

Spot Market Recap

Turmeric:

- Improved demand in the spot market supported traders to go for fresh buying and pushed the turmeric prices higher side. New export enquiries also supported the turmeric prices in the domestic market.
- Continuing sluggish demand was reported from Masala Millers at higher price levels as they have ample quantity of stocks.
- Sowing activity already started in turmeric growing regions mostly in Tamil Nadu. Sowing has started in the growing areas in Andhra Pradesh also and the progress is reportedly satisfactory as per trade sources.
- Sources revealed that, good sowing activities A.P. may kept pressure on the prices in coming days.

Fundamental analysis

Turmeric Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (7 th – 14 th July 2011) in bags	Arrivals during the last week (1 st – 7 th July 2011) in bags	Arrivals during last year (7 th – 14 th 2010) in bags
Nizamabad (Andhra Pradesh)	+25	5000	4000	4970
Erode (Tamil Nadu)	+1.92	26500	26,000	25,000

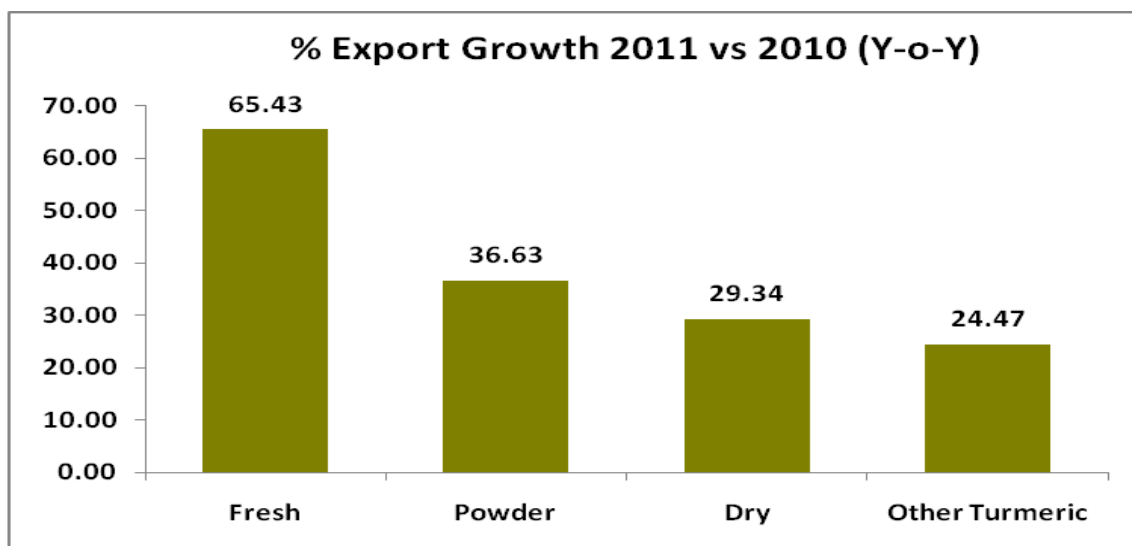
1 bag = 90kgs

As depicted from the above table, arrivals in Nizam was reported at 5000 bags during this week period which was higher by 1000 bags as compared to the same period last week period as stockists was releasing their stocks at higher price level. In Erode spot market also arrivals were recorded high during the week at 26,500 bags, as compare to the last week 26,000 bags.

Sowing has started in the growing areas in Andhra Pradesh and the progress is reportedly satisfactory. Good Monsoon progress is also reportedly keeping the sowing activities proper almost 55 – 60 percent sowing completed in Nizamabad. The area sown would however depend on the market rates and if the falling trend continues, traders are expecting that the sowing area may fall as farmers may shift to other lucrative crops like Cotton, Soybean, Maize etc.

In supply side, ample quantity of stocks in the major mandies kept the turmeric sentiment down during this period. As per trade sources, higher stocks was reported in Erode mandi at around 15 – 18 lakh bags (1 bag = 75kg) compared to previous year stock of 6 – 8 lakh bags continue to weigh on the turmeric prices. This is mainly due to increasing carryover stocks amid better production y-o-y.

On demand side, exporters are remained inactive in the domestic market at higher price level. Market participants are expecting that, new fresh export demand may rise in coming days from countries like Europe, US, West Asia and Japan and support the prices from major downfall in spot market. With growing demand of turmeric and its products there are fair chances that turmeric export might pick up during the current period. Share of turmeric and turmeric products are growing y-o-y as shown in the following chart:



Export demand is likely to pick up during Aug and onwards coinciding with festival demand. At the same time neighbouring countries such as Bangladesh, Sri Lanka and Pakistan is eyeing for Indian turmeric for their Ramadan demand. This might negate any sharp fall in turmeric prices moving forward and any major decline might encourage importers to book their orders thereby lending underlying support to the turmeric prices in near term.

Weather Watch

Fairly widespread rainfall may occur along west coast, foothills of Himalayas and over northeast and adjoining east India. Scattered rainfall activity is likely over remaining parts of the country. Weather outlook seen favourable for the crop Isolated rainfall would occur over north coastal Andhra Pradesh, coastal Karnataka, Telangana, north interior Karnataka and other turmeric growing regions. If the rainfall remains good in major turmeric growing regions, than turmeric sowing activity progress will pick up rapidly.

Actual rainfall and % Departure for the period of 1st June – 13th July

Regions	Actual Rainfall (mm) 1 st June – 13 th July	Normal Rainfall (mm) 1 st June – 13 th July	% Departure from LPA 1 st June – 13 th July
Madhya Maharashtra	217.1	246.0	-12%
Coastal A.P	152.9	165.6	-8%
Telengana	184.8	225.4	-18%
Rayalaseema	82.2	100.3	-18%
Tamil Nadu and Pondicherry	71.6	71.6	0%

Source: IMD

As depicted from the above table, most of the turmeric growing regions deficit rainfall noticed from the period of 1st June – 13th July and farmers are still waiting for normal rainfall in coming days. With favourable weather expected over turmeric growing region in south, we expect rapid expansion of turmeric sowing during the coming week.

Sowing Progress:

Turmeric has been sown in 0.23 lakh hectares in A.P has as of 13th July 2011. Turmeric sowing witness marginal improvement week on week basis but is likely to gain momentum during July and August. The comparative sowing is tabulated below:

Turmeric Crop Sowing Progress: Andhra Pradesh

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 13/07/11	% Sown to	
Crop	Season	As on date	As on 13/07/09	As on 13/07/10		Season	As on date
Turmeric	0.63	0.11	0.24	0.19	0.23	37	218

Turmeric Price Outlook

Turmeric prices might stay in the range of Rs. 7,119 - 8,145 per quintal in the Nizam market and expected to continue within the range during coming week. RSI is moving in positive region hints for bullish sentiment in the market in coming days. Price range is tabulated as follows:



Fig- 1- Turmeric Weekly Spot Prices (Nizamabad) Technical Analysis

Expected Price range of Turmeric Prices for next week

Markets	Expected Range of Turmeric
Nizamabad	7,119-8,145
Erode	7,130 - 8,400

Prices-Rs/quintal

Nizam prices-Nizam quality

Erode prices-Finger quality

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (13-07-2011)	Week Ago (06-07-2011)	Month Ago (13-06-2011)	Year Ago (13-07-2010)
Turmeric	Nizamabad-Nizam Cold	-	7500-7600	Closed	7500-7600	15085
	Erode-Finger	-15.25	7200-7800	8350-9350	8700-9700	Closed

Spot Market Recap
Coriander Seed:

- Increasing arrivals were reported in Kota and Ramganj mandi during this week period as stockists are offloading their stocks.
- Lower export demand was reported in the domestic market and it may pull down the prices in coming days.
- Inactive response from masala millers in domestic market also continue to pull markets lower in coming days.

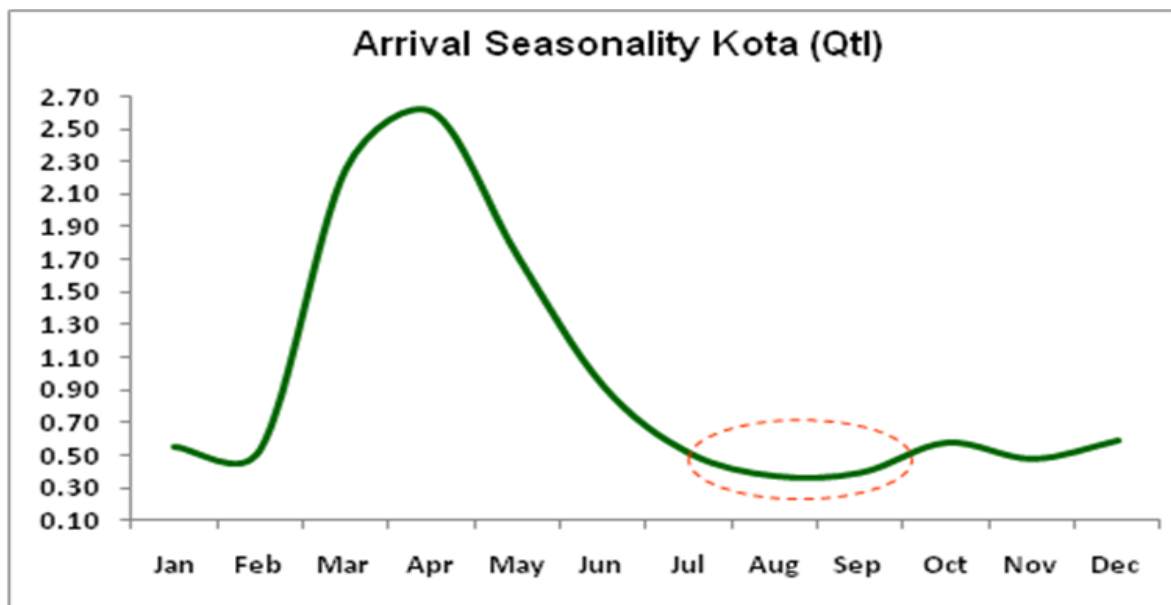
Fundamental analysis
Coriander Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (7 th – 14 th July 2011) in bags	Arrivals during the last week (1 st – 7 ^h July 2011) in bags
Kota	+69.23	11,000	6,500
Ramganj	+11.12	13,000	11,700
Baran	-22.58	12,000	15,500

1 bag=40 kg

Taking Kota spot markets as the indicative market, arrivals were reported at 11000 bags during the week it was higher by 4,500 bags compared to the same period last week as stockists offloading their stocks at higher price level in the domestic market. However, expectation of lower supply in coming

days might support the coriander prices to gain. As per trade information, in Kota mandi stocks are left at around 4 - 5 lakh bags (1 bag = 40 kg) which are reported lower as compared to the same period last year. In Ramganj mandi also lower stocks was reported at around 7 – 8 lakh bags and it is lower compared to previous years stocks, sources revealed. The following chart shows, the arrivals seasonality in Kota mandi-



As depicted in coriander seasonality chart, coriander arrivals remained lower during the month of July to September and the trend likely to remain same during the current year also. The arrivals are likely to remain at this level and there's no possibility of further drop in arrivals to market. But traders are holding back the stocks in expectation of higher prices for the coriander and the stock holding back period may extend up to September and there onwards they may release stocks to market in succession.

Therefore, the arrivals likely to remain sporadic to meet the existing demand condition in the market and succession release of stocks may keep the prices in check for the short to medium term.

Coriander Price Outlook

We expect Coriander prices for the coming week to stay in the range of 4256-4983. Market indicators like RSI is moving in positive region hints for bullish sentiment in the market in coming days. Price range is tabulated as follows:



Fig- 2- Coriander Weekly Spot Prices (Kota) Technical Analysis

Expected Price range of Coriander Prices for next week

Markets	Expected Range of Coriander
Kota	4256-4983
Ramganj	3610 - 4225

Prices-Rs/quintal

Kota and Ramganj- Badami quality

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (13-07-2011)	Week Ago (06-07-2011)	Month Ago (13-07-2010)
Coriander Seed	Ramganj-Badami	+5.40	3800-4000	3650-3750	Closed
	Kota-Badami	-17.02	3800-4000	4500-4900	Closed
	Baran-Badami	-1.26	3800-4000	3900-4000	Closed

Spot Market Recap
Red Chilli:

- Red Chilli of Guntur prices were reported unchanged during these week period.
- Higher supply was reported in Chilli domestic market as against the inactive buyers at higher prices level as they have ample quantity of stocks.
- Stockists are offloading their stocks at higher price level in the domestic market.
- Subdued demand from retailers amid adequate stockists mainly pulled down chilli prices in the spot market.
- Chilli prices are not sustained at higher levels due to hefty stock positions at spot market.

Fundamental Analysis
Red Chilli Arrival Scenario:

Market	% Change Over Previous Week	Arrivals during the week (7 th – 14 th July 2011) in bags	Arrivals during the last week (1 st – 7 th June 2011) in bags	Arrivals during last year (7 th – 14 th July 2010) in bags
Guntur(Andhra Pradesh)	+33.34	120,000	90,000	180,000

1 Bag=45 Kgs

Red Chilli arrivals in Guntur increased by 30,000 bags (1 bag=45Kg) to 120,000 bags during the week compared to last week's arrivals of 90,000 bags as reportedly stockists offloaded their stocks. As per trade information, stockists are offloading their stocks at higher prices level as they have enough quantity of stocks during this season.

As per trade sources, Demand for chilli varieties like Teja and LCA 334 is high in the domestic as well as in international market. Higher overseas demand for Badiga chillies of Guntur was reported during this season, particularly in countries like Malaysia and Singapore.

Chilli Sowing Progress:

As of 13th July 2011 chilli sowing area covered is 0.01 lakh hectares as against normal sowing of 0.13lakh hectares. In Andhra Pradesh farmers are still waiting for normal rainfall for active sowing which may likely to gain momentum in coming days with the monsoon progress. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 13/07/11	% Sown to	
Crop	Season	As on date	As on 13/07/09	As on 13/07/10	Crop	Season	As on date
Red Chilli	1.61	0.13	0.06	0.07	0.02	1	15

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (13-07-2011)	Week Ago (06-07-2011)	Month Ago (13-06-2011)	Year Ago (13-07-2010)
Red Chilli	Guntur-334	Unch	8000-8800	8000-8800	8000-8700	Closed
	Guntur-Teja	-9.2	7000-9300	8500-9300	8400-9000	5600-5700

Spot Market Recap

Jeera:

- During the week cumin spot market remains steady to weak, although few export enquiry came from European market in the beginning of weak but that could not affect the spot market prices
- Reportedly, supplies were more than demand in domestic market of Jeera. That kept prices steady to weak.
- During this weak quality of the crop was major concern in Jeera spot market due to rain in Gujarat and that leads to decline in prices.
- According sources stockiest were holding their stocks for better price expectation in future, that decrease the arrival in comparison to previous week, but weak demand resist the price increase in the spot market

Fundamental analysis

Jeera Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (8 th -14 July 2011) in bags	Arrivals during the week (1 st -7 th July 2011) in bags	Arrivals during last year (8 th -14 July 2010) in bags
Unjha (Gujarat)	-43%	35000	61000	49000

Unjha 1 bag = 55kgs

Jodhpur 1bag = 80kgs

Taking Unjha cash markets as the indicative market, arrivals were low at 35,000 bags during the period of **8th -14 July 2011** as compared to previous year same period when arrivals were reported at 49000 bags. Low arrival found in the Unjha market due to weak price trend in domestic market because of sluggish demand. At this price level primary traders and farmers were not willing to sell their produce. Stockholders are holding their stock in expectation of oversea demand in coming weak. Export to neighboring countries has been started but in low quantity, although fresh export enquiry in the market is coming and price is likely to increase in coming days.

International market sentiment

- Syria production is expected 40,000 tons and Turkey is expected to produce 12000-15000 tonnes
- Better Indian quality and availability of stocks attracting the Middle East importers for Ramzaan period
- Export demand from US and EU is likely to increase in coming weeks which could further give bullish sentiments to the market
- During the week reports of bad weather condition in major producing countries like Turkey and Syria will affect the crop and lower production accompanying with low quality is predicted

Jeera Price Outlook

Technical Analysis (spot market weekly chart) Jeera: Unjha Mandi



Expected price range of Jeera during coming week

Markets	Expected Range of Jeera
Unjha	Rs 13110-14620/Qtl

Prices-Rs/quintal

Unjha prices- Loose quality.

Spot Market Recap

Black Pepper:

- Latest reports from Spice Board of India indicates the likely Pepper exports for the period April-March 2010-11 have fallen by 5% to 18,850 MT in 2010-11 from 19,750 MT in 2009-10 same period.
- Pepper market remains steady to weak during this week, due to lean season of pepper availability of pepper is only on the exchange platform, and weak market sentiments and low domestic demand in the week kept primary market dealers and farmers away from the market
- Although Indian Pepper is giving good competition to Vietnam Pepper in international markets but unavailability of fresh sentiments and fundamental factors (like crop prediction of Indonesia & Brazil crop) affected the spot market and market remain in steady state.
- Investor does not have enough stock to meet their commitment so they are covering their requirement from the exchange.
- However Traders are anticipating some export influencing factor like good demand from Gulf countries supporting the rates. demand from China and West Asia also reported and IPC has predicted 2011 crop to be lower by 2% at 309,952 MT. **Carry forward stocks are expected to decline marginally to 94,582 MT** vs. 95,442 MT. Global exports have declined by 11% to 237,650 MT. so that exporter and stockiest are waiting for coming export demand

Fundamental Analysis

Black Pepper Arrival Scenario

Market	% Change during corresponding period last week	Arrivals during the week (7 th – 14 th July 2011) in Tonnes	Arrivals during the week (1 st – 7 th July 2011) in Tonnes	Arrivals during last year (7 th – 14 th July 2010) in Tonnes
Kochi (Kerala)	-66%	43	125	115

Arrivals were seen low at 43 tonnes during the period of 7th-14th July 2011 as against 125 tonnes during last week. Arrivals decrease as stockiest and farmers do not want to sell their produce at this low price level.

Black Pepper:

Indian Pepper:

During this week Indian pepper shows marginal positive trend in the market due to its competitive prices in International market of pepper in comparison to major pepper producing countries,

India's most traded variety of Black Pepper Indian MG1 was ranges between \$6350-6377

Export

In this week (fiscal session 2010-2011(April- December), India has exported

Black Pepper Garbled : 9,963.68 thousand Kg

Black Pepper Ungarbled : 152.39 thousand Kg

USA is the highest importer following by Canada; these two countries have Imported 3350.08 thousand Kg of Black Pepper (garbled).

Import

India has Imported 2,457.75 thousand Kg of Black pepper garbled in this week

Indonesia : 49 thousand Kg

Sri Lanka DSR : 578.5 thousand Kg

VIETNAM SOC REP : 1,830.00 thousand kg

(Sources: DGFT, India)

According sources, production of pepper in India is projected to be 48 thousand tons as compared to the 50 tons in previous year,

Vietnam Pepper

Vietnam prices remain firm during the week, Vietnam Asta traded at \$6200. Variety 500 GI traded at \$5500 while Vietnam 500 GLtraded

According to the IPC, production of black pepper will remain same as the previous year, expected production of black pepper is 1.10 lakh tones ,According to the sources from Vietnam's Agriculture department the pepper export from Vietnam will reach more than 120 thousand tons, although they have already exported more than 72000 tons pepper in International market

Vietnam's harvest is over and there should be around 60,000 tonnes remaining, but in the strong hands and they will parcel out the stocks in the next eight months

Brazilian Pepper

Expected Pepper production in Brazil is about 27000 tonnes which is lower by 80000 tonnes in comparison to previous years , Prices of black pepper from major producers are quoting at the same level in international market, Brazil does not have enough stock to participate in the market

Pepper Brazil prices during this week

Brazil ASTA - 6300-6400 USD/ton

Bra1 - 6200 USD/ton

BG1-Indo - 6,700 USD/ton

Brazil ASTA - 6200/6250 USD/ton

Indonesia, Pepper

Harvesting in Lampung has started in this week, but expected crop will be lower this year as compared to previous year, during this week In Bangka local prices of white pepper declined by 1 per cent and in Sarawak (Malaysia) local prices registered an increase by 1 per cent

The prediction of total crop in Indonesia is still not clear, According to the sources it would be around 30,000-35000 tons some of them predicting even lower than it, but still prediction is not clear by any sources and their carry over stock is still not clear

International sentiments for Pepper market

USA IS THE major importer of Black Pepper During January-April 2011, US has imported 19,377 tonnes, registering a marginal fall of 1 per cent, compared with imports of 19,568 tonnes in the same period last year.

During this week Pepper market was in steady state but competitive prices of Indian Pepper in International market has increased the market activity in last days of week, however the parity of Indian pepper vs. Vietnam pepper will decide the market trend, now the days marginal increase in Indian pepper with good quality has given an advantage to Indian exporter.

Crop arrival from Indonesia has been started in International market and July domestic price will depend on international sentiments and parity with major pepper producing countries specially Vietnam & Indonesia, Indonesian pepper crop arrival in this month would be crucial factor for the market.

Reportedly new crop coming from Indonesia is low in quality (some traders informed that about 60% crop quality is not up to the mark for international trade)

Black Pepper Price Outlook

Black Pepper was trading in the price band of Rs. 26300-31000/quintal which is expected to increase marginally due to low quality crop from Indonesia

Technical Analysis (spot market weekly chart)

Black Pepper (Kochi Market)



Expected Price range of Black Pepper Prices for next week

Markets	Expected Range of Black Pepper
Kochi	Rs 26190-27800/Qtl
New Delhi	-

Spot Market Recap

Cardamom:

- Cardamom prices (average) in India ranges between Rs 751.5-1003.5/Kg
- Total arrivals during week 8th-14th July 2011 is 286344 Kg
- Total sold quantity -284259Kg
- This week high arrival in the spot market in comparison to the same week in last year, keep the prices low, in that time auction was not held properly in the previous week (1st-8th July 2010) that increases the demand and prices both
- Good arrival in the spot market during this week was continuously covered by exporters that have kept the prices range bound. In this week near about 100% off take has taken place,
- During the week Expectation of new crop arrival which has been started in this week, influence the stockiest to release their stock in the market that increase the supply in domestic market and prices goes down. According sources only about 20% new crop arrival has taken place in this week; rest of the arrival came from stockiest
- Sluggish domestic & export demand kept the prices steady to weak during this week, although north Indian buyers were buying but in small quantity.

Fundamental Analysis

Market	% Change during corresponding period last week	Arrivals during the week (8 th -14 July 11) in Kgs	Arrivals during the week (1 st -7 th June 2011) in Kgs	Arrivals during last year (8 th -14 th June 2010) in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	+21%	350916	290323	58915

Cardamom Spot market Cardamom Prices during 8/7/2010 to 14/7/2010

Date of Auction	Total Qty Arrived(Kgs)	Qty Sold(Kgs)	Max Price(Rs/Kg)	Avg. Price(Rs/Kg)
8/7/2010	10521	10322	1659.5	1527.12
9/7/2010	8282	7708	1689.5	1565.63
10/7/2010	6198	6198	1676	1570.04
11/7/2010	6185	6185	1755	1563.29
11/7/2010	6198	6198	1676	1570.04
13/7/2010	18360	18313	1711	1569.62
14/7/2010	3171	3171	1690.5	1534.33
Total	58915	58095		

Cardamom Arrivals during 8/7/2011 to 14/7/2011

Date of Auction	Total Qty Arrived(Kgs)	Qty Sold(Kgs)	Max Price(Rs/Kg)	Avg. Price(Rs/Kg)
8/7/2011	42500	42500	999.5	699.57
9/7/2011	27950	27889	890.5	691.17
10/7/2011	58395	57653	988.5	703.74
11/7/2011	13659	13659	789.5	659.21
11/7/2011	2553	2313	751.5	583.66
12/7/2011	75798	75798	952.5	703.18
13/7/2011	65489	64447	1003.50	659.15
14/7/2011	64572	60842	895.50	651.30
Total				

Guatemala, cardamom

- In Guatemala estimated Cardamom production for this season is around 22,500 ton, which is better than previous year (18000tons) this crop will be available in late Sept-Oct in international market total production. Prices asked for August shipments are around USD 4,000 /ton.
- Good crop condition in Guatemala will pressurize the cardamom market in near future, specially importers from Middle East Countries are waiting for this crop.

EXPORT

In the week 8th-14th July, Session 2010-11 (Apr-Dec)

Small (elettaria) & Cardamom (alleppey green) —:630.23 tonnes

Cardamoms Small Coorg Green : 15.11 tonnes

Cardamoms Small Seeds : 60.08 tonnes

(Source DGFT India,)

Major Importers are during session 2010-11 (Apr-Dec)

Saudi Arab : 426.0 tonnes

Kuwait : 83.49 tonnes

UAE : 42.18 tonnes

Weather Summery of the Week for Cardamom Growing Area of Kerala

Excess : Nil.

Normal : Ernakulam, Kasaragod

Deficient : Alappuzha, Idukki, Kannur Kollam Kottayam

Scanty : Malappuram Palakkad Pathanamthitta

No rain : Wayanad

Kerala is producing 70% Indian cardamom production; during this weather condition has been favorable for cardamom crop.

Actual rainfall and % departure for the period of 8th –14th July 11

Regions	Actual Rainfall (mm) 8 th –14th July 11	Normal Rainfall (mm) 8 th –14th July 11	% Departure from LPA 8 th –14th July 11
Kerala	941.5	990.8	-5%
North Interior Karnataka	147.9	156.1	-5%
South Interior Karnataka	217.1	236.0	-8%
Tamil Nadu and Pondicherry	71.6	71.6	0%

Technical Analysis (spot market weekly chart)**Cardamom (values in Kg)****Cardamom Price Outlook****Expected Price range of Cardamom Prices for next week**

Markets	Expected Range of Cardamom
Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur	Rs 570-586/Kg

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