

## Spot Market Recap

### Turmeric:

- Lower arrivals were reported in Nizamabad and Erode spot market during the week under review and it supported the prices to gain in the domestic market.
- Good sowing activities with favourable weather with bright crop outlook keep weighing on market sentiments.
- Satisfactory vegetative growth is reported from important growing state which is indicative of higher yield.

## Fundamental analysis

### Turmeric Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (11 <sup>th</sup> - 18 <sup>th</sup> August 2011) in bags	Arrivals during the week (04 <sup>th</sup> - 11 <sup>th</sup> August 2011) in bags	Arrivals during the year (11 <sup>th</sup> - 18 <sup>th</sup> August 2010) in bags
Nizamabad (Andhra Pradesh)	-36.50	8,000	12,600	11,400
Erode (Tamil Nadu)	-56.22	19,000	43,400	23,000

1 bag = 90kgs

Lower arrivals were reported week on week owing to holidays when minimal trading activities were seen during the period under review. As shown from the above table, arrivals in Nizam were reported at 8,000 bags during the week period, which was lower by 4,600 bags as compared to the same period last week. Similarly in Erode spot market arrivals reported lower at 19,000 bags compared to previous week of 43,400 bags.

Turmeric price is likely to decline in coming days as higher stocks and anticipation of higher output might continue to weigh on the market sentiments. Higher current stock position of around 42 lakh bags reported, which is more than 20% as compared to the same period last year. Relatively higher turmeric stock position and ample supply situation shall keep turmeric prices under pressure for short to medium term perspective.

Turmeric production in the year 2010-11 is estimated at 69 lakh bags (1 bag= 70 kgs) compared to 48 lakh bags previous year which is up by 43.75% from the previous year. Higher output is expected during 2011-12 MY as well which might add to the supply and likely to keep long term fundamentals on subdued note moving forward.

Higher stocks results into higher arrivals y-o-y in Nizamabad and Erode mandis especially during the lean season. Turmeric arrival is expected to stay at higher levels during coming couple of weeks which might cap aggressive gain in prices. However, intermittent spike is possible as local festival during Aug and Sep might lend underlying support to the turmeric prices for short term.

Exporters demand for turmeric was seen stale in domestic market at higher price quotes and waiting for the prices to correct. Any near term sharp decline in turmeric prices shall lure exporters to book few export consignments. European and west Asian buyers are having close watch on turmeric prices and any near term decline would encourage them to go for buying from spot.

#### **Weather Watch (20- 26 August):**

With the likely southward shift of trough, Monsoon activity may increase over central India and adjoining Andhra Pradesh and Maharashtra. However, rainfall would decrease over northwest and east India. Scattered rain would occur over Interior Karnataka, Coastal A.P. Rayalseema and TamilNadu.

#### **Actual rainfall and % Departure for the period of 1<sup>st</sup> June – 17<sup>th</sup> August**

<b>Regions</b>	<b>Actual Rainfall (mm) 1<sup>st</sup> June – 17<sup>th</sup> August</b>	<b>Normal Rainfall (mm) 1<sup>st</sup> June – 17<sup>th</sup> August</b>	<b>% Departure from LPA 1<sup>st</sup> June – 17<sup>th</sup> August</b>
Madhya Maharashtra	463.0	503.7	<b>-8%</b>
Coastal A.P	311.4	349.0	<b>-11%</b>
Telengana	419.4	500.4	<b>-16%</b>
Rayalaseema	217.0	216.6	<b>0%</b>
Tamil Nadu and Pondicherry	153.2	154.7	<b>-1%</b>

**Source: IMD**

As shown from the above table, most of the turmeric growing regions received normal to deficit rainfall from the period of 1st June – 17th August when compared with its LPA. Though turmeric is in vegetative phase and intermittent rainfall is required to attain full vegetative vigour. Optimistic weather forecast during coming couple of days might enrich the soil which might aid to full growth and vigour. Conditions as of now are favourable for turmeric crop which gives preliminary indication for normal yield. However, the final yield will be dependent on the total rainfall received during June – Sep period.

#### **Sowing Progress:**

Turmeric has been sown in 0.60 lakh hectares in A.P as on 17<sup>th</sup> August 2011 as compared to the last week when sowing were seen at 0.57 lakh hectares. Turmeric sowing in Andhra Pradesh improved week on week but it is likely to finish during Aug end to Sep first week. 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 17/08/11	% Sown to	
Crop	Season	As on date	As on 17/08/09	As on 17/08/10		Season	As on date
Turmeric	0.63	0.56	0.44	0.69	0.60	95	109

Turmeric sowing report in Andhra Pradesh was reported satisfactory. Improvement in rainfall over the turmeric growing region ensures better crop prospect. 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.

The following table shows the total turmeric sowing progress in Andhra Pradesh zone wise, comparison of current year and previous year and their percentage change:

TURMERIC GROWING REGION			
Andhra Pradesh Zone wise	2010	2011	%change
Coastal Andhra	11107	6736	-39.35
Rayalaseema	7483	8038	7.42
Telangana	50551	45526	-9.94
<b>Andhra Pradesh Total</b>	<b>69141</b>	<b>60300</b>	<b>-12.79</b>

**Unit – Area in hectares**

In Andhra Pradesh, sowing is improved week on week but it is still lower when compared to previous year same period. However, sowing is expected to continue during Aug to first week of Sep we expect turmeric area to match the season normal and even can touch towards the previous year levels as the farmers are seen enthusiastic for turmeric growing. Most of the turmeric growing regions like Coastal Andhra, Telangana had received deficit rainfall during this sowing period in which interrupt sowing y-o-y. However, in Rayalaseema region good monsoon showers were reported and thus positive sowing progress could be seen from the region.

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


Candlestick formation reveals bearish sentiment in the market. Prices are closed below 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 5872-6543.

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (18-08-2011)	Week Ago (11-08-2011)	Month Ago (18-07-2011)	Year Ago (18-08-2010)
Turmeric	Nizamabad-Nizam Cold	+1.49	6800	6700	6800-6900	14900
	Erode-Finger	Unch	5800-6200	5800-6200	6600-7200	14450-15050

## Spot Market Recap

### Coriander Seed:

- Mostly lower arrivals were reported from domestic mandi during the week period due to lean season.
- Lower domestic and export demand was reported and it exert pressure on prices. Market participants are expecting that, coriander demand might improve from September.
- Sluggish demand was reported at higher price level and buyers/stockists are having ample quantity of stocks. Inactive response from masala millers in domestic market also reported.
- Festive season demand is expected to lend support to coriander prices in the domestic market in coming days.

## Fundamental analysis

### Coriander Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (11 <sup>th</sup> - 18 <sup>th</sup> August 2011) in bags	Arrivals during the last week (04 <sup>th</sup> – 11 <sup>th</sup> August 2011) in bags
Kota	-14.19	13,300	15,500
Ramganj	-7.73	15,500	16,800
Baran	+15.68	11,800	10,200

**1 bag=40 kg**

Taking Kota spot markets as the indicative market, arrivals were reported at 13,300 bags during the week under review down by 2,200 bags compared to the same period last week. Expectation of lower supply in coming days might lend underlying support to the coriander prices in coming days.

Stockists and exporters were reported inactive at higher price level having ample quantity of stocks. Sources revealed that, in Rajasthan is having maximum quantity of coriander stock could be which is around 45 – 50 percent of the total coriander production during 2010-11. Other regions like in Andhra Pradesh is having stocks of around 4 – 5 lakh bags ( 1 bag = 40 Kg) as per trade sources.

Considering the lean supply season and expectation of improvement in consumption we expect prices to rule firm. 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 might find support towards its 9 & 21-Day and technical buying is expected from the region. RSI stand supportive for the prices despite being in a corrective phase indicating buying likely to trigger at lower levels. We are expecting that, coriander prices to stay in the range of 5602-5946.

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (18-08-2011)	Week Ago (11-08-2011)	Month Ago (18-07-2011)
Coriander Seed	Ramganj-Badami	+3.36	3800-3900	3650-3800	3900-4100
	Kota-Badami	Unch	4200	4200	4400
	Baran-Badami	-2.40	4000-4100	4100-4200	4100-4200

## Spot Market Recap

### Red Chilli:

- Lower arrivals were reported in Guntur spot market during this week period.
- Higher stocks weigh on market sentiments while stockiest were seen liquidating their stocks at higher price level.
- During the week period, satisfactory sowing reports from Andhra Pradesh with bright crop outlook prospect might limit aggressive gains.
- Export demand was reported in the domestic market for chilli varieties which supported the Chilli prices to gain. Demand for Indian red chilli in overseas market increasing day by day.

## Fundamental Analysis

### Red Chilli Arrival Scenario:

Market	% Change Over Previous Week	Arrivals during the week (11 <sup>th</sup> - 18 <sup>th</sup> August 2011) in bags	Arrivals during the week (04 <sup>th</sup> - 11 <sup>th</sup> August 2011) in bags	Arrivals during last year (11 <sup>th</sup> - 18 <sup>th</sup> August 2010) in bags
Guntur (Andhra Pradesh)	<b>-18.18</b>	135,000	165,000	105,000

1 Bag=45 Kgs

Red Chilli arrivals in Guntur was reported 135,000 bags (1 bag=45Kg) during the week period down by 30,000 bags w-o-w. Holidays amid festivals restricted trading activities in spot market. 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 prices level which lead the prices to come down with increase in arrivals. At the same time comfortable stock position during this season capped Chilli prices. In Guntur cold storage stocks was found at around 25 - 28 lakh bags.

Weak demand for LCA 334 continue to loom the market sentiments while demand for export quality chillies stay steady. Lean season demand is likely to pick up during coming couple of week which might lend underlying support to the chilli prices for short term..

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 0.37 lakh hectares in A.P has as on 17th August 2011 as compared to the last week 0.28 lakh hectares. Trader sources expect chilli production to increase this year due to favourable weather condition. Red Chilli area might increase in AP year on year. As per trade sources, chilli plantation has been completed in Nimad, Madhya Pradesh. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 17/08/11 Crop	% Sown to	
Crop	Season	As on date	As on 17/08/09	As on 17/08/10		Season	As on date
Red Chilli	1.61	0.75	0.15	0.53	0.37	23	49

The following table shows the total Red chilli sowing progress in Andhra Pradesh zone wise, comparison of current year and previous year and their percentage change:

CHILLI SOWING PROGRESS			
Andhra Pradesh Zone wise	Last Year	Current Year	%change
Coastal Andhra	32411	17894	-44.79
Rayalaseema	9056	8904	-1.68
Telangana	11847	9892	-16.50
Andhra Pradesh Total	53314	36690	-31.18

Unit – Area in hectares

In Andhra Pradesh, though Red chilli sowing progress reported satisfactory during the week period however it is lagging y-o-y. Most of the chilli growing regions like Coastal Andhra, Telangana and Rayalaseema had received deficit rainfall which hampers the initial sowing progress. However, with favourable outlook we expect sowing acreage to surpass the seasons normal till first week of Sep.

#### Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (18-08-2011)	Week Ago (11-08-2011)	Month Ago (18-07-2011)	Year Ago (18-08-2010)
Red Chilli	Guntur-334	Unch	7900-8600	8200-8300	8000-8800	Closed
	Guntur-Teja	+0.55	9000-9300	9000-9200	8500-9500	5700-6200



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


Candlestick chart indicates sentiment sideways movement t in the market. Prices closed above 9 and 21-day EMA which might act as strong support zone. RSI is moving up in neutral zone indicate the bullish trend further.

Expected Price Range of Red Chilly Guntur spot market (INR/Qtl): 8660 – 9237.

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

- Lower arrivals were reported in the major mandies due to weekend holidays.
- During this period, jeera spot market prices remains steady to weak. Jeera prices were not sustaining at higher levels due to shortage of good quality cumin seed and lack of fresh export inquiry in domestic market.
- Weak demand and stockists un-willingness to liquidate stock at lower prices are mainly attributed to lower arrivals during the week under review.

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

Market	% Change during corresponding period last week	Arrivals during the week (11 <sup>th</sup> - 18 <sup>th</sup> August 2011) in bags	Arrivals during the last week (04 <sup>th</sup> -11 <sup>th</sup> August 2011) in bags	Arrivals during last year (11 <sup>th</sup> - 18 <sup>th</sup> August 2010) in bags
Unjha (Gujarat)	<b>-61.53</b>	10,000	26,000	18,500

**Unjha 1 bag = 55kgs**

Taking Unjha cash markets as the indicative market, arrivals were reported at 10,000 bags during the period of 11<sup>th</sup> - 18<sup>th</sup> August 2011 down by 16,000 bags as compared to previous week same period. Stockists were holding back their stocks in domestic market on expectations of higher price level in coming days. Market participants are expecting lower supply going ahead with the lean season which might lend underlying support to the jeera prices. Masala millers might active in coming days to cover their Sep- Dec requirements.

During this current season total carryover stocks were also found lower side owing to lower production. In Gujrat (Unjha mandi) Jeera stock position were reported at around 10 – 12 lakh bags (1 bag = 55kg) as compared to the same period last year 13 – 14 lakh bags. Exporters were expecting new export demand will improve in coming couple of weeks.

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 (18-08-2011)	Week Ago (11-08-2011)	Month Ago (18-07-2011)	Year Ago (18-08-2010)
Cumin Seed	Unjha-Loose	<b>+1.81</b>	14000	13750	-	13150
	Jodhpur - Loose	<b>-6.89</b>	13500	14500	14200	13400-13500

## Jeera Price Outlook

### Technical Analysis (spot market) Jeera: Unjha Mandi



Jeera spot prices are moving in sideways side. Candlestick formation reveals bullish sentiment in the market. Jeera prices could not sustain at higher levels however its long term bullish price trend is intact. Prices closed between 9 and 21-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): 14724 – 15460.

## Spot Market Recap

### Black Pepper:

- No arrivals were reported during the week period 11th– 18th August 2011. Due to lower stocks amid sellers were not interested to sell their produce at current market prices.
- Buyers seen active in spot black pepper market which lends underlying support to the black pepper prices for short term.
- Market participants are expecting that, pepper prices will go up in coming days due to low stocks position in the domestic mandis due to global shortage and lower stock position.

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

Market	% Change during corresponding period last week	Arrivals during the week (11 <sup>th</sup> – 18 <sup>th</sup> August 2011) in tonnes	Arrivals during the last week (04th - 11th August 2011) in tonnes	Arrivals during last Year (11 <sup>th</sup> – 18 <sup>th</sup> August 2010) in tonnes
Kochi (Kerala)	-	-	-	-

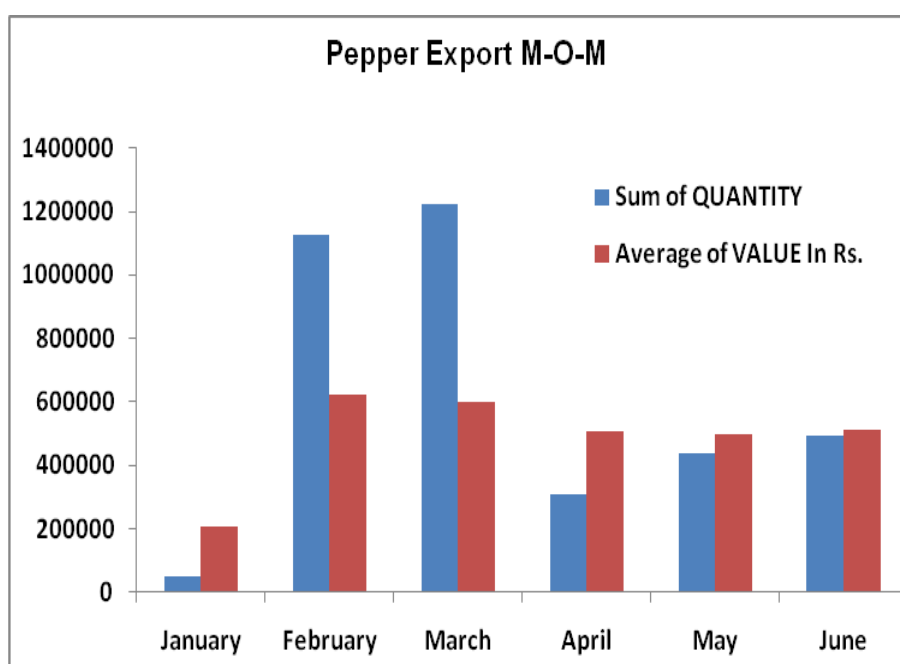
In Kochi (Kerala) market, no arrivals were reported during the week period. Stockists were not interested to offloading their stocks with relatively thin arrivals. Stiff supply situation and un-willingness of seller to go for active selling lend underlying support to the prices. Meanwhile, such situation is likely to extend during coming couple of weeks which might keep overall pepper fundamentals on encouraging note moving forward.

**International sentiments for Pepper market:**

In overseas market, short supply of pepper for 2011 is playing a key role in keeping global pepper prices at higher levels. As per the International Pepper Community, global pepper production during current year will be at around 303500 tonnes down by 6,500 tonnes as compared to the same period last year due to un-seasonal rains and pepper decline (physiological disorder) in several producing countries.

As per Malaysian Pepper Board, the world's second biggest producer had estimated its domestic consumption current year to rise to 45,000 tonnes against a projected production of 48,000 tonnes. Indonesian pepper (world's No. 4 producer) is expected to produce 37,000 tonnes against an estimated consumption of 16,000 tonnes this year. During June 2011, Brazil exported 1,532 mt of pepper valued at USD 8.42 million, as against 1,859 mt valued at USD 5.77 million in June 2010. Compared to the export in the previous month (May 2011), the export showed a decrease of 4%.

It is evident from the adjacent chart that, black pepper export from India increased from April onwards especially during lean export period. This reveals export demand to stay firm even during the off-season when prices generally stay firm. This indicates strong demand for Indian pepper which is likely to extend during coming couple of months. Quantity for export is likely to increase during coming couple of days with value in terms of rupees might go up.



This shall stand supportive for the overall pepper fundamentals during coming couple of trading session.

**Black Pepper International Prices:**

In overseas market, India's black pepper prices were reported at USD 7,100 per ton NY (cnf). Vietnam's 550 GL faq and 550 GL are quoted at USD 6,000 and USD 6,300 per ton, Asta at USD 6,800 per ton (fob) and Vietnam's double washed white pepper offered at USD 8,500 per ton (fob).

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (18-08-2011)	Week Ago (11-08-2011)	Month Ago (18-07-2011)	Year Ago (18-08-2010)
Black Pepper	Kochi-Ungarbled	+5.39	29300	27800	27000	19400
	Kochi-Garbled	+5.94	30300	28600	28000	19300
	New Delhi-Unpolished	---	30500	-	28500	21300

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


Candlestick formation reveals bullish sentiment in the market. Prices closed above 9 and 21-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: 29623 to 31434.

## 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 with picking up of harvest. However, weather (rainfall) to be watched very carefully as rains may hinder harvest as well as affect the quality.
- Improving demand in domestic market lend support to the cardamom prices.
- However, new crop arrivals improved during the week which might limit sharp gain.

## Fundamental Analysis:

### Cardamom Arrival Scenario

Market	% Change during corresponding period last week	Arrivals during the week (11 <sup>th</sup> - 18 <sup>th</sup> August 2011) in bags	Arrivals during the week (04 <sup>th</sup> - 11 <sup>th</sup> August 2011) in bags	Arrivals during last Year (11 <sup>th</sup> - 18 <sup>th</sup> August 2010) in bags
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	<b>-22.41</b>	<b>278492</b>	<b>358972</b>	<b>175509</b>

Cardamom arrivals were reported at 2, 78,492 Kgs down by 80,480 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 – September month with increasing harvest in the growing region though rainfall might be restricted the same.

Increasing cardamom production y-o-y helped to build up the stocks in domestic market. Higher carry in stocks and ample supply and lack of active buyers in the domestic market continue to pressure prices. However, market participants were expecting global demand stay supportive during August to September which is likely to lend underlying support to the cardamom prices during medium term. As per trade sources cardamom production in India is slightly higher than at around 12000 tons while cardamom production in Guatemala is projected at 20000 tons.

### Weather Watch (20- 26 August):

Since cardamom is under harvest these days so any intensive rainfall during the current period might slow down the harvest in the producing region and reported lower arrivals in the spot market. Fairly widespread rain would occur over Coastal Karnataka, Kerala, Lakshdweep and Andman & Nicobar Island. This indicates possibility of lower cardamom arrivals during next week which is likely to keep cardamom prices range bound for short term.



**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Average Prices (Rs/Qtl)			
			Current (18-08-2011)	Week Ago (11-08-2011)	Month Ago (18-07-2011)	Year Ago (18-08-2010)
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	Small Cardamom	-5.09	595.82	627.79	684.02	1317.07

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


Candlestick chart pattern indicates sideways movement is likely to continue for short term. Cardamom prices might find support near 670 to 675 and could get technical buying near the level during this week period. 9 and 21-day EMA might act as a barrier where it find stiff resistance. RSI is moving in tune with the prices supporting sideways movement for short term.

Expected Price Range of Cardamom (INR/Kgs): 678 – 841.

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