

## Spot Market Recap

### Turmeric:

- Higher arrivals were reported in the spot market during period of 28<sup>th</sup> July – 04<sup>th</sup> August 2011.
- At higher price level stockists are offloading their stocks in the domestic market.
- Turmeric sowing almost completed in Nizamabad and Erode areas. In Tamil Nadu, turmeric sowing has been done 125 per cent over previous year and nearly 100 per cent in Andhra Pradesh and Maharashtra.
- Ample stocks in the major mandies continue to pressure turmeric prices..

India's total production of turmeric in the current year is estimated at 65-68 lakh bags, which is higher by 29.32% as compared to the last year. Expectations of optimistic crop outlook for next year which might surpass the current year production keep overall market sentiments weak.

## Fundamental analysis

### Turmeric Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (28 <sup>th</sup> July – 04 <sup>th</sup> August 2011) in bags	Arrivals during the last week (21 <sup>st</sup> – 28 <sup>th</sup> July 2011) in bags	Arrivals during last year (28 <sup>th</sup> July – 04 <sup>th</sup> August 2010) in bags
Nizamabad (Andhra Pradesh)	+29.41	11,000	8,500	9,100
Erode (Tamil Nadu)	+16.67	42,000	36,000	30,000

1 bag = 90kgs

As illustrate in the above table, arrivals in Nizam were up by 2,500 bags as compared to the same period last week. Stockists are offloading their stocks at higher prices level in the domestic market. Likewise, in Erode spot market also higher arrivals was reported. Arrivals were reported at around 42,000 bags, as compared to previous week when it was seen at 36,000 bags.

Higher stocks, better production prospect, which also increase in carry out stocks for the next season, continue to pressure on the prices. Further we expect that, prices will not sustain at higher levels as buyers (stockists and traders) are not interested to go for aggressive buying this time due to ample supply during current period. Total beginning stocks were recorded in 2010-11, 13 – 15 lakh bags (1 bag= 60 kgs) as compared to the 4 - 5 lakh bags during 2009-10. Better supply y-o-y and favourable stock position shall keep turmeric prices range bound to weak with intermittent spike in price is possible during festivals.

### Weather Watch (06- 12 August):

Weather outlook looks favourable for turmeric growing region which might brighten production prospect. Shifting of monsoon trough to its near normal position, fairly widespread activity may occur over central, east & northeast India. Scattered rain/thundershowers may occur over northwest and south Peninsula. Widespread rain would occur over Coastal Karnataka and Andman & Nicobar Island. Fairly widespread rain would occur over Interior Karnataka and Coastal A.P. Scattered rain/thundershowers would occur over rest of the region.

**Actual rainfall and % Departure for the period of 1<sup>st</sup> June – 2<sup>nd</sup> August**

Regions	Actual Rainfall (mm) 1 <sup>st</sup> June – 2 <sup>nd</sup> August	Normal Rainfall (mm) 1 <sup>st</sup> June – 2 <sup>nd</sup> August	% Departure from LPA 1 <sup>st</sup> June – 2 <sup>nd</sup> August
Madhya Maharashtra	388.8	403.2	-4%
Coastal A.P	247.2	273.5	-10%
Telengana	359.8	390.0	-8%
Rayalaseema	165.3	167.8	-1%
Tamil Nadu and Pondicherry	99.9	117.6	-16%

**Source: IMD**

Rainfall during the period of 1st June – 2nd August remains marginally lower and near to its normal indicating no real threat to the crop as of now. However, farmers are waiting for normal precipitation received during Aug which might encourage robust vegetative growth.

Optimistic outlook for weather and expectation of better rainfall over the turmeric growing region might bridge the gap of deficit rainfall during June – July and gives respite to the crop. Aug rainfall is critical for turmeric which is likely to define rhizome growth and development. Satisfactory vegetative growth is reported for turmeric from its important growing state of South indicating brighten yield prospect as of now.

**Sowing Progress:**

Turmeric has been sown in 0.54 lakh hectares in A.P as on 03<sup>th</sup> August 2011. Turmeric sowing in Andhra Pradesh improved 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 03/08/11	% Sown to	
Crop	Season	As on date	As on 03/08/09	As on 03/08/10		Season	As on date
Turmeric	0.63	0.47	0.43	0.58	0.54	84	114

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 in turmeric area owing to better realization y-o-y. Considering the current weather scenario, turmeric growers are expecting again a bumper crop next year.

**Turmeric Price Outlook (Nizamabad Spot market)**


Candlestick pattern reveals bearish sentiment in the market. Closing of prices below 9 and 18 days might keep prices down while acting as a strong resistance zone. Indicators such as RSI and MACD do not hint and near term reversal though RSI is staying in oversold region. This might lead to possible spike for short term from its support zone.

Turmeric price is likely to continue its weak trend. Any near term jump in turmeric prices from its support level will keep prices in sideways consolidative phase. This might keep TMC prices in the price ranges of 6372-6948.

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (04-08-2011)	Week Ago (27-07-2011)	Month Ago (04-07-2011)	Year Ago (04-08-2010)
Turmeric	Nizamabad-Nizam Cold	-9.45	6700	7400	7950-8050	15097
	Erode-Finger	-9.79	6200-6700	6900-7400	8700-9700	15000-15490

**Spot Market Recap****Coriander Seed:**

- Lower arrivals were reported from domestic mandi during the week..
- Enhanced demand lends support to coriander at lower price quotes.
- Lean supply season and expectation of improvement in demand might continue to support prices at current levels.

**Fundamental analysis****Coriander Arrival Scenario:**

Market	% Change during corresponding period last week	Arrivals during the week (28 <sup>th</sup> July – 04 <sup>th</sup> August 2011) in bags	Arrivals during the last week (21 <sup>th</sup> – 28 <sup>th</sup> July 2011) in bags
Kota	-7.69	36,000	39,000
Ramganj	-6.44	27,600	29,500
Baran	-8.18	20,200	22,000

**1 bag=40 kg**

Taking Kota spot markets as the indicative market, arrivals were reported at 36,000 bags down by 3,000 bags compared to the same period last week.

Un-willingness to liquidate stocks at lower price quotes and steady to firm demand ahead of festivals might continue to keep prices firm during coming couple of week. 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.

Sources revealed that, festival demand lends additional support to the coriander prices in coming days. Exporters are also started buying in the domestic market due to fresh export enquiries from overseas market due to Ramadan demand. 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 supply crunch couple with higher demand in coming days might lends additional support to coriander prices during coming couple of weeks.

**Coriander Price Outlook (Kota Spot market)**

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (04-08-2011)	Week Ago (27-07-2011)	Month Ago (04-07-2011)
Coriander Seed	Ramganj-Badami	-1.92	3750-3900	3850-3950	3800-3900
	Kota-Badami	-7.52	4300	4600-4700	4500
	Baran-Badami	-11.12	3950-4050	4500	3900-4000

## Spot Market Recap

### Red Chilli:

- Chilli prices improved marginally in the spot owing to scattered buying seen at lower quotes.
- Increased arrivals were reported from Guntur spot market during the week period.
- Higher stocks at around 45 lakh bags (1 bag = 45 Kg) in cold storage continue to weigh on the market sentiments.
- Stockists are offloading their stocks at higher price level in the domestic market which is likely to increase supply for short term.
- 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 (28th July – 04th August 2011) in bags	Arrivals during the last week (21 <sup>th</sup> – 27 <sup>th</sup> July 2011) in bags	Arrivals during last year (28 <sup>th</sup> July – 04 <sup>th</sup> August 2010) in bags
Guntur (Andhra Pradesh)	<b>+108.33</b>	125,000	60,000	115,000

1 Bag=45 Kgs

Red Chilli arrivals in Guntur was reported 125,000 bags (1 bag=45Kg) during the week 28th – 4th August 2011 up by 65,000 bags w-o-w. 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.

Stockists are offloading their stocks at higher prices level which lead the prices to come down with increase in arrivals. Higher 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.

### Chilli Sowing Progress:

Red Chilli has been sown in 0.19 lakh hectares in A.P has as on 3rd August 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 03/08/11 Crop	% Sown to	
Crop	Season	As on date	As on 03/08/09	As on 03/08/10		Season	As on date
Red Chilli	1.61	0.38	0.14	0.38	0.19	12	50

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (04-08-2011)	Week Ago (27-07-2011)	Month Ago (04-07-2011)	Year Ago (04-08-2010)
Red Chilli	Guntur-334	+2.45	8000-8700	7500-8800	9000-9500	Closed
	Guntur-Teja	+3.89	9200-9500	8500-9500	8700-9400	5900-6400

**Price Outlook Red Chilly :( Guntur spot market)**


Candlestick formation shows formation of spinning top indicating inde in the market. Prices closed above 9 and 18-day EMA which might act as strong support zone. Indicators like MACD moving down while RSI stay flat indicating sideways movement is likely to continue. Expected Price Range of Red Chilly Guntur spot market (INR/Qtl): 8389 – 8962.

**Spot Market Recap:**
**Jeera**

- Lower arrivals were reported in the domestic market during the week under review.
- 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 new fresh export enquiries as of now.



**Fundamental analysis**
**Jeera Arrival Scenario:**

Market	% Change during corresponding period last week	Arrivals during the week (28 <sup>th</sup> -04 <sup>th</sup> August 2011) in bags	Arrivals during the last week (21 <sup>th</sup> -28 July 2011) in bags	Arrivals during last year (28 <sup>th</sup> – 04 <sup>th</sup> August 2010) in bags
Unjha (Gujarat)	<b>-46.98%</b>	44,000	83,000	35,400

Unjha 1 bag = 55kgs

Jodhpur 1bag = 80kgs

In Unjha market, lower arrivals were reported at 44,000 bags during the week period which was down by 39,000 bags (1 bag=55Kg) compared to the same period last week. Market participants are expecting, lower supply in near term and emerging lean season demand in coming days might supports the Jeera prices in the domestic market. At lower price level higher demand was reported by the Masala millers in the spot market. Stockists might keep their stocks along with them and will wait to liquidate the same at higher quotes.

Exporters are inactive in the domestic market at higher price level. Sources also revealed, 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 to soften. However, supply crunch in coming days and festival demand might support Jeera price to move up in short term to medium term.

Masala millers might active in coming days to cover their Sep- Dec requirements. Festival season might keep spot Jeera prices to stay firm going ahead. Meanwhile, this season carryover stocks are expected to remain at the lower side owing to lower production and lend support prices.

In overseas market, 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 3,400-3,500 per tonne (FOB).

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (04-08-2011)	Week Ago (27-07-2011)	Month Ago (04-07-2011)	Year Ago (04-08-2010)
Cumin Seed	Unjha-Loose	<b>-2.06%</b>	14200	14500	-	12700
	Jodhpur - Loose	<b>-6.34%</b>	14500-15000	15500-16000	14000-14500	12200-12300



**Jeera Price Outlook**
**Technical Analysis (spot market) Jeera: Unjha Mandi**


Jeera prices declined from its highs as prices could not sustain at higher levels however its long term bullish price trend is intact. 9 and 18-day EMA which might act as strong support zone and any decline towards the same might act as a cushion for the prices. Market indicators like MACD and RSI stay flat indicating consolidation is likely to continue for coming couple of week.

Expected Price Range of Jeera at Unjha (INR/Qtl): 15540 – 15913.

**Spot Market Recap**
**Black Pepper:**

- Virtually no arrivals noticed due to lower stocks and seller's un-willingness to sell pepper at current market prices.
- On expectations of higher price in coming days stockists are holding back their stocks in the domestic market.
- Credit crisis at US and widening economic crisis of EU might paint a bearish hue to the market sentiments. Demand from these nations for black pepper might decline sharply which might lend spill over weakness to the domestic prices.
- At the same time further decline in US Dollar against major currency and appreciation of INR against US Dollar may further dampen the market sentiments further for short term.

**Fundamental Analysis**
**Black Pepper Arrival Scenario**

Market	% Change during corresponding period last week	Arrivals during the week (28 <sup>th</sup> July -04 <sup>th</sup> August 2011) in tonnes	Arrivals during the last week (21 <sup>th</sup> -28 July 2011) in tonnes	Arrivals during last Year (28 <sup>th</sup> – 04 <sup>th</sup> August 2010) in tonnes
Kochi (Kerala)	-	-	20	215

In Kochi (Kerala) market, no arrivals were reported during the week period as compared to the same period last week when arrivals stood at 20 tonnes. Growers and stockists hold their stocks with softening of prices during recent time. Lower supply situation and refusal of seller to go for active selling might keep arrivals lower days ahead but expectation of lower demand due to credit crisis in US and EU might keep global pepper demand at subdued levels. Any major decline in export demand from these countries will have negative impact on black pepper prices for short term. However, medium to long term demand for black pepper is expected to stay steady to firm which might keep long term price trend firm.

Indian pepper quality is higher over other Asian nations, it is expected that pepper demand might pick up from Indian ports in case of any significant decline from the current price levels. It is important to keep watch on currency (USD vs INR) which is expected to appreciate during coming couple of days towards 44 (current is at 44.73). With near term appreciation of Indian currency against USD we expect demand to stay thin for short term.

**Black Pepper Global Market Scenario :**

In international market, pepper prices were firmed up till July end. Sri Lanka reported the highest pepper prices during this season. In Lampung, prices increased by 3% locally and 2% for offered FOB. Normally, July/August used to be the main harvest in Lampung and major pepper crop in East Lampung has been harvested. In North Lampung, harvest progress is poor which is expected to lend underlying support to the offered Indonesian prices for short term. Harvesting of pepper in Lampung has started and there was indication that the crop will be lower this year when compared to the last year, according to IPC.

FOB prices of Vietnamese black remain unchanged. In Sarawak, prices were stable. In dollar terms however, the local price increased by 2% owing to stable demand for Vietnamese pepper. Brazil too witness marginal improvement to the tune of 1 and 2% for local and FOB quotes respectively. Brazil continue to offer black pepper at competitive prices which results into shifting of pepper demand towards Brazilian ports.

**Pepper International Prices:**

Indian pepper MG-1 is quoted at USD 6,850-6,875 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), Indonesia's offering at USD 6,600 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 (04-08-2011)	Week Ago (27-07-2011)	Month Ago (04-07-2011)	Year Ago (04-08-2010)
Black Pepper	Kochi-Ungarbled	-1.71%	28700	29200	26300	17200
	Kochi-Garbled	+3.90%	29300	28200	27300	17700
	New Delhi-Unpolished	-2.91%	30000	30900	27500	19100

**Technical Analysis (spot market)  
Black Pepper (Kochi Market)**


Candlestick formation reveals bearish sentiment in the market. Prices closed above 9 and 18-day EMA which might act as strong support zone. Market indicators like MACD moving down indicating weakness in the market. However, RSI is moving down in positive zone indicates the bearish sentiment in the market.

Expected weekly black pepper price range: 28167 to 30153

**Spot Market Recap**
**Cardamom:**

- Increasing arrivals were reported in the domestic market during the week under review.
- Cardamom arrivals expected to increase in coming days amid gradually picking up of harvesting. However, harvesting will depend on weather as intensive rainfall might delay for short term as reveal from short term weather forecast.
- Reportedly this year crop is expected to be good as compared to last year.
- Prices got support from improving demand which limit excessive fall thereby keeping overall price trend sideways.

**Fundamental Analysis:**

Market	% Change during corresponding period last week	Arrivals during the week (28 <sup>th</sup> July -04 <sup>th</sup> August 2011) in bags	Arrivals during the last week (21 <sup>st</sup> - 27th July 11) in Kg	Arrivals during last Year (28th – 04th August 2010) in bags
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	+21.35%	451379	371936	103844

Cardamom arrivals were reported 451379 Kgs which was higher by 79443 Kgs as compared to the previous week. Increase in arrivals primarily attributed to release of old stocks by the stockiest followed by new crop arrivals. Arrival is expected to increase during coming couple of weeks if not disturbed by excessive rains. Intermittent rainfall during harvest is not likely restricting new crop arrivals in the mandi. Sources revealed that, next year crop will be higher due to favourable weather and higher carryover stocks are available with farmers might pull down the prices.

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.

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Average Prices (Rs/Qtl)			
			Current (04-08-2011)	Week Ago (27-07-2011)	Month Ago (04-07-2011)	Year Ago (04-08-2010)
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	Small Cardamom	-6.03%	626.78	667.04	665.66	1305.79

**Technical Analysis**
**Cardamom (values in Kg)**


Candlestick chart indicates bearish sentiment in the market; prices were continuously down from two weeks in the market. Prices closed below 9 and 18-day EMA which might act as immediate resistance. MACD is showing weakness. RSI is moving down in unison with the prices indicating selling likely to continue. Any near term decline might find strong support towards 750 and likely to trigger technical buying towards this level

Expected Price Range of Cardamom (INR/Kgs): 744 – 868.

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