

Spot Market Recap

Turmeric:

- Restricted arrivals from producing areas were reported in the spot market during period of 21st to 28th July 2011.
- Satisfactory reports of turmeric sowing in Andhra Pradesh, Tamil Nadu and Maharashtra was reported during this week ending period.
- Having enough quantity of stocks amid increasing production y-o-y, stockists are inactive in the domestic market.
- Also, inactive response from Masala Millers in the spot market at higher price level was reported during this period.
- Expectations of bumper crop in the next year exert pressure on turmeric prices at higher levels in coming days.

Fundamental analysis

Turmeric Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (21 st – 28 th July 2011) in bags	Arrivals during the last week (14 th – 21 th July 2011) in bags	Arrivals during last year (21 st – 28 th July 2010) in bags
Nizamabad (Andhra Pradesh)	-52.94	8,500	13,000	5,200
Erode (Tamil Nadu)	-5.56	36,000	38,000	50,000

1 bag = 90kgs

As illustrate from the above table, during the week under review, arrivals in Nizam were down by 4,500 bags as compared to the same period last week. Lean season and growers un-willingness to bring the stocks at lower quotes are the reason for lower arrivals these days. Similarly in Erode spot market also lower arrivals was reported. Arrivals were reported at around 36,000 bags lower by 2,000 bags compared to previous week.

As per trade information, higher stocks, better production prospect and anticipation of increase in carry out stocks for the next season continue to weigh on the prices. Moving forward, we expect prices to face strong resistance at higher levels as traders and stockist might not go aggressively for turmeric buying and will wait for prices to come down. There are ample stocks of turmeric this time in various mandi so exporters also will not make haste to go for active buying.

Satisfactory turmeric sowing in Andhra Pradesh, Tamil Nadu and Maharashtra was reported which might brighten the turmeric production prospect during current season. Congenial weather condition with recent rainfall over the turmeric growing region of Southern states might look optimistic for crop production despite initial weather woes. In Tamil Nadu, turmeric sowing has been done 125 per cent over previous year and nearly 100 per cent in Andhra Pradesh and Maharashtra.

Exporters are expecting fresh demand during coming couple of weeks from countries like Europe, US, West Asia and Japan and with forward booking of export orders might lend underlying support to the turmeric prices.

Actual rainfall and % Departure for the period of 1st June – 26th July

Regions	Actual Rainfall (mm) 1 st June – 26 th July	Normal Rainfall (mm) 1 st June – 26 th July	% Departure from LPA 1 st June – 26 th July
Madhya Maharashtra	340.9	347.5	-2%
Coastal A.P	203.7	238.4	-15%
Telengana	285.2	331.7	-14%
Rayalaseema	123.4	146.0	-16%
Tamil Nadu and Pondicherry	89.9	104.2	-14%

Source: IMD

Rainfall during the period of 1st June – 26th July witness variation when compared with its normal. Though there is negative departure from its normal but this condition is not detrimental for the crop. Crop is in vegetative phase and favourable weather forecast for coming week might help to boost soil moisture status which would be beneficial for growth and development of turmeric crop. Farmers are waiting for normal precipitation received during Aug which might encourage robust vegetative growth.

Sowing Progress:

Turmeric has been sown in 1.11 lakh hectares in A.P as on 27th July 2011. Turmeric sowing in Andhra Pradesh seen marginal improvement week on week but it is likely to gain momentum during August. The comparative sowing progress in AP is tabulated below:

Turmeric Crop Sowing Progress: Andhra Pradesh

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 27/07/11	% Sown to	
Crop	Season	As on date	As on 27/07/09	As on 27/07/10		Season	As on date
Turmeric	0.63	0.46	0.41	0.53	1.11	175	244

Turmeric sowing in Andhra Pradesh was reported satisfactory. Good monsoon rainfall over the region ensures better crop prospect in AP. As per farmer's information, almost 90 - 95 percent of turmeric sowing is completed in Nizamabad and adjoining region and they expect sharp increase turmeric area

owing to better realization y-o-y. Considering the current weather scenario, turmeric growers are expecting again a bumper crop next year. If this realize considering normal yield we can see a record crop this year too which might keep pressure on prices during the time of harvest. However, it is too early to comment on the yield as turmeric is a long duration crop (6 months) and need to watch its critical period of rhizome formation during Sep.

Turmeric Price Outlook (Nizamabad Spot market)



Candlestick pattern reveals bearish sentiment in the market. Closing of prices below 9 and 18 days suggests the bearish sentiment in the market. Market indicators, MACD are moving in negative region also suggests weakness in the market. RSI is moving down in positive zone, hinting at possible decline in the days ahead. We are expecting that, turmeric prices are moving between the price ranges of 7142-7337.

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (27-07-2011)	Week Ago (20-07-2011)	Month Ago (27-06-2011)	Year Ago (27-07-2010)
Turmeric	Nizamabad-Nizam Cold	+10.81	7400	6400-6800	7900-8000	13250
	Erode-Finger	+6.29	6900-7400	6400-7000	8800-9800	14000-14800

Spot Market Recap

Coriander Seed:

- Higher arrivals were reported from domestic mandi during the period under review and stockists are offloading their stocks at higher prices.
- Increasing export demand was reported in the domestic market and it may pull down the prices in coming days.
- Festive season demand is expected to pull coriander prices up in the domestic market.

Fundamental analysis

Coriander Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (21 th – 27 th July July 2011) in bags	Arrivals during the last week (14 th – 21 th July July 2011) in bags
Kota	+35.89	39,000	25,000
Ramganj	+16.94	29,500	24,500
Baran	+43.18	22,000	12,500

1 bag=40 kg

Taking Kota spot markets as the indicative market, arrivals were reported at 39,000 bags during the week period which was up by 14,000 bags compared to the same period last week, as stockists offloading their stocks at higher price level.

Market participants are expecting prices to gain during coming couple of weeks as stocks are in strong hand and are not likely to get liquidated at lower price quotes. Given the lean season of coriander arrivals and un-willingness to liquidate at lower price quotes indicates arrivals might come down during coming couple of weeks which is likely to underpin the market sentiments moving forward. On an average current stock with the stockists might stay close to 55-60% of the produce which is expected to get liquidated till Jan – Feb.

Coriander demand was increasing w-o-w in domestic and international market. Sources revealed that, Masala millers are active in the domestic market and they started buying from the spot market. At the same time, festival demand lends additional support to the coriander prices. Exporters are also active in the domestic market due to fresh export enquiries from overseas. Export enquiry could be seen from countries like USA, UAE, Mauritius, Sri Lanka, South Africa with EU and New Zealand and significant booking of orders from these nations might keep medium to long term price trend on encouraging note.

Expectation of lower supply couple with higher demand in going ahead might lend additional support to coriander prices during coming couple of weeks.

Coriander Price Outlook (Kota Spot market)


Candlestick formation reveals marginal weakness in the market. Prices are closed above 9-day EMAs supporting bullish momentum in the short term. MACD is moving up in the positive region and hints at a bullish sentiment. RSI is moving down in positive region hints for possible decline in short term.

We are expecting that, coriander prices to stay in the range of 5500-6000.

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (27-07-2011)	Week Ago (20-07-2011)	Month Ago (27-06-2011)
Coriander Seed	Ramganj-Badami	+1.26	3850-3950	3850-4050	3225-3275
	Kota-Badami	+3.22	4600-4700	4400-4600	3425-3525
	Baran-Badami	+12.23	4500	3900-4000	3700-3800

Spot Market Recap

Red Chilli:

- Lower arrivals were reported from Guntur spot market.
- Higher stocks were seen in the domestic mandi and stockists are trying to offloading their stocks in any immediate jump.
- Weak domestic & export demand featured during the period under review. Further apprehension of lowering export demand could weigh on the Chilli prices.
- Satisfactory reports of Red Chilli sowing in Andhra Pradesh might brighten the production prospect.

Fundamental Analysis

Red Chilli Arrival Scenario:

Market	% Change Over Previous Week	Arrivals during the week (21 th – 27 th July 2011) in bags	Arrivals during the last week (14 th – 21 th July 2011) in bags	Arrivals during last year (21 th – 27 th July 2010) in bags
Guntur (Andhra Pradesh)	-53.84	60,000	130,000	165,000

1 Bag=45 Kgs

Red Chilli arrivals in Guntur was reported 60,000 bags (1 bag=45Kg) during the week 21th – 27th July 2011 down by 70,000 bags w-o-w.

Stockists are offloading their stocks at higher prices level which lead the prices to come down with increase in arrivals. At the same time comfortable stock position during this season leaves limited scope for Chilli prices to move up in near term. In Guntur cold storage stocks was found at around 25-30 lakh bags.

Weak demand could be seen at higher price levels but demand hit the market when prices decline significantly. Exporters are waiting for prices to correct for Sunam, Jwala, No 5 and Teja varieties which find good market in Bangladesh and Malaysia. At the same time, higher overseas demand for Badiga chillies of Guntur was reported during current period particularly from Malaysia and Singapore.

Red Chilli export decreased by 23,500 tonnes, which was 40,500 tonnes during the period from April – June 2011, compared to previous year same period when export were reported at 64,000 tonnes. Current year exports till June were down by 37%. The value also has come down to Rs 36,575 this year which was Rs 38,753 last year. Market participants are expecting export demand will increase during coming couple of weeks which might lend underlying support to chilli prices.

Chilli Sowing Progress:

Red Chilli has been sown in 0.14 lakh hectares in A.P has as on 27th July 2011. In Andhra Pradesh farmers are expecting a good crop this year with favourable weather outlook. Market participants are expecting an increase in area of around 45-50% in AP as compared to the last year. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 27/07/11 Crop	% Sown to	
Crop	Season	As on date	As on 27/07/09	As on 27/07/10		Season	As on date
Red Chilli	1.61	0.26	0.12	0.25	0.14	9	54

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (27-07-2011)	Week Ago (20-07-2011)	Month Ago (27-06-2011)	Year Ago (27-07-2010)
Red Chilli	Guntur-334	-	-	8000-8800	9000-9500	Closed
	Guntur-Teja	-	-	8500-9500	8700-9400	Closed

Price Outlook Red Chilly :(Guntur spot market)


Candlestick formation reveals weakness. Prices closed above 9 and 18-day EMA which might act as strong support zone. Any close below the same might results into further weakness. MACD is moving down indicating further weakness. RSI is moving down and remain in unison with the price decline hinting possibility for further weakness.

Expected Price Range of Red Chilly Guntur spot market (INR/Qtl): 8251 – 9368.

Spot Market Recap:
Jeera

- Heavy arrivals were reported in the domestic market during this week period.
- Higher arrivals weigh on the jeera market sentiments.
- Exporters are reported inactive in the domestic market.
- As per trade information, export demand from Bangladesh and Middle East countries is completed, and there are no major forward booking reported..

Fundamental analysis
Jeera Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (21 th -28 July 2011) in bags	Arrivals during the week (14 th -21 July 2011) in bags	Arrivals during last month (21 th – 28th June 2011) in bags
Unjha (Gujarat)	+69.87%	83000	25000	50000

Unjha 1 bag = 55kgs

Jodhpur 1bag = 80kgs

In Unjha market, higher arrivals were reported at 83,000 bags during the week period which was up by 58,000 bags (1 bag=60Kg) compared to the same period last week, as stockists offloading their stocks at higher price level. However, market participants are expecting lower supply going ahead with the lean season which might lend underlying support to the jeera prices. At lower price we expect demand to hit the market with expectation of Masala millers to go for active buying. Stockists might keep their stocks along with them and will wait to liquidate the same at higher price levels.

Meanwhile, exporters are inactive in the domestic market at higher price level. As per trade sources, near term booking of export order for Bangladesh and Middle East is almost over to meet their festival demand. As of now there is no fresh active booking reported from major trading centers which might keep jeera prices at lower price levels. However, there is ray of hope for fresh export inquiries from EU and US prior to start of the holy month of Ramadan, and if materialize then might pushed the prices on higher side. Lean season and festival demand might keep medium to long term price trend on encouraging note.

Jeera export declined by 4,850 tonnes and pegged at 5,750 tonnes during April – June 2011, compared previous year when export were seen at 10,600 tonnes with a overall decline of 46% y-o-y. The value also has come down to Rs 7,560 this year which was Rs 11867 last year. Market participants are hopeful for export in which is likely to pick up during the period of Oct – Dec. Meanwhile, lower than expected production from Syria and Egypt might lead India to stay competitive in international arena. In recent time, Jeera from Syria is competing with India and so far Syria Jeera export reported at around 35,000-40,000 tonnes for 2011 as compared to the 20,000- 22,000 tonnes in the same period previous year. This reflect strong demand for Syrian crop owing to competitive price advantage.

Syrian and Turkey's cumin seed is being offered at USD 3,300-3,400 per tonne (FOB) while non-rain damage is quoted at USD 3,600 per ton (FOB). Indian cumin seed is quoted at USD 3,400-3,600 per tonne (FOB). With any decline in spot jeera prices, FOB at Indian ports might offered at lower quotes.

This might results into shift in demand towards Indian port and likely to lend underlying support to the spot jeera prices assuming prices to stay steady at Syria and Egyptian ports. Looking for export demand Indian exporters might starts buying Jeera from spot to meet any near term export demand as the price gap narrowed down between Indian FOB and overseas.

At spot market, continuing demand was reported from Masala millers at lower price level. Millers might play key role into the spot and might look forward to cover their Sep- Dec requirements. Demand is likely to stay firm during coming couple of months which might keep spot Jeera prices at encouraging note.

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (27-07-2011)	Week Ago (20-07-2011)	Month Ago (27-06-2011)	Year Ago (27-07-2010)
Cumin Seed	Unjha-Loose	+3.57%	14500	14000	13450	13900
	Jodhpur - Loose	+10.92	15500-16000	14200	12500-13000	13700

Jeera Price Outlook

Technical Analysis (spot market) Jeera: Unjha Mandi



Recent surge in previous week Jeera prices towards its resistance zone at 61% retracement level. This indicates a possibility of correction in near term. Prices might find immediate support near 15655. Breaching the level could bring the prices to test towards 15290. However, medium to long term bullish trend is likely to stay intact and EMA continue to lend support to the prices in near term.

Considering the above factors, fair chances are possible for Jeera prices to stay in the range of 15655 to 15290.

Expected Price Range of Jeera at Unjha (INR/Qtl): 15290 – 15655

Spot Market Recap

Black Pepper:

- Lower arrivals were reported during this week period.
- On expectations of higher price in coming days stockists are holding back their stocks in the domestic market.
- Active response from exporters was reported during the week. Export from India is increasing day by day.
- Sources revealed that, domestic demand might lend underlying support to the pepper prices.

Fundamental Analysis

Black Pepper Arrival Scenario

Market	% Change during corresponding period last week	Arrivals during the week (21 th -28 July 2011) in Tonnes	Arrivals during the week (14 th – 21 th July 2011) in Tonnes	Arrivals during last month (21 th – 28 th June 2011) in Tonnes
Kochi (Kerala)	-28.57%	20	28	164

Lower arrivals were reported in the spot market due to lean season and on expectations of higher price in coming days stockists are holding back their stocks in the domestic market. Lower supply situation and un-willingness of seller to go for active selling which is expected to continue during the coming couple of weeks might keep over all prices on firm note.

Indian pepper quality is higher over other Asian nations, it is expected that pepper demand might pick up from Indian ports during coming couple of weeks. At the same time lower carry in stocks with y-o-y lower pepper production and up-coming demand prior to start of festivals supports prices to gain. Black Pepper export improve by 1,000 tonnes to 5,750 tonnes during the period from April – June 2011, compared to 4,750 tonnes previous year with increased of 21%.

Brazilian pepper trading activity is slowly picking up after a lull trading phase during previous week. Pepper from Brazil is quoted at US \$ 6,100/MT for September shipment. In case of immediate shipments Brazilian pepper traders are enjoying a premium of US \$ 100/MT. These prices levels are at par with Vietnam cleaned pepper which put Brazil back to the International arena.

W-o-w prices decline in Brazil and Sarawak by 2%, while in Lampung, Vietnam and Sri Lanka it increased by 2%, 4% and 1% respectively. However, local prices of white pepper were seen stable at all origins. A marginal increase of FOB prices took place in Bangka and Sarawak, while in Vietnam the price was stable.

IPC crop survey in Kalimantan in Indonesia reveal production is to decline during current year. Lower production is primarily attributed due to declining pepper area and un-favourable weather condition.

At other destinations, it is estimated, Vietnam has shipped around 78,000 million tonnes during the first seven months indicating Vietnam to command the global pepper dynamics.

On export front, during the period of January-June 2011, Lampung has shipped 14,760 tonnes of black pepper, as against 12,030 tonnes in the same period of last year. In the second half of the year however,

export of black pepper from Lampung is estimated to be lower than the corresponding period, due to lower crop this year. In June 2011, Lampung exported 1,608 mt as against 2,850 mt in June 2010, recording a significant decrease of 1,242 mt (44%).

Pepper International Prices:

Indian pepper MG-1 is quoted at USD 6,850-6,900 per ton (CnF) for US. Vietnam's 500 GL (FAQ) is quoted at USD 5,600 per ton, 550 GL at USD 5,950 per ton (FOB), Brazil B Asta is quoted at USD 6,250-6,300 and B-1 variety is quoted at USD 6,100-6,150 per ton (fob).

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (27-07-2011)	Week Ago (20-07-2011)	Month Ago (27-06-2011)	Year Ago (27-07-2010)
Black Pepper	Kochi-Ungarbled	+7.3%	29200	27200	26200	20300
	Kochi-Garbled	Unch	28200	28200	27000	20800
	New Delhi-Unpolished	+7.67%	30900	28700	27500	22000

Technical Analysis (spot market)

Black Pepper (Kochi Market)



Candlestick chart pattern indicates firm trend and long term trend is likely to stay intact. However, long liquidation might feature at higher levels towards 29500 which could lead black pepper spot market prices to touch towards 27500. We expect average black pepper prices at Kochi market might stay in the range of 28150 to 28925. Price might find strong buying support towards its EMA and any major dip towards the same might be seen a good buying opportunity.

Expected Price Range of Black Pepper at Kochi (INR/Qtl): 28150 – 28925

Spot Market Recap

Cardamom:

- Rising demand in spot markets against restricted arrivals lend underlying support to cardamom prices in the domestic market.
- Cardamom arrivals expected to increase in coming days amid gradually picking up of harvesting. However, weather (rainfall) to be watched very carefully as rains may hinder harvest as well as affect the quality.
- Reportedly this year crop is good as compared to last year.

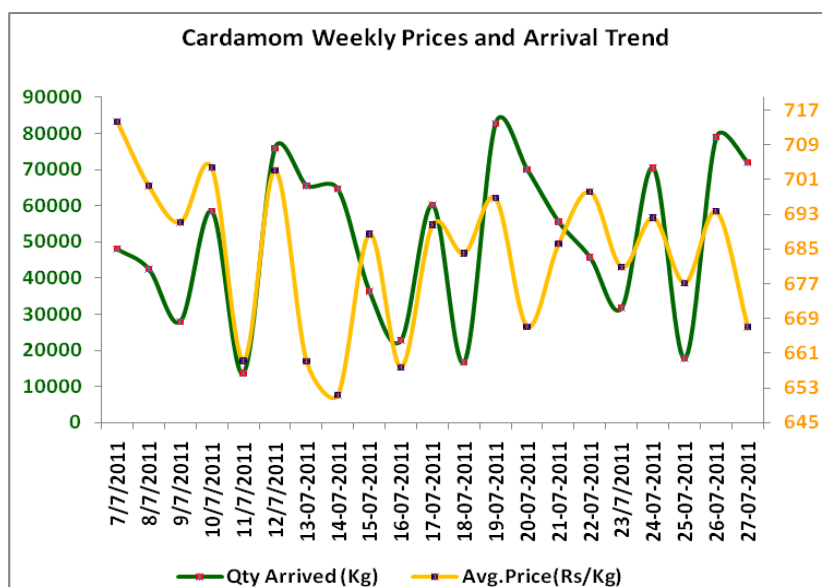
Fundamental Analysis:

Market	% Change during corresponding period last week	Arrivals during the week (21 st - 27 th July 11) in Kg	Arrivals during the week (14 th - 21 st July 11) in Kg	Arrivals during last year (21 st - 27 th July 2010) in Kg
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	-9.02%	371936	408840	31564

Cardamom arrivals were reported 371936 Kgs which was lower by 36904 Kgs as compared to the previous week. Heavy rainfall in Cardamom growing areas restricted the arrivals during the week under review. However, market participants are expecting increase arrivals in coming days as harvest is in progress.

Cardamom production may increase by 25% compared to the last year (2010) due favourable growing condition and supportive weather. Optimistic domestic production outlook coupled with report of record production from Guatemala might keep cardamom prices under pressure. Bright production outlook satisfactory carry in stocks for 2011 might stand encouraging for the growers to liquidate their old crop stocks. Any release of the same might lead to higher arrivals year on year. Expectation of increase supply during coming couple of weeks might limit any near term gain which was seen during previous week owing to rainfall which restricted the physical movement of the commodity.

Lowest arrival during the week was recorded at 371936 Kg during the period of 21st to 27th July while it was 408840 kg during previous week. However, trade participants are expecting increases in arrivals in coming days as harvesting is going on in better way which might keep cardamom prices under pressure.. Export demand stay robust during current period due to Ramadan demand from countries like UAE, UK,



Japan etc. which might cap any sharp fall. Therefore, cardamom price is likely to stay in a tight range during coming couple of week.

Weather Outlook:

However, weather looks congenial for the crop harvest with scattered rainfall forecast in principal cardamom growing states. As per the weather forecast valid till 28th July, widespread rain would occur over Andaman & Nicobar Island, fairly widespread rain would occur over Karnataka and Coastal A.P. Scattered rain/thundershowers would occur over rest of the region irregular rainfall over the producing region of Kerala will not hinder harvest for short term.

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Average Prices (Rs/Qtl)			
			Current (27-07-2011)	Week Ago (20-07-2011)	Month Ago (27-06-2011)	Year Ago (27-07-2010)
Vandanmettu, Thekkady, Kochi, Nedumkandam, Kumily, Santhanpara & Bodinayakanur (Kerala)	Small Cardamom	0.0074%	667.04	667.09	587.36	1582.37

Technical Analysis (spot market) Cardamom (values in Kg)



Candlestick formation does not indicate a clear price direction but shows prices to continue its sideways trend. Prices closed below 9 and 18-day EMA which might act as immediate resistance. However it might find strong support near 700. MACD is showing weakness. RSI is moving down in unison with the prices indicating selling likely to continue.

Expected Price Range of Cardamom (INR/Kgs): 798-927.

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