

Spot Market Recap

Turmeric:

- Higher arrivals were reported in Nizamabad and Erode spot market during this period.
- Low demand and adequate quantity of stocks in the mandis are likely to pressurize the prices.
- In domestic market stockists were offloading their stocks at higher price level.
- Satisfactory sowing activities with good weather condition apprehension of better crop prospects and keep pressure on turmeric prices.

Fundamental analysis

Turmeric Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (04 th - 11 th August 2011) in bags	Arrivals during the week (28 th July - 04 th August 2011) in bags	Arrivals during the year (04 th - 11 th August 2010) in bags
Nizamabad (Andhra Pradesh)	+14.54	12,600	11,000	8,650
Erode (Tamil Nadu)	+3.34	43,400	42,000	22,000

1 bag = 90kgs

As depicted from the above table, arrivals in Nizam was reported at 12,600 bags during the week period, which was higher by 1,600 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 43,400 bags compared to previous week of 42,000 bags.

In Andhra Pradesh, turmeric sowing progress is reportedly satisfactory. Good Monsoon progress was reportedly keeping the sowing activities proper. As per trade sources, sowing area of turmeric in T.N. is expected to improve by 10 – 15 percent when compared to previous year owing to better return y-o-y. In Andhra Pradesh, turmeric sowing almost completed in major growing regions like Nizamabad, Guntur and Duggirala districts. Sources revealed that, in some regions deficit rainfall was however in Nizamabad districts good rainfall progress was reported and it supported the active sowing progress. Farmers are expecting that, in Nizamabad turmeric growing area might be increased up to 5 – 7 percent as compared to the same period last year. Satisfactory vegetative growth is reported for turmeric from its important growing state of south indicating brighten yield prospect as of now.

On supply side, there are ample stocks lying in the warehouses and along with producers. Higher stocks were reported from the major turmeric mandies compared to the last year stocks and it continue to pressure on the market sentiments. This is mainly due to higher carryover stocks amid higher production y-o-y. Expectations of optimistic crop outlook for next year which might surpass the current year production keep overall market sentiments weak.

On demand side, exporters were reported inactive at higher price quotes and most of the time seen waiting for the lower prices. However, they were expected to rise in coming weeks from Europe, US, West Asia and Japan and supported the prices to gain.

Weather Watch (13 - 19 August):

Large scale features suggest that Monsoon activity may further strengthen over the country. Fairly widespread rain would occur over Coastal Karnataka and Andman & Nicobar Island. Scattered rain would occur over Kerala, interior Karnataka and Coastal A.P. Isolated rain/thundershowers would occur over Rayalseema and Tamil Nadu.

Actual rainfall and % Departure for the period of 1st June – 9th August

Regions	Actual Rainfall (mm) 1 st June – 9 th August	Normal Rainfall (mm) 1 st June – 9 th August	% Departure from LPA 1 st June – 9 th August
Madhya Maharashtra	426.3	453.7	-6%
Coastal A.P	281.6	305.9	-8%
Telengana	385.2	436.7	-12%
Rayalaseema	180.5	189.4	-5%
Tamil Nadu and Pondicherry	109.2	133.8	-18%

Source: IMD

As shown from the above table, most of the turmeric growing regions received deficit rainfall from the period of 1st June – 9th August when compared with its LPA and farmers are waiting for normal rainfall in coming days. However, growers are expecting for normal precipitation received during Aug which might encourage robust vegetative growth during the coming week period.

Sowing Progress:

Turmeric has been sown in 0.57 lakh hectares in A.P as on 10th August 2011 as compared to the last week 0.54 lakh hectares. 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 10/08/11	% Sown to	
Crop	Season	As on date	As on 10/08/09	As on 10/08/10		Season	As on date
Turmeric	0.63	0.48	0.44	0.61	0.57	90	121

Turmeric sowing in Andhra Pradesh was reported satisfactory. Good monsoon rainfall over the region ensures better crop prospect in AP. Turmeric growers are expecting that, in A.P. turmeric growing areas might be increase in current sowing period 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 formation reveals bearish sentiment in the market. Prices are closed above 9-day EMAs supporting bearish momentum in the short term. RSI is moving down in neutral zone indicate the bearish trend further.

This might keep TMC prices in the price ranges of 5882-6745.

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (11-08-2011)	Week Ago (04-08-2011)	Month Ago (11-07-2011)	Year Ago (11-08-2010)
Turmeric	Nizamabad-Nizam Cold	---	6700	6700	7500-7600	14897
	Erode-Finger	-6.97	5800-6200	6200-6700	7000-7200	14650-15050

Spot Market Recap

Coriander Seed:

- Lower arrivals were reported from domestic mandi during the period under review.
- Lower export demand is weighing on the market sentiments.
- Inactive response from Masala millers in domestic market also continue to pull markets lower in coming days.
- Lean supply season and festive season demand is expected to pull coriander prices up in coming days.

Fundamental analysis

Coriander Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (04 th - 11 th August 2011) in bags	Arrivals during the last week (28 th – 04 th August 2011) in bags
Kota	-56.95	15,500	36,000
Ramganj	-39.13	16,800	27,600
Baran	-49.50	10,200	20,200

1 bag=40 kg

Taking Kota spot markets as the indicative market, arrivals were reported at 15,500 bags during the week under review down by 20,500 bags compared to the same period last week. Expectation of lower supply in coming days might lend underlying support to the coriander prices.

Having ample quantity of stocks exporters were also reported inactive at higher price level. Sources revealed that, exporters demand might come in the domestic market due to fresh export enquiries from overseas due to Ramadan demand.

Considering the lean supply season and expectation of improvement in consumption we expect prices to rule firm during coming couple of weeks and stockists were also uninterested to offloading their stocks at lower price quotas. As per trade information, in Rajasthan and Madhya Pradesh total stocks was reported at around 15 – 20 lakh bags (1 bag = 40 kg) which might keep prices under pressure. Any major decline going ahead might be a buying opportunity for Masala millers and retailers to take off-season premium during Oct to December period.

Coriander Price Outlook (Kota Spot market)


Candlestick formation reveals bearish sentiment in the market. Prices are closed above 9-day EMAs supporting bullish momentum in the short term. RSI is moving up in neutral zone indicate the bullish trend further.

We are expecting that, coriander prices to stay in the range of 5385-6153.

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (11-08-2011)	Week Ago (04-08-2011)	Month Ago (11-07-2011)
Coriander Seed	Ramganj-Badami	-2.61	3650-3800	3750-3900	3600-3700
	Kota-Badami	-2.32	4200	4300	4500
	Baran-Badami	+3.75	4100-4200	3950-4050	3600-4000

Spot Market Recap

Red Chilli:

- Higher arrivals were reported in Guntur spot market during this period.
- Adequate quantities of stocks were reported in cold storage warehouses in domestic market. Sources revealed that, at around 30-35 lakh bags (1 bag = 45 Kg) of stocks lying in cold storage. Meanwhile, weak demand featured in the spot keeping in view hefty stock position.
- 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 (04 th - 11 th August 2011) in bags	Arrivals during the week (28th July – 04th August 2011) in bags	Arrivals during last year (04 th - 11 th August 2010) in bags
Guntur (Andhra Pradesh)	+32.00	165,000	125,000	220,000

1 Bag=45 Kgs

Red Chilli arrivals in Guntur was reported 165,000 bags (1 bag=45Kg) during the week 4th August – 11th August 2011 up by 40,000 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, Khammam, Ongole areas higher stocks were reported during this current period. At around 30 – 35 lakh bags cold storage stocks was found.

Good demand was reported during this week period for Red Chilli Teja and Badiga varieties in the domestic market mainly from Guntur market due to increasing demand in overseas market particularly Malaysia and Singapore, Bangladesh etc.

Chilli Sowing Progress:

Red Chilli has been sown in 0.28 lakh hectares in A.P has as on 10th August 2011. In Andhra Pradesh farmers are expecting a good crop this year with favourable weather outlook. As per trade sources, chilli area might be increase in AP as compared to the last year due to good monsoon progress. As per farmer's information, transplanting of Chilli might be started from mid of August. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 10/08/11 Crop	% Sown to	
Crop	Season	As on date	As on 10/08/09	As on 10/08/10		Season	As on date
Red Chilli	1.61	0.47	0.17	0.47	0.28	18	61

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (11-08-2011)	Week Ago (04-08-2011)	Month Ago (11-07-2011)	Year Ago (11-08-2010)
Red Chilli	Guntur-334	-1.29	7900-8600	8000-8700	8000-8800	Closed
	Guntur-Teja	-0.53	9200-9400	9200-9500	8000-9200	5900-6400

Price Outlook Red Chilly :(Guntur spot market)


Candlestick formation shows formation of bullish trend in the market. Prices closed above 9 and 18-day EMA which might act as strong support zone. Indicators like RSI is moving up in neutral zone indicate the bullish trend further.

Expected Price Range of Red Chilly Guntur spot market (INR/Qtl): 8349 – 9308.

Spot Market Recap:
Jeera

- Lower arrivals were reported in the major mandies due to off season.
- During the week under review cumin spot market prices remains steady to weak. Scattered export inquiry fail to hold prices at higher levels.
- According sources stockiest are holding their stocks for better price expectation in future which resulted lower arrivals during the week under review.
- Sources revealed that, domestic demand in coming days due to festive season also push pepper prices to gain in short term.

Fundamental analysis
Jeera Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (04 th - 11 th August 2011) in bags	Arrivals during the last week (28 th -04 th August 2011) in bags	Arrivals during last year (04 th - 11 th August 2010) in bags
Unjha (Gujarat)	-40.90	26,000	44,000	15,400

Unjha 1 bag = 55kgs

Taking Unjha cash markets as the indicative market, arrivals were seen at 26,000 bags during the period of 4th -11th August 2011 as compared to previous week same period when arrivals were reported at 44,000 bags, lower by 18000 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 mainly from Middle East might be started due to festive season demand.

Jeera price likely to move up in short term to medium term on lower supply and emerging lean season demand. Arrivals declined significantly and stay at subdued levels. Period of July to December is lean season in terms of arrival seasonality and prices moves up during the period. Expecting new arrivals to stay at lower side, we expect jeera prices to rule firm during coming couple of weeks.

Masala millers might active in coming days to cover their Sep- Dec requirements. In the meantime, this season carryover stocks are expected to remain at the lower side owing to lower production and lend support prices.

In the international market, Syrian and Turkey's cumin seed was reported at USD 3,200-3,300 per ton (fob) while, Indian cumin seed is quoted at USD 3,300 per ton (cnf) Singapore.

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (11-08-2011)	Week Ago (04-08-2011)	Month Ago (11-07-2011)	Year Ago (11-08-2010)
Cumin Seed	Unjha-Loose	-3.16	13750	14200	15000	13000
	Jodhpur - Loose	-1.72	14500	14500-15000	13350-13500	13400-13500

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


Candlestick formation reveals bearish sentiment in the market. Jeera prices could not sustain at higher levels however its long term bullish price trend is intact. Prices closed below 9 and 18-day EMA which might indicates bearish sentiment in the market. Market indicators RSI is moving down in neutral zone further indicates bearish sentiment in the market.

Expected Price Range of Jeera at Unjha (INR/Qtl): 14000 – 15500.

Spot Market Recap

Black Pepper:

- Almost no arrivals were reported during the week period 4th August – 11th August 2011. Due to lower stocks amid sellers were not interested to sell their produce at current market prices.
- Stockists are holding back their stocks on expectations of higher prices level in coming days.
- Lower carry in stocks with y-o-y lower pepper production owing to pepper decline in old orchards continue to keep supports the black pepper prices in the domestic market.
- Market participants are expecting that, domestic demand in coming days due to festive season also push pepper prices to gain in short term.

Fundamental Analysis

Black Pepper Arrival Scenario

Market	% Change during corresponding period last week	Arrivals during the week (04 th – 11 th August 2011) in tonnes	Arrivals during the last week (28th July -04th August 2011) in tonnes	Arrivals during last Year (04 th – 11 th August 2010) in tonnes
Kochi (Kerala)	-	-	-	165

In Kochi (Kerala) market, no arrivals were reported during the week period same as the last week. Sellers are not willing to off-load their existing stocks with relatively thin arrivals. At the same time stockiest are holding their physical stocks and not in hurry to off-load their stocks. Tight 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.

Since the pepper quality from India most of the time enjoys premiums 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 owing to pepper decline in old orchards continue to keep black pepper prices on encouraging note. As per trade sources, at around 7000 – 8000 tonnes of stocks were found in Kerela and Karnataka regions which was lower than previous years stocks. In coming period, demand for black pepper is expected to stay steady to firm (prior to start of festivals) which might keep long term price trend firm.

In July 2011, Vietnam exported 10,980 tons of pepper as against 12,050 tons in July 2010. During January-July 2011, export of pepper from Vietnam was at around 79,600 tons, which was down by nearly 4,300 tons from export of 83,900 tons of the same period last year.

Pepper International Prices:

Indian pepper MG-1 is quoted at USD 6,600 – 6650 per ton (CnF) for US. Vietnam's 500 GL (FAQ) is quoted at USD 5,600 per ton, 550 GL at USD 5,200 per ton (FOB), Indonesia's offering at USD 6,600 per ton (fob).

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (11-08-2011)	Week Ago (04-08-2011)	Month Ago (11-07-2011)	Year Ago (11-08-2010)
Black Pepper	Kochi-Ungarbled	-3.13	27800	28700	26300	18800
	Kochi-Garbled	-2.38	28600	29300	27300	19300
	New Delhi-Unpolished	---	-	30000	27800	20300

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


Candlestick formation reveals bullish sentiment in the market. Prices closed above 9 and 18-day EMA which might act as strong support zone. RSI is moving up in positive zone indicates the bullish sentiment in the market.

Expected weekly black pepper price range: 28593 to 30201.

Spot Market Recap

Cardamom:

- Lower 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.
- Expectations of optimistic crop production this year as compared to last year production.
- Rise in demand in coming days in spot market ahead of the festive season supports the cardamom prices to gain.

Fundamental Analysis:

Cardamom Arrival Scenario

Market	% Change during corresponding period last week	Arrivals during the week (04 th - 11 th August 2011) in bags	Arrivals during the last week (28 th July -04 th August 2011) in Kg	Arrivals during last Year (04 th - 11 th August 2010) in bags
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	-20.47	358972	451379	135879

Cardamom arrivals were reported 3, 58, 972 Kgs which was lower by 92,407 Kgs as compared to the previous weeks arrivals. Heavy rainfall in Cardamom growing areas restricted the arrivals. However, market participants expect arrivals to increase during Aug with active harvest.

As per farmer's information, favourable weather condition at the time of crucial stages of crop increased possibilities of higher yield which in turn results in better production in current year. Better cardamom production y-o-y and relatively higher stocks lying with the stockiest and growers might results into higher arrivals going ahead with the harvest. Comfortable supply and lack of aggressive buying continue to weigh on the market sentiments.

Sources revealed that, strong international demand might be come from the period of August to September amid with domestic festivals demand; we do not expect any significant decline in prices despite active harvest and surging arrivals. Firm international demand might hold the current price levels till Sep. However, with the onset of arrivals from Guatemala from Sep one can see global prices to soften which might have spill over weak impact on domestic cardamom prices.

Weather Outlook (13 - 19 August):

Since cardamom is under harvest these days so any intensive rainfall during the current period might slow down the harvest which might lend underlying support to the prices. However, weather looks congenial for the crop harvest with scattered rainfall forecast in principal cardamom growing states. Fairly widespread rain would occur over Coastal Karnataka and Andman & Nicobar Island. Scattered rain would occur over Kerala, interior Karnataka and Coastal A.P. Isolated rain/thundershowers would occur over Royalseema and Tamil Nadu.

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Average Prices (Rs/Qtl)			
			Current (11-08-2011)	Week Ago (04-08-2011)	Month Ago (11-07-2011)	Year Ago (11-08-2010)
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	Small Cardamom	-0.16	627.79	626.78	659.21	1409.92

Technical Analysis
Cardamom (values in Kg)


Candlestick chart indicates bearish sentiment in the market; prices were continuously down w-o-w in the market. Prices closed below 9 and 18-day EMA which indicates bearish sentiment in the market. RSI is moving down in positive region indicating selling likely to continue.

Expected Price Range of Cardamom (INR/Kgs): 715 – 820.

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