

Spot Market Recap

Turmeric:

- Improved demand in the spot market supported traders to go for fresh buying and lend underlying support to the prices. 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 sufficient quantity for further usage.
- Sowing activity gather momentum in South Indian states such as AP and TN with satisfactory progress.
- Satisfactory sowing activities with congenial weather condition amid recent rainfall might keep pressure on turmeric prices at higher levels.

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

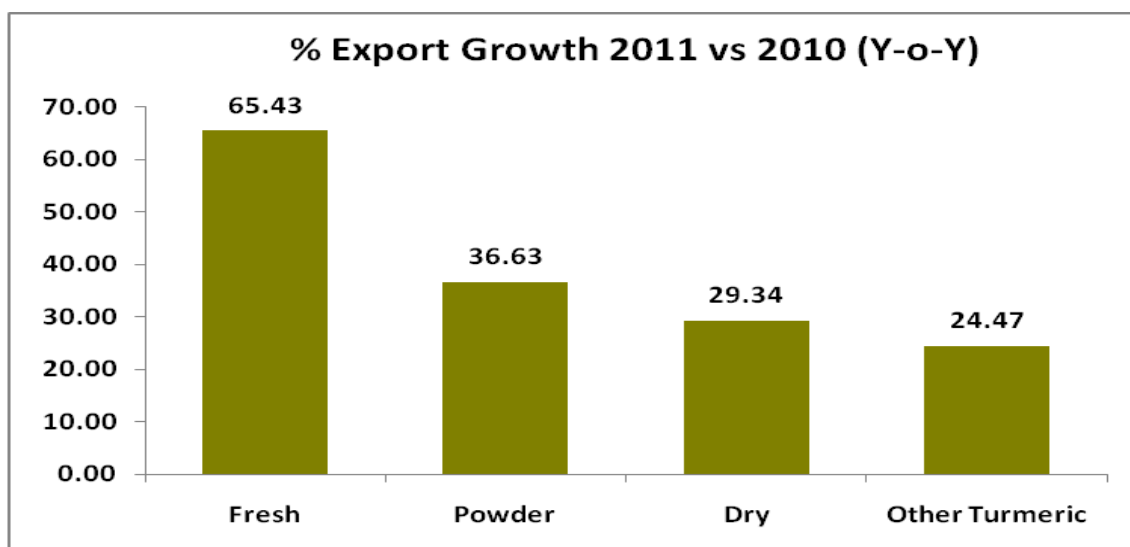
As depicted from the above table, arrivals in Nizam was reported at 5000 bags during the period of 7th to 14th July which was higher by 1000 bags as compared to the same period last week as stockists were releasing their stocks at higher price level. Similarly in Erode spot market arrivals reported higher at 26,500 bags compared to previous week of 26,000 bags.

Sowing is gathering momentum in Andhra Pradesh and the progress is reportedly satisfactory. Better precipitation w-o-w after a lull phase is also reportedly keeping the sowing activities on encouraging note. As per the trade information almost 55 – 60 percent sowing completed in Nizamabad. Growers in the regions are closely watching the turmeric prices. If prices continue to decline (which recently get capped at lower levels) in the spot market then it may stand discouraging for the growers to plant more turmeric especially during July end to Aug first week. This might results into shifting of turmeric area to other lucrative crops like Cotton, Soybean, Maize etc. However, any near term improvement in turmeric prices and congenial weather situation might keep normal turmeric area intact going ahead with the monsoon season.

On supply front, ample stocks in the major mandies continue to weigh on the market sentiments during the week. 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. At the same time un-willingness of stockists to liquidate turmeric stocks at lower price quotes limit aggressive fall thereby keeping turmeric prices in a tight range.

On demand side, exporters are remained inactive in the domestic market at higher price level with expectation of further decline backed by hefty stock position. However, new fresh export demand may rise in coming days from countries like Europe, US, West Asia and Japan and lend underlying support to the prices. 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

Weather outlook remains normal during the week with congenial weather forecast in turmeric growing states. Isolated rainfall would occur over north coastal Andhra Pradesh, coastal Karnataka, Telangana, north interior Karnataka and other turmeric growing regions. Favourable weather outlook might speed up turmeric sowing in principal states.

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 received deficit rainfall from the period of 1st June – 13th July when compared with its LPA 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 area during the coming week.

Sowing Progress:

Turmeric has been sown in 0.23 lakh hectares in A.P has as on 13th July 2011. Turmeric sowing witness marginal improvement week on week but it 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

With expectation of better sowing coverage moving forward with favourable weather outlook we expect prices to stay range bound with no immediate jump considering normal precipitation outlook. Any deviation in rainfall from its forecast is likely to lend underlying support to the prices. However fate of turmeric prices will depend on the amount of precipitation received during Aug.

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.



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

Price range is tabulated as follows:

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 from Kota and Ramganj mandi during as the period under review and stockists are offloading their stocks.
- Lower export demand is weighing on the market sentiments.
- Lack luster trade and un-willingness of masala millers to go for aggressive buying might keep the trade range bound for short term.

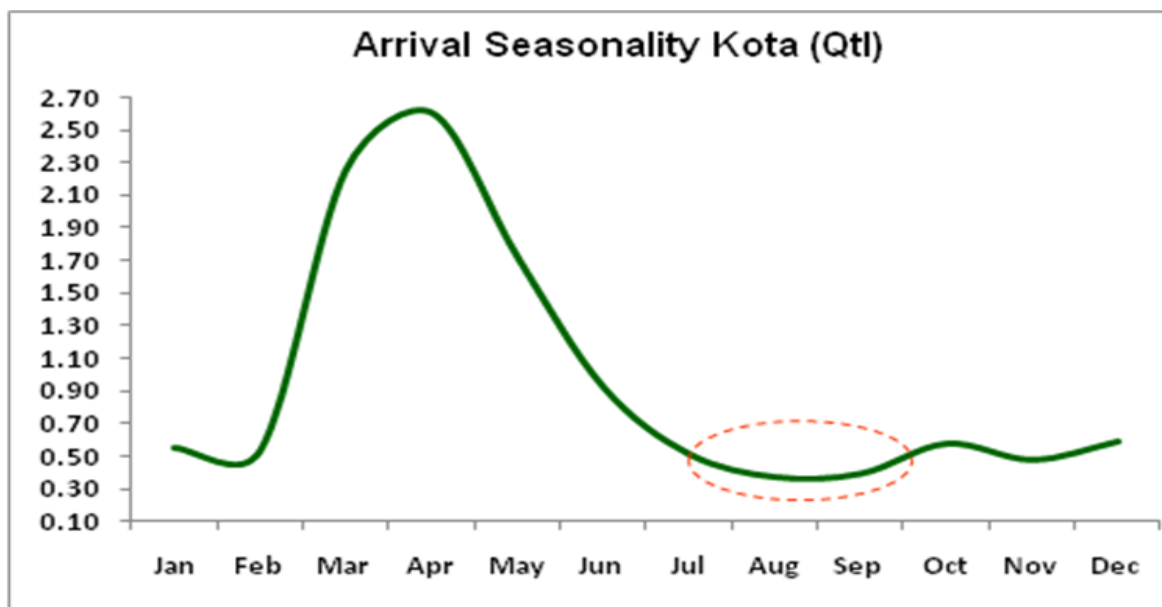
Fundamental analysis
Coriander Arrival Scenario:

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 under review up by 4,500 bags compared to the same period last week. Higher arrivals attributed to stockists liquidation of stocks at higher price level. However, expectation of lower supply in coming days might lend underlying support to the coriander prices. 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 stocks reported at around 7 – 8 lakh bags which is lower compared to previous years.

With current lower stock position arrival is expected to decline during coming couple of months unless new crop arrivals starts from Feb end. Arrivals seasonality reveal coriander arrivals to stay on lower levels till Sep which might limit any sharp fall in prices. 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 current arrival trend is likely to follow its seasonality. During current lean arrival season traders are holding back the stocks in expectation of higher prices for the coriander especially before the start of festivals from Aug. With expectation of lower arrivals we expect prices to start improving till Sep. This might keep traders to hold their existing in anticipation of further surge in prices during July to Sep period. This situation negate any sharp fall in coriander prices with greater possibility of prices to inch up during coming couple of weeks.

Considering the above factors, coriander arrival is likely to remain sporadic to meet the existing weak demand. However, any sharp improvement in demand before the festivals might keep coriander prices on encouraging note. Overall outlook stay positive for coriander prices with limited possibility for any sharp downfall. However, the exact price level is expected to depend on near term export and domestic demand.

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 indicating firmness to stay intact.



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

Price range is tabulated as follows:

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 prices at Guntur were reported unchanged during the week under review.
- Higher supply was reported in domestic market. Buyers seen inactive at current price levels.
- Stockists are offloading their stocks at higher price level in the domestic market.
- Subdued demand continue to dampen the market sentiments.

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 w-o-w compared to previous week's arrivals of 90,000 bags. As per trade information, stockists are offloading their stocks at higher prices level (as and when prices jump) with comfortable stock position 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 current period particularly from Malaysia and Singapore. Improving overseas demand at lower price quotes for Badiga might lend spill over support to other chilli varieties and might negate any near term sharp decline in Chilli prices for short term.

Chilli Sowing Progress:

As of 13th July 2011 chilli sowing area covered so far was 0.01 lakh hectares as against normal sowing of 0.13 lakh hectares. In Andhra Pradesh farmers are still waiting for normal rainfall for active sowing which may likely to gain momentum in coming days with active precipitation. 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 under review cumin spot market prices remains steady to weak. Scattered export inquiry fail to hold prices at higher levels.
- Supplies were more than demand in domestic market of Jeera pressurizing the prices further.
- Quality concerns continue to keep market sentiments weak.
- According sources stockiest are holding their stocks for better price expectation in future which resulted lower arrivals during the week under review. However lower demand of jeera/cumin and lean season might keep jeera prices in a tight range moving forward.

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 seen 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. Weak demand and stockist's un-willingness to liquidate stock at lower prices are mainly attributed to lower arrivals during the week under review. Stockholders are holding their stock in expectation of overseas demand in coming couple of weeks. Export to neighbouring countries has been started.

International market sentiment

- Syria production is expected to stay near 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.
- Export demand from US and EU is likely to increase in coming couple of weeks which might lend underlying support to the market sentiments.
- Reports of un-favourable weather scenario over Syria and Turkey during the current week might keep international prices intact. However, medium to long term price direction will depends on any unforeseen damage which is yet not reported.

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:

- Pepper market remains steady to weak during this week, due to lean season of pepper.
- Investor does not have enough stock to meet their commitment so they are covering their requirement from the exchange.
- However traders are anticipating demand from Gulf countries.
- IPC has predicted 2011 global pepper crop to be lower by 2% at 309,952 MT.
- Global 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 improvement in the market due to competitive Indian.

Export

In this weak (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.

According to the IPC, production of black pepper will remain same as that of previous year. Expected production of black pepper is 1.10 lakh tones. Pepper export from Vietnam will reach more than 1.20 lakh tonnes, although they have already exported more than 72000 tons pepper in International market

Brazilian Pepper

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. 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. .

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.

Reportedly new crop coming from Indonesia is inferior 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 out of which 284259 kg sold.
- Higher arrivals w-o-w weighs on market sentiments.
- On demand front, off-take seen satisfactory thereby keeping cardamom prices in tight range.
- With new crop starts coming to market, stockists starts liquidating old crop stocks which limit aggressive gains despite relatively higher off-take week on week.

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
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 (18000 tons). Shipment from Guatemala is expected from late Sep to first week of Oct. Till then India will be the sole supplier of cardamom in international market which is likely to keep Indian prices on encouraging note for short term.
- However, with better production prospect from Guatemala might keep long term prices under pressure as Guatemala crop might compete with Indian prices during medium to long term.

EXPORT

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

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 weakly 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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