

Spot Market Recap

Turmeric:

- Lower arrivals were reported in Nizamabad and Erode spot market during this week under review.
- Good sowing activities with good weather condition apprehension of better crop prospects and keep pressure on turmeric prices.
- Turmeric prices were down in the market due to higher stocks and anticipation of higher output this year. However, the expected upcoming rise in export demand may support the falling prices.
- Satisfactory vegetative growth is reported for turmeric from its important growing state of south indicating brighten yield prospect this year.

Fundamental analysis

Turmeric Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (11 th - 18 th August 2011) in bags	Arrivals during the week (04 th - 11 th August 2011) in bags	Arrivals during the year (11 th - 18 th 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 during the week period as compared to the last week due to holiday period. 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 prices likely to down in coming days due to higher stocks and anticipation of higher output this year. Strong current stock position of around 42 lakh bags reported, which was at around higher than 20% as compared to the same period last year. Turmeric production in the year 2010-11 is estimated at 69 lakh bags (1 bag= 70 kgs) compared to 48 lakh bags up by 12-15% from the previous year. Higher output is expected during the current year. Currently, sufficient stocks are available in the market and the arrivals in the Nizamabad and Erode mandis are higher than same period last year, normally this period is a lean or slack arrivals period for the commodity.

Unresponsive exporters demand was reported in domestic market at higher price quotes and most of the time seen waiting for the lower prices. However, exporters were expected to fresh export enquiries in coming weeks from Europe, US, West Asia and Japan and supported the prices to gain.

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. Fairly widespread rain would occur over Coastal Karnataka, Kerala, Lakshdweep and Andman & Nicobar Island. Scattered rain would occur over Interior Karnataka, Coastal A.P. Rayalseema and TamilNadu.

Actual rainfall and % Departure for the period of 1st June – 17th August

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

Source: IMD

As shown from the above table, most of the turmeric growing regions received deficit rainfall from the period of 1st June – 17th August when compared with its LPA and farmers are waiting for normal rainfall in coming days only Rayalaseema had received positive rainfall during this period. However, turmeric growers are expecting for normal precipitation received in coming days which might encourage the sowing progress and robust vegetative growth in some regions during the coming week period.

Sowing Progress:

Turmeric has been sown in 0.60 lakh hectares in A.P as on 17th August 2011 as compared to the last week 0.57 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 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 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.

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			
Andhra Pradesh Zone wise	2010	2011	%change
Coastal Andhra	11107	6736	-39.35
Rayalaseema	7483	8038	7.42
Telangana	50551	45526	-9.94
Andhra Pradesh Total	69141	60300	-12.79

Unit – Area in hectares

In Andhra Pradesh, though turmeric sowing progress reported satisfactory however in year wise it was reported negative scenario. Most of the turmeric growing regions like Coastal Andhra, Telangana had received deficit rainfall during this sowing period and it was badly affected in sowing progress as compared to the last year. However, in Rayalaseema region good monsoon progress was reported and it showed positive result in sowing progress.

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 to gain. Market participants are expecting that, coriander demand might be come 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 pull coriander prices up in the domestic market in coming days.

Fundamental analysis
Coriander Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (11 th - 18 th August 2011) in bags	Arrivals during the last week (04 th – 11 th 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 maximum quantity of coriander stocks at around 45 – 50 percent stocks was found in major mandies like Kota as compared to the same period last year and other regions like in Andhra Pradesh 4 – 5 lakh bags (1 bag = 40 Kg) was reported.

As per trade information, good demand from USA, UAE, Mauritius, Sri Lanka, South Africa with EU and New Zealand might keep coriander prices at firm levels in further days. At the same time demand from domestic market starts improving especially before the start of festivals lends additional support to the prices.

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 are closed above 9-day EMAs supporting bullish momentum in the short term. RSI is moving down in neutral zone indicate the bearish trend further.

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 liquidate their stocks at higher price level.
- During the week period, satisfactory sowing reports were found in Andhra Pradesh which may increase the production in current year.
- 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 th - 18 th August 2011) in bags	Arrivals during the week (04 th - 11 th August 2011) in bags	Arrivals during last year (11 th - 18 th August 2010) in bags
Guntur (Andhra Pradesh)	-18.18	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. Guntur spot market was reported closed during this week period due to holiday. 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 put cap for Chilli prices to move up in near term. In Guntur cold storage stocks was found at around 25 - 28 lakh bags.

Market sources revealed that, weak demand was reported on account of ample quantity of supply in domestic market mainly in indicative market Guntur. Exporters demand was found for Sanam, n.o. 273, No 5 and Teja varieties which find good market in Bangladesh and Malaysia. In unison, 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.

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			
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 in year wise it was reported negative scenario. Most of the chilli growing regions like Coastal Andhra, Telangana and Rayalaseema had received deficit rainfall during this sowing period and it was badly affected in sowing progress as compared to the last year.

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. As per farmer's expectations, chilli production might be increase this year due to favourable weather condition. Red Chilli area might be increase in AP as compared to the last year due to good monsoon progress during this sowing period. 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

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 bearish sentiment in the market. Prices closed above 9 and 18-day EMA which might act as strong support zone and bullish sentiment ahead. 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 period and off season period.
- During this period, jeera spot market prices remains steady to weak. Jeera prices were not sustain 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.
- Demand from countries like EU, US and Middle East stay firm as demand from Syria and Turkey start shifting to Indian ports.

Fundamental analysis
Jeera Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (11 th - 18 th August 2011) in bags	Arrivals during the last week (04 th -11 th August 2011) in bags	Arrivals during last year (11 th - 18 th August 2010) in bags
Unjha (Gujarat)	-61.53	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 11th - 18th August 2011 down by 16,000 bags as compared to previous week same period. Due to weekend period most of the time Unjha spot market was reported closed during this week 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 come in coming couple of weeks. Fresh export inquiries from overseas and EU countries prior to start of the holy month of Ramadan pushed the prices on higher side.

Arrivals from Syria and Turkey have been started international market and expected at around 45000 tonnes (Syria) and 12000-15000 tonnes (Turkey), while the crop is of inferior quality. So, Indian Jeera (compared good quality) demand in overseas market might be increase in coming days. 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	+1.81	14000	13750	-	13150
	Jodhpur - Loose	-6.89	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 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): 14724 – 15460.

Spot Market Recap

Black Pepper:

- No arrivals were reported during the week period 11th August – 18th August 2011. Due to lower stocks amid sellers were not interested to sell their produce at current market prices.
- Stockists un-willingness to liquidate stock at lower prices are mainly attributed to lower arrivals during the week under review.
- Active buying was reported in spot black pepper market which supported the prices to gain.
- Market participants are expecting that, pepper prices will go up in coming days due to low stocks position in the domestic mandies as compared to the last year stocks and festive season demand.

Fundamental Analysis
Black Pepper Arrival Scenario

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

In Kochi (Kerala) market, no arrivals were reported during the week period same as the last week. 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 which is expected to continue during the coming couple of weeks supports the pepper prices to gain.

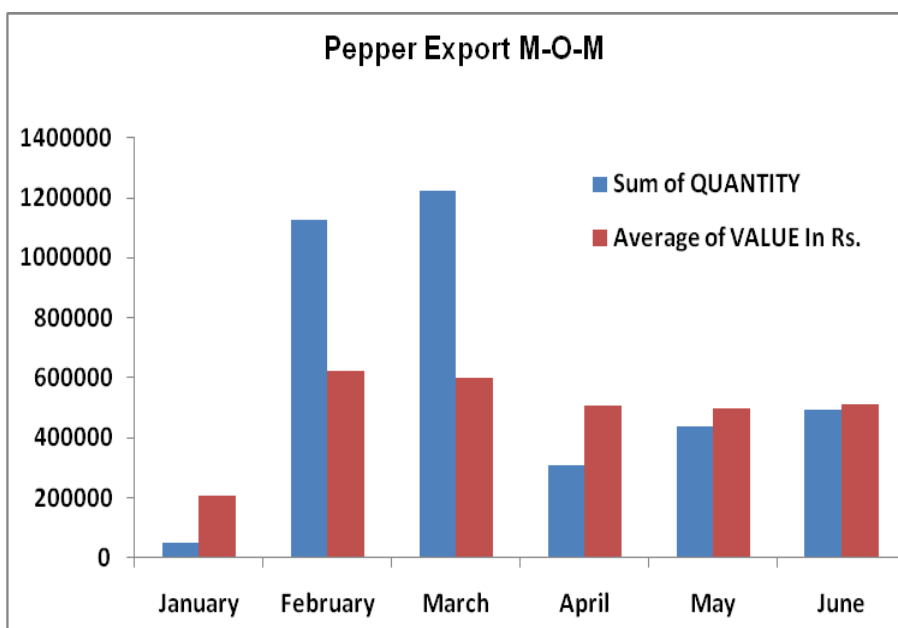
International sentiments for Pepper market:

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 current year will 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 increasing month on month period due to good quality and higher demand found in international market. Export quantity increases day by day along with the value in terms of rupees of the commodity. Sources revealed that, black pepper export will be increase in coming days due to higher demand in the overseas market.



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 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: 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 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.
- Improving demand in domestic market further due to festive season supports the cardamom prices to gain.
- However, new crop arrivals improved during the week which might limits any near term gains.

Fundamental Analysis:

Cardamom Arrival Scenario

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

Cardamom arrivals were reported 2, 78,492 Kgs which was 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 increases the higher stocks in domestic market. Higher carry in stocks and ample quantity of supply and lack of active buyers in the domestic market continue to pressure on cardamom prices to gain. However, market participants were expecting that, strong global demand might be come from the period of August to September amid with domestic festivals demand supports the prices. Exporters are expecting that, good cardamom demand might come from countries like UAE countries, UK, Japan etc. According to market participants, production in India is slightly higher than at around 12000 tons. As per the estimates of spices board the production in Guatemala expected near 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. 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. Fairly widespread rain would occur over Coastal Karnataka, Kerala, Lakshdweep and Andman & Nicobar Island. Scattered rain would occur over Interior Karnataka, Coastal A.P. Royalseema and TamilNadu.

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 indicates bullish sentiment in the market. Cardamom prices took support 678 level and market prices go up during this week period. Prices closed below 9 and 18-day EMA which indicates bearish sentiment in the market. RSI is moving up in positive region indicating bullish sentiment further in the spot market.

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

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