	8850-8950	13200-13300
	Erode-Finger	0.51	8750-9750	8700-9700	9600-10600	14000-14800

Spot Market Recap

Jeera:

- Marginal improvement in jeera prices could be seen during the week under review owing to improvement in domestic demand.
- As per our sources, trade inquiry from Bangladesh and Sri Lanka lend underlying support to the jeera prices.

Fundamental analysis

Jeera Arrival Scenario:

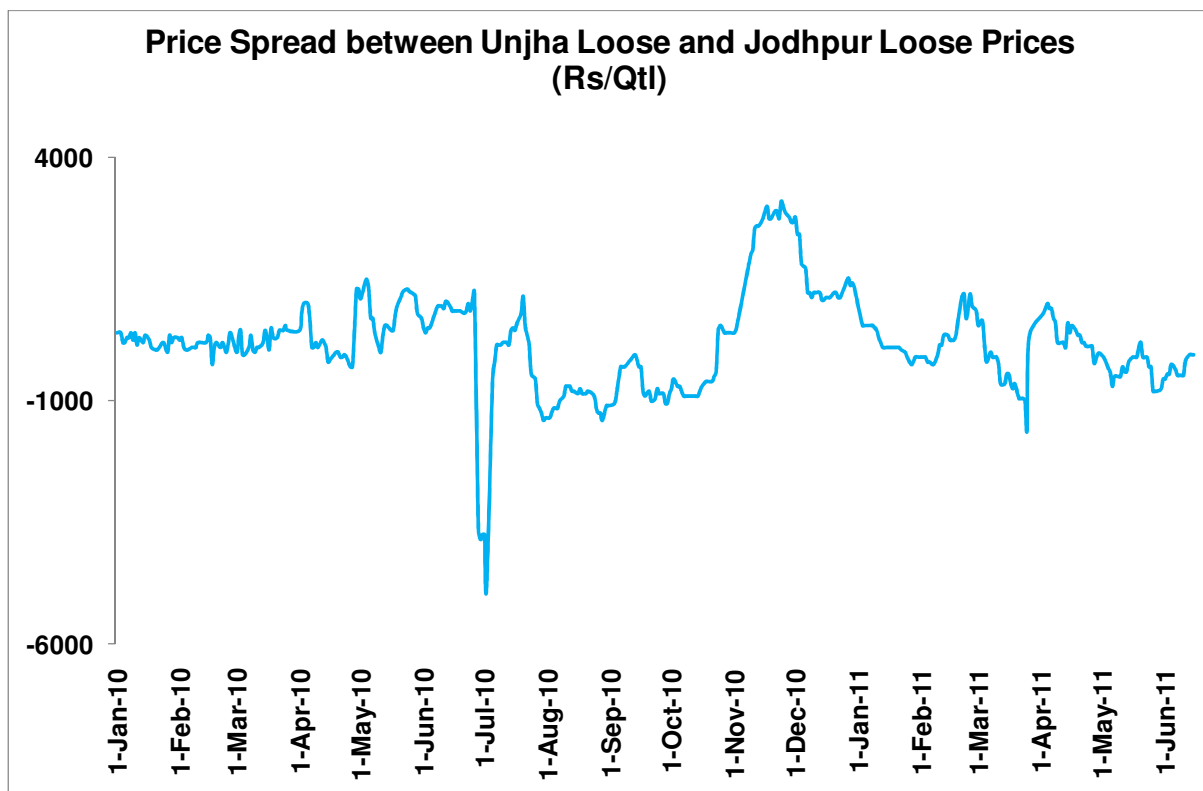
Market	% Change during corresponding period last year	Arrivals during the week (09 th -15 th June 2011) in bags	Arrivals during the week (02 nd -8 th June 2011) in bags	Arrivals during last year (02 nd June-8 th June 2010) in bags
Unjha (Gujarat)	18.12	39,000	48,000	33,000
Jodhpur (Rajasthan)	-	750	1,350	Nil

Unjha 1 bag = 55kgs

Jodhpur 1bag = 80kgs

Taking Unjha cash markets as the indicative market, arrivals were higher at 39,000 bags during the period of 9th June to 15th June 2011 as compared to previous year same period when arrivals were reported at 33,000 bags. Relatively higher arrivals are mainly attributed to liquidation of inferior quality stocks by farmers and stockists. However, scattered buying inquiry from neighboring countries for good quality jeera helped to restrict the continuous falling trend. Overall jeera price is likely to extend its weak trend in the short term keeping in view the good crop scenario of Syria and Turkey and relatively higher domestic supply.

Spread Analysis



Average spread between the jeera prices of Unjha and Jodhpur for the period of Jan 2010 to till date has remained in the positive region at Rs 177/Qtl. Average weekly spread for the week 9th June to 16th June 2011 was seen at Rs -189/Qtl which was Rs 941/Qtl a year ago during same period. During previous year, spread remained high as quality in Unjha was higher compared to quality in Jodhpur. We anticipate the spread between Unjha and Jodhpur to remain in the negative territory as quality in Jodhpur is better this year and we expect the spread to remain in the negative territory close towards its average near Rs -189/Qtl.

Jeera Price Outlook

Jeera prices have been trading in the price band of Rs.13,300-13,500 per quintal in the Unjha market which might find some support at lower price quotes. However, medium term trend looks weak. Keeping in view the above factors, we expect the prices to improve by another Rs.150/quintal from the current price levels for the next week. Next week trading range is depicted in the following table:

Expected price range of Jeera during coming week

Markets	Expected Range of Jeera
Unjha	13,650-13,700
Jodhpur	13,500-13,700
Nagaur	13,500-13,600

Prices-Rs/quintal

Unjha prices- Loose quality

Jodhpur and Nagaur- Loose quality

Jeera Prices at Unjha



Price-Rs/qlt

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (16-06-2011)	Week Ago (09-06-2011)	Month Ago (16-05-2011)	Year Ago (16-06-2010)
Cumin Seed	Unjha-Loose	0.93	13450	13325	13700	11850
	Jodhpur - Loose	Unchanged	13500	13500	14000	11000-11100
	Nagaur-Loose	Unchanged	13500	13500	14000	11400-11600

Spot Market Recap

Coriander Seed:

- Lower arrivals during the previous week compared with previous year helped to keep coriander prices on an encouraging note during the week under review.
- Relatively higher beginning stocks of coriander which is pegged at 20-25 lakh bags weigh on the market sentiments which helped to ease the prices from Rs 5400/Qtl during April to Rs 4400/Qtl during June.

Fundamental analysis
Coriander Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (09 th -15 th June 2011) in bags	Arrivals during the week (02 nd -8 th June 2011) in bags
Kota	-28.2	16,500	23,000
Ramganj	-17.0	19,500	23,500
Baran	-6.12	23,000	24,500

1 bag=40 kg

Taking Kota cash markets as the indicative market, arrivals remained lower at 16,500 bags during 09th-15th June as against 23,000 bags during same period last week. Arrivals were lower as stockists stopped selling coriander at lower price levels. However, higher supply as indicated by relatively higher beginning stocks helped to keep medium term trend weak. Moving forward, with expectation of lower arrivals during coming couple of months and expectation of improvement in demand during July – Aug we expect prices to get support at lower price quotes.

NCDEX FED stocks

FED coriander stocks for 5th July expiry declined to 5009 metric tonnes out of which stocks from Kota alone were near 4929 MT and 50 MT from Ramganj with combined final expired stocks of 5009 MT. OI as of 15th June stand at 27560 MT. As higher Open Interest than FED coriander which is likely to delivered during June expiry, is expected to keep sentiments weak. However, if the OI stands still higher than FED till final date of expiry, we expect a possible bounce in prices. At the same time short covering at this point of time is also expected which might results into a technical bounce.

Coriander Price Outlook

Coriander was trading in the price band of Rs. 3,200-3,350 per quintal (indicated by the blue lines). We expect a marginal jump in prices at it bottom levels and move upto Rs. 3,460-3,500 per quintal (indicated by the red line).

Expected Price range of Coriander Prices for next week

Markets	Expected Range of Coriander
Kota	3,725-3,750
Ramganj	3,460-3,500

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



Price-Rs/qrtl

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (16-06-2011)	Week Ago (09-06-2011)	Month Ago (16-05-2011)	Year Ago (16-06-2010)
Coriander Seed	Ramganj-Badami	1.51	3250-3350	3200-3300	3550-3650	2250-2450
	Kota-Badami	1.41	3575	3525	3900	2000-2200
	Baran-Badami	2.59	3850-3950	3750-3850	3850-3950	2095-2295

Spot Market Recap

Black Pepper:

- Black Pepper remained firm on lower arrivals and expectation of a tight global stock position.
- Lower production expectation from Indonesia and marginal delay continue to keep global pepper prices at higher price levels.

Fundamental Analysis

Black Pepper Arrival Scenario

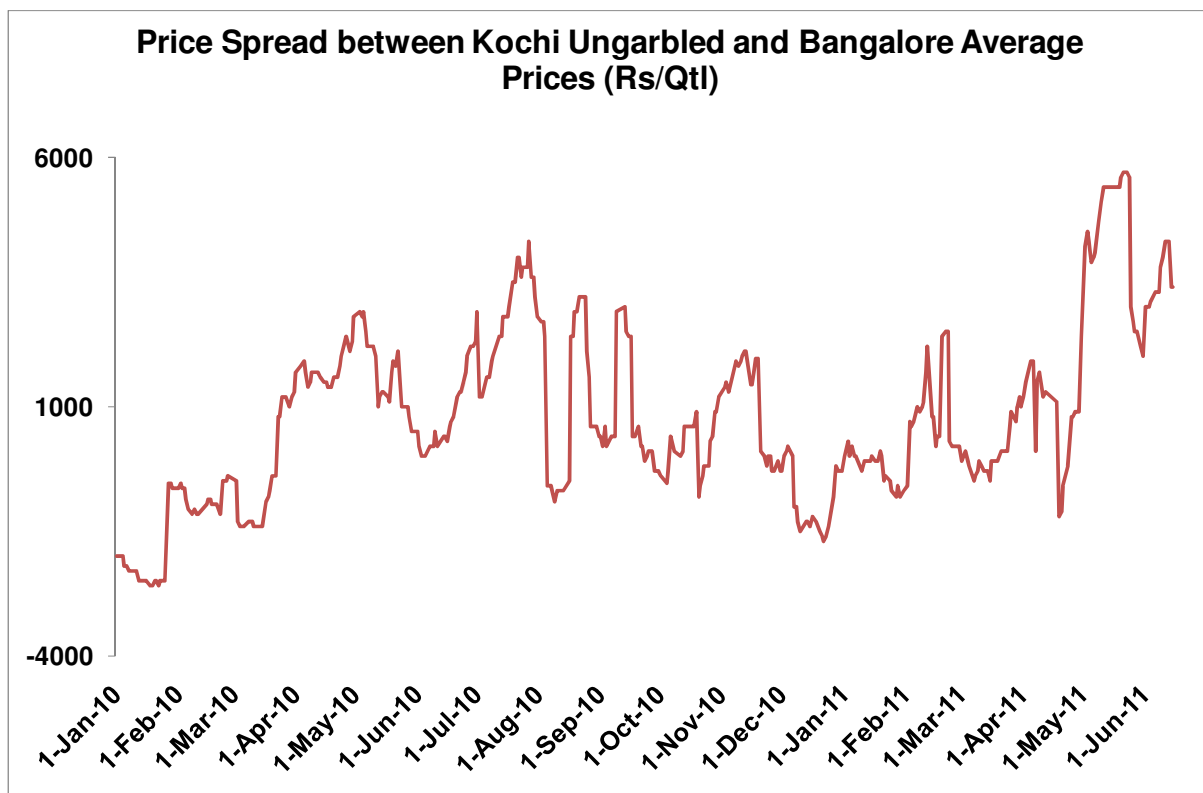
Market	% Change during corresponding period last year	Arrivals during the week (09 th -15 th June) in tonnes	Arrivals during the week (02 nd -8 th June 2011) in tonnes	Arrivals during last year (02 nd June-8 th June) in tonnes
Kochi (Kerala)	-8.14	124	79	135

Arrivals remained quite low at 103 tonnes during the week under review as against 135 tonnes in the same period last year. Relatively thin arrivals are primarily attributed to lower supply and decline in production during 2010-11 which also kept the Indian FOB relatively high. Indian pepper prices remained uncompetitive in the international market. This resulted in limited buying and only covering the daily requirement of masala millers.

Weak overseas demand for Indian pepper owing to prevailing export disparity might bring down the Indian prices in the short term. However, considering tight global supply scenario and lower production estimates in Indonesia, we expect medium to long term trend might stay firm.

According to IPC, pepper production in Indonesia is going to be lower by 26% at 37,000 tonnes compared to last year's production. However, marginal increase could be seen in Malaysia at 25,672 tonnes and Brazil at 35,000 tonnes y-o-y. This will not suffice the growing global demand for the commodity which will keep the overall prices on a firm note moving forward.

Spread Analysis

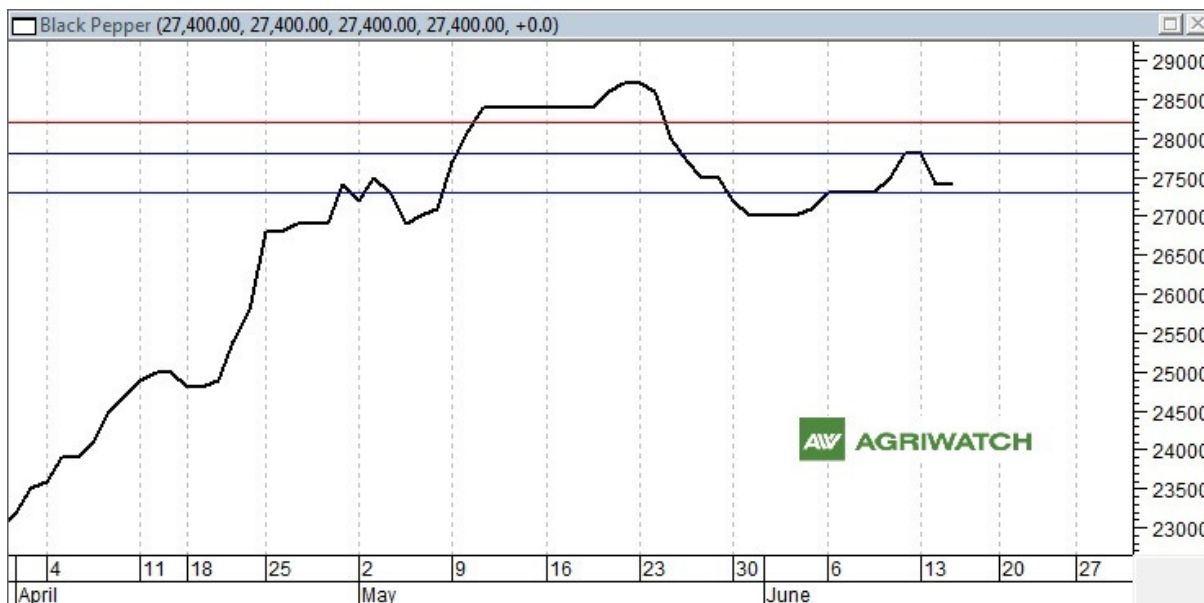


Average spread between the Black Pepper prices of Kochi and Bangalore for the period of Jan 10th 201 to till date has remained in the positive region at Rs 824/Qtl. Average weekly spread for the week 9th June to 16th June 2011 was seen at Rs 3800/Qtl which was Rs 333/Qtl a year ago during same period. During previous year, spread remained lower as traders bought from Kochi so as to avoid the transport cost from Bangalore which is Rs.75/Kg. We anticipate the spread between Kochi and Bangalore to remain in the positive territory and likely to stay close towards its average near Rs 824/Qtl indicating rate of rise in pepper prices at Kochi would be rather slow with respect to rate of rise in pepper prices in Bangalore considering the tight global stock scenario and good demand expectation during coming couple of months.

Black Pepper Price Outlook

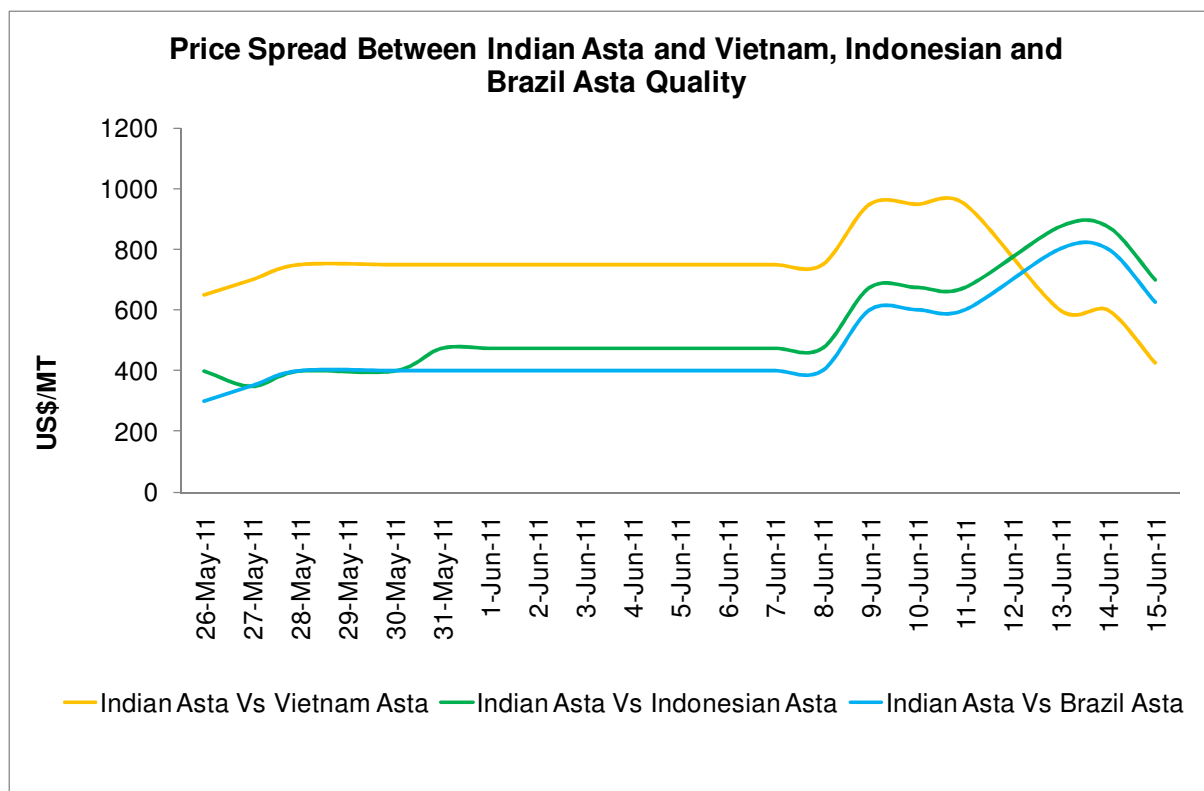
Black Pepper was trading in the small price band of Rs. 27,300-27,800/quintal (indicated by the blue lines) which is expected to move up supported by global supply shortage and growing demand for pepper. We expect the prices to stay range bound and any immediate dips might encourage the buyers to book orders which will lend support to the prices and likely to move up to Rs. 28,200/ quintal (indicated by the red line) which is the higher level expected.

Domestic Pepper Prices



Prices-Rs/quintal

Foreign Pepper Prices



Current spread between Indian Asta and Vietnam Asta declined to US \$425/MT during the week under review compared to the previous week when the spread was US \$950/MT. The lowering of the spread is mainly due to demand moving to Vietnam owing to the higher Indian prices. With the expectation of spread narrowing further to US \$ 250/MT, international demand for Indian pepper will stay weak. However, at a

spread of US \$ 250/MT we expect international demand to shift towards Indian ports thereby lending support to the domestic pepper prices.

Similarly, current spread between Indian Asta and Indonesian Asta is close to US \$700/MT compared to previous week's spread of US \$475/MT. We expect the Indonesia quote of black pepper to decline marginally with active harvest which might further widen the spread assuming Indian quotes will stay stable.

Expected Price range of Black Pepper Prices for next week

Markets	Expected Range of Black Pepper
Kochi	28200
New Delhi	29200

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 (16-06-2011)	Week Ago (09-06-2011)	Month Ago (16-05-2011)	Year Ago (16-06-2010)
Black Pepper	Kochi- Ungarbled	0.36	27400	27300	28400	15300
	Kochi- Garbled	0.35	28200	28100	29200	15800
	New Delhi- Unpolished	2.54	28200	27500	29200	16900

Spot Market Recap
Cardamom:

- Higher arrivals soften cardamom prices during the week under review.
- Farmers and stockist continued to offload stocks as demand weakened further.
- Sowing this year supported by good rainfall in Kerala and other sowing states.

Fundamental Analysis
Cardamom Arrival Scenario:

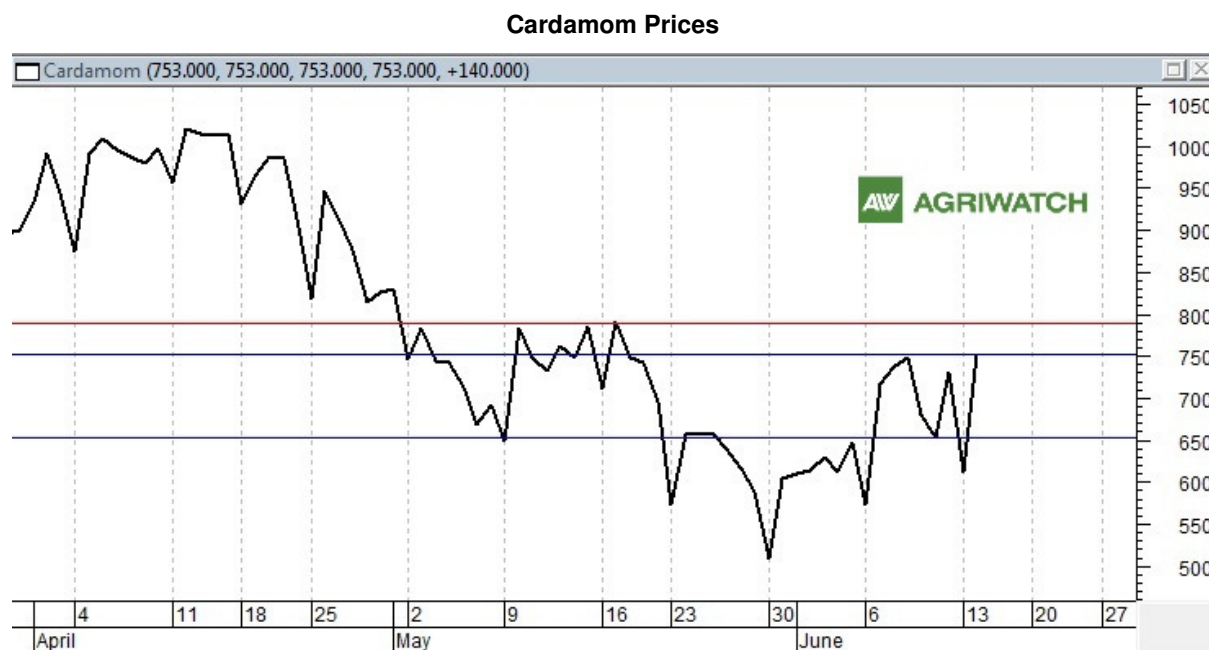
Market	% Change during	Arrivals during the	Arrivals during the	Arrivals during last
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	corresponding period last year	week (09 th -15 th June 2011) in Kgs	week (02 nd -8 th June 2011) in Kgs	year ((09 th -15 th June 2010) in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	102.93	230,552	162,497	113,608

Arrivals remained higher at 230,552 Kgs during the period of 09th-15th June, 2011 as against 113,608 Kgs in the same period last year. Prices continued its downtrend as domestic and export demand remained weak. Prices also fell owing to congenial weather conditions in Kerala, Karnataka and Tamil Nadu expectation of higher productivity and production in the coming season. Domestic and export demand may improve at lower quotes and likely to lend underlying support to the cardamom prices moving forward.

Cardamom Price Outlook

Cardamom was trading in the price band of Rs. 652.76-753.18/Kgs (indicated by the blue lines) which is expected to stay range bound. However, in case of any immediate sharp fall we expect demand to pick up. With expectation of initial decline towards Rs 650, we expect the cardamom price to inch up towards 750 to 780/Kgs (indicated by the red line).



Prices-Rs/quintal

Expected Price range of Cardamom Prices for next week

Markets	Expected Range of Cardamom
Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur	650 on lower side and 750 at higher levels

Prices-Rs/Kg

Loose quality

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Year	Prices (Rs/Kg)			
			Current (16-06-2011)	Week Ago (09-06-2011)	Month Ago (16-05-2011)	Year Ago (16-06-2010)
Cardamom	Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur -Loose	-47.77	753.18	717	788.69	1442.12

Spot Market Recap

Red Chilli:

- With onset of monsoon chilli sowing is slowly picking up with expectation of normal area to be covered during the current Kharif season. Congenial weather condition over principal chilli growing regions brightens production prospects.
- Better crop production prospects and comfortable stock position might keep chilli prices under pressure during the coming couple of weeks.

Fundamental Analysis

Red Chilli Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (09 th -15 th June 2011) in Bags	Arrivals during the week (02 nd -8 th June 2011) in Bags	Arrivals during last year (09 th -15 th June 2010)in Bags
Guntur(Andhra Pradesh)	18.51	160,000	50,000	135,000

1 Bag=45 Kgs

Arrivals in Guntur were 160,000 bags over this week compared to 135,000 bags during the corresponding period last year. Higher arrivals are expected during the coming week as well which will keep chilli prices range bound to weak during coming couple of weeks.

Chilli Sowing Progress:

Chilling sowing started in Andhra Pradesh slowly when compared to the normal season. As of 15th June chilli sowing area covered is 100 hectares only as against normal sowing of 500 hectares. The normal area sown for chilli is 1.61 lakh hectares which is likely to be completed during the current Kharif season. Moving forward, active sowing is expected during the next couple of weeks which might keep chilli prices under pressure. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 15/06/11	% Sown to	
Crop	Season	As on date	As on 15/06/09	As on 16/06/10		Season	As on date

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (16-06-2011)	Week Ago (09-06-2011)	Month Ago (16-05-2011)	Year Ago (16-06-2010)
Red Chilli	Cold Storage	-9.72	6500	7200	Closed	4600-5200
	Guntur-Bedki	-13.03	6500	7500	Closed	5600-5700

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