

TURMERIC

Spot Market Recap

- Lower arrivals were reported in Nizamabad and Erode spot market during the month due to the series of holidays in this period.
- Masala Millers are inactive in the spot market at higher price level as they have ample quantity of stocks to meet their requirement.
- Turmeric sowing almost completed thanks to the favourable weather conditions; healthy crop condition was reported and crop was at critical growth stages or knee height stage.
- These favourable weather conditions are expected to lead to better turmeric yield in coming season with higher production.

Fundamental analysis

Monthly Turmeric Arrival Scenario:

Market	% Change during corresponding period last month	Arrivals during the October 2011 in bags	Arrivals during the September 2011 in bag	Arrivals during October 2010 in bags
Nizamabad (Andhra Pradesh)	-85.52	7,600	14,100	10,400
Erode (Tamil Nadu)	-22.42	1,07,000	1,31,000	1,37,000

1 bag = 90kgs

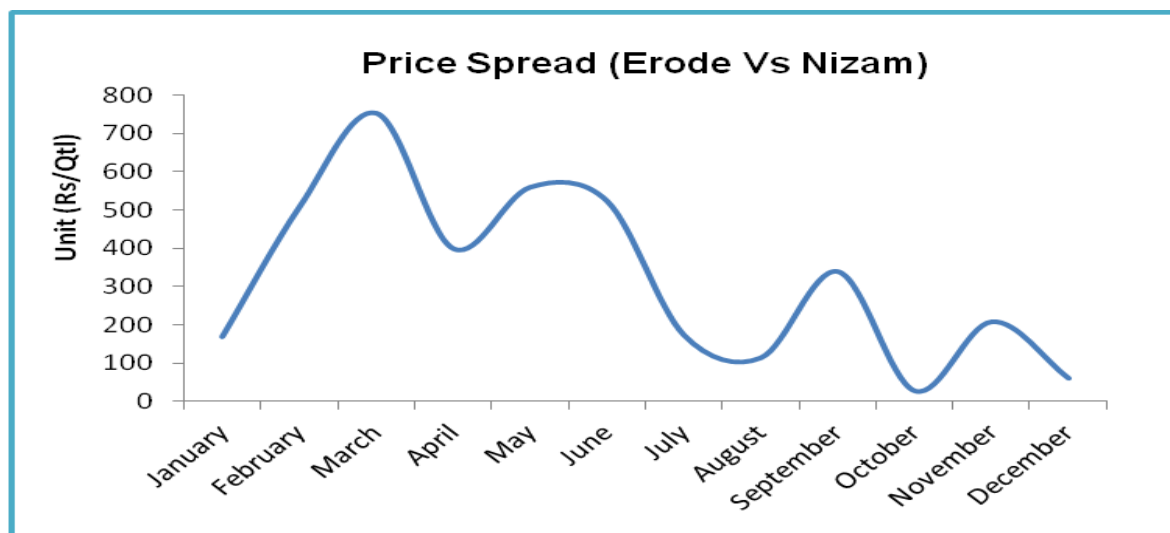
As shown in the above table, lower arrivals were reported in Nizamabad spot market during the month due to Diwali festival. Arrivals in Nizam were down by 6,500 bags as compared to the same period last month. Likewise, in Erode spot market also lower arrivals was reported. Arrivals were reported at around 1, 07,000 bags, 24,000 bags were down as compared to previous month.

Higher stocks results into higher arrivals y-o-y in Nizamabad and Erode mandis especially during the lean season. Total turmeric stocks in India is reported at 18 – 20 lakh bags (1 bag= 65 kgs) and around 10 - 12 lakh bags will be carried forward to the coming season. During the month period higher arrival reported in Erode spot market as compared to the Nizamabad spot market due to higher stock reported. In Erode spot market it expected to stay at nearly 10 – 12 lakh bags. Stocks position in Erode spot market is up by 20% as compared to the same period last year which might keep weighing on the market sentiments.

Turmeric growers and stockists are trying to release their stocks in spot market. Turmeric arrival is expected to stay at higher levels during coming days which may cap gains in prices. As per trade information, in AP Warangal and K Samudram regions at around 7000-8000 tonnes stocks were reported with traders, farmers and in nc dex warehouses. Higher stocks, better production prospect in coming period may increase in carry in stocks for the next season, and continue to put pressure on the prices.

Lower demand was reported in domestic turmeric market. Exporters were inactive in the spot market they don't get any new fresh export enquiries during this period and keep sentiment lower side. Sluggish demands from Masala millers were found.

The following chart shows the 3 years average price difference between Erode and Nizamabad domestic market-



As is depicted in the above chart, turmeric domestic market prices are different in Erode and Nizamabad market. From January to March the gaps between two markets keep widening and then come down. Erode prices were down as compared to the Nizamabad prices due to higher arrivals and higher stock position 25- 30 percent as compared to the same period last year. We expect turmeric in Erode price may go down as compared to the Nizamabad price. Market participants can go for higher buying in Erode market than Nizamabad market.

Crop Progress:

Turmeric crop progress reported satisfactory in South Indian parts mainly in Nizamabad, Warrangal and Tamil Nadu regions. Turmeric crop is at critical growth stages or knee height stage. Weather was favourable for turmeric crop during this current period.

Weather Watch

Widespread rain/thundershowers would occur over coastal Tamil Nadu. Fairly widespread rain/thundershowers would occur at many places over interior Tamil Nadu, Kerala, Rayalaseema, coastal & south interior Karnataka, Lakshadweep and Andaman & Nicobar Islands and at a few places over remaining parts of south peninsular India. Scattered rain/thundershowers would occur over rest of the region.

Turmeric Price Outlook Monthly Chart (Nizamabad Spot market)


Downtrend prices noticed for turmeric prices and prices were not sustained at higher price level for last couple of months. Prices may take immediate supports level at 5098 in coming days. Closing of prices below 9 and 18 days suggests the bearish sentiment in the market. Market indicators like RSI is moving up in oversold region, hinting prices may correct in the days ahead.

We expect turmeric spot prices to stay in the ranges of 5098 - 6220.

CORIANDER SEED

Spot Market Recap

- Lower arrivals were reported from domestic mandi during the month period due to Navratra and Diwali festival.
- Sluggish demand and higher carry in stock of last year put pressure on prices to go down.
- Expectation that area under coriander may increase in Rajasthan and Madhya Pradesh region during the coming sowing period may put pressure on prices to go down in near term.
- Lower export demand from major exporting countries is weighing on the coriander market sentiments.
- Coriander sowing has started in Rajasthan and M.P. regions and new crop arrivals will start from January onwards.

Fundamental analysis

Monthly Coriander Arrival Scenario:

Market (Rajasthan)	% Change during corresponding period last month	Arrivals during the October 2011 in bags	Arrivals during the September 2011 in bags
Kota	-130.43	46,000	106,000
Ramganj	-112.82	58,500	124,500
Baran	-150.68	36,700	92,000

1 bag=40 kg

Taking Kota spot markets as the indicative market, arrivals were reported at 58,500 bags during the month period which was down by 66,000 bags compared to the same period last month due to Navratra and Diwali festivals.

Coriander prices are not getting support at higher price level due to higher carry in stock of last year which was around 50-60 lakh bags (1 bag = 40 kg) and at present around 30-35 lakh bags in the market. Lower demand from massala millers put pressure on prices to go down. However, during the month, coriander prices were reported up due to speculation in the market.

Exporters were inactive in the coriander market. No new fresh export enquiry were reported from countries like USA, UAE, Mauritius, Sri Lanka, South Africa with EU and New Zealand. However, trade participants are expecting that demand may increase in the coming days and support the prices at lower level. During the month, In Ranganj market, Some demand was noticed from Hindustan Gum and Ruchi Soya Industries Ltd. for Scotter variety of coriander.

Coriander sowing has started in some regions of M.P. from mid of October but finally it took place after Diwali festival. Sources revealed that, there are huge chances of area increase in Rajasthan and Madhya Pradesh region during this sowing period as compared to the last year. As per trade sources, Anticipation of increased area may put pressure on prices to go down in the coming days. In Ramganj and Baran market, farmers are expecting that area may increase 1.5 – 2 times this year as comparison to last year. However, In Kota market, farmers are expecting that area will be same as previous year.

Coriander Price Outlook Weekly Chart (Spot market)


Candlestick chart pattern indicates weakness price trend in the market. 4922-5233 is the trading range for the price; drift in either direction is likely to take the price in the respective same. Bears are going to keep the upper hand until 5260 on the higher side remains unbreached.

We are expecting that, coriander spot prices to stay in the range of 4922-5233

RED CHILLI

Spot Market Recap

- Lower arrivals were reported in Guntur spot market during the month period due to Navratra and Diwali festivals.
- However, Stockists were offloading their stocks in the domestic market having enough quantity of stocks.
- In Tamil Nadu and Pondicherry and Madhya Maharastra regions, chilli sowing activity increased as compared to Telengana and Coastal A.P regions.
- Sources revealed that production may increase by around 1.5 times as compared to last year due to increase in chilli area.
- In the Guntur market, Red chilli new crop arrivals will start from December end onwards.
- Bangladesh, Malaysia and Sri Lanka export demand for Red chilli varieties support the prices to move up in the market.

Fundamental Analysis

Monthly Red Chilli Arrival Scenario:

Market	% Change Over Previous month	Arrivals during the October 2011 in bags	Arrivals during the September 2011 in bags	Arrivals during October 2010 in bags
Guntur (Andhra Pradesh)	-33.62	5,80,000	7,75,000	9,32,000

1 Bag=45 Kgs

Red Chilli arrivals in Guntur was reported at 580,000 bags (1 bag=45Kg) during October which was less by 1, 95, 000 bags as compared to the previous month . However, Stockists were offloading their stocks in the domestic market having enough quantity of stocks.

Sources revealed that around 20 lakh bags of red chilli are currently held in Guntur cold storage and there are chances of huge production this year as comparison to last year due to area increased that is almost double from last year chilli area. In the Guntur market, Red chilli new crop arrivals will start from December end onwards. However, In the M.P. region, new crop arrivals were reported. As per trade sources, production has decreased by 40% due to heavy rainfall. In M.P., 200-250 red chilli bags (1bag=50Kg) are arriving on daily basis.

Sources revealed that, Export demand from Bangladesh, Malaysia and Sri Lanka of around 10,000 bags on daily basis supported the red chilli prices to move up in the market.

In the international market, Red chilli Teja variety demand was reported higher from EU countries. Red chilli other variety like fatki, sanam etc. demand was reported in the domestic market. However, domestic demand was lower due to higher stocks.

At Guntur cold storage red chilli Teja variety was quoted at Rs 9,300-9,400 per quintal, Indo-5 at Rs 9,300-9,400 per quintal, Sanam at Rs 7,500-8,500 per quintal, 273 quality at Rs 9,300-9,400 per quintal, 334 Fataki at Rs 4,500-5,200 per quintal, Byadgi at Rs. 10,500 per quintal.

Rainfall Scenario:

Actual rainfall and % Departure for the period of 1st Oct – 29th October

Regions	Actual Rainfall (mm) 1 st Oct – 29 th Oct.	Normal Rainfall (mm) 1 st Oct – 29 th Oct.	% Departure from LPA 1 st Oct – 29 th Oct.
Madhya Maharashtra	57.6	72.3	-20%
Coastal A.P	53.1	163.0	-67%
Telangana	12.9	81.9	-84%
Rayalaseema	57.5	109.3	-47%
Tamil Nadu and Pondicherry	132.1	144.5	-9%

Source: IMD

In Andhra Pradesh, most of the Chilli growing regions have received deficit rainfall during the period of 1st Oct – 25th October. However, in initial stage there was normal rainfall which supported chilli sowing progress. In Tamil Nadu and Pondicherry region chilli sowing activity increased as compared to the Telangana and Coastal A.P region.

Chilli Sowing Progress in AP during Rabi Season:

Red Chilli has been sown in 0.126 lakh hectares in A.P as on 27th October 2011 as compared to the last week 0.120 lakh hectares. Red chilli sowing activity increasing week on week basis due to favourable weather conditions in growing regions. Sources revealed that, chilli production increase this year due to favourable weather condition.

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 27/10/11 Crop	% Sown to	
Crop	Season	As on date	As on 27/10/09	As on 27/10/10		Season	As on date
Red Chilli	0.47	0.12	0.17	0.10	0.126	27	106

In Andhra Pradesh, Red chilli area improved this year as comparison to last year same period during Rabi season. Most of the chilli growing regions like Telangana and Coastal A.P. had received deficit rainfalls which obstruct the sowing progress. However, Tamil Nadu and Pondicherry and Madhya Maharashtra region had received better rainfall as comparison to other regions so there are chances of better crop production.

Price Outlook Red Chilly Monthly Chart :(Guntur Spot market)


Candlestick patterns show downward trend from last couple of months. Prices are hovering between 8541 – 9161. Prices closed above 9 and 18-day EMAs supporting the bullish momentum. Momentum indicators like RSI are moving down in the neutral region and indicate bearish sentiment in the market.

Expected spot price range for coming month period: (INR/Qtl): 8398 – 8500.

CUMIN SEED (JEERA)

Spot Market Recap:

- Lower arrivals were reported in Unjha spot market during the month period due to the series of festivals.
- However, ample quantities of stocks were reported with producers, stockists and they may offload their stocks in coming days.
- Sources revealed that, expectations of higher arrivals weigh on the jeera market sentiments further.
- No new fresh export orders were reported in the domestic market. Exporters were waiting for new orders.
- Jeera sowing started in Gujarat and area may increase during this sowing period due to sufficient soil moisture amid favourable weather conditions.

Fundamental analysis

Monthly Jeera Arrival Scenario:

Market	% Change Over Previous month	Arrivals during the October 2011 in bags	Arrivals during the September 2011 in bags	Arrivals during October 2010 in bags
Unjha (Gujarat)	-127.88	52,000	1,18,500	68,000

Unjha 1 bag = 55kgs

Taking Unjha cash markets as the indicative market, arrivals were reported at 52,000 bags during the month period down by 66,500 bags as compared to previous week same period due to Diwali festival.

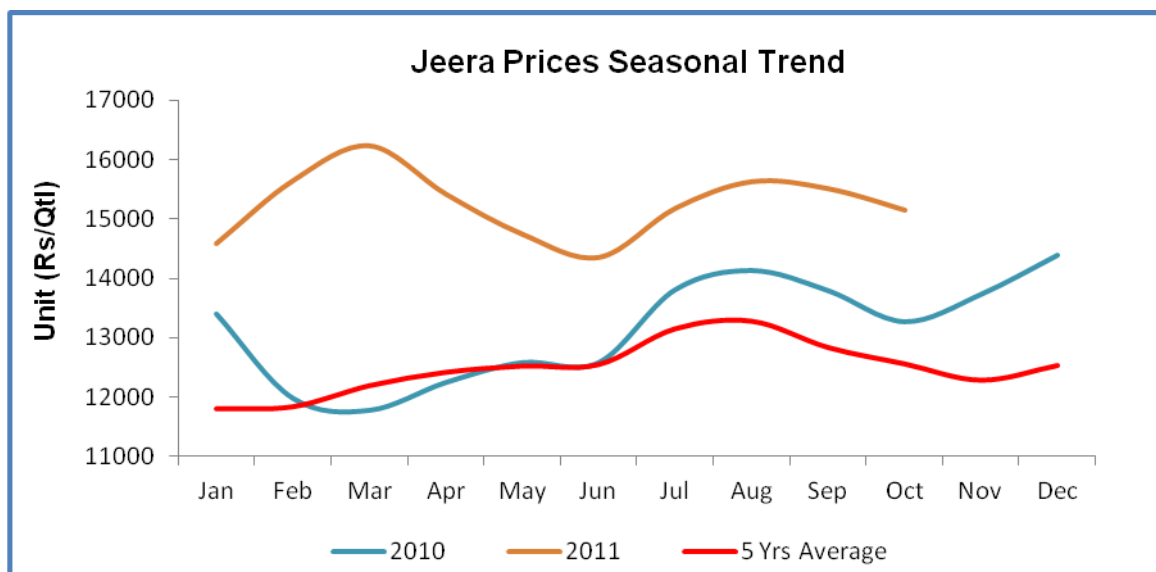
Farmers, stockists have sufficient amount of stocks in domestic market and they may release their stocks in the domestic market. In Unjha spot market, higher stocks were reported this time as compared to the same period last year. Sources revealed that, all over India stocks reported at around 8 - 9 lakh bags (1 bag = 65 Kgs) and near about 5 – 6 lakh bags stocks reported in Unjha domestic market during this season.

During the month period higher demand was noticed for machine cut or Poojari type (jeera variety) in Unjha market due to better quality and lower stocks available in the market. Local traders, Masala millers are the mainly buyers for jeera in the spot market. However, overall jeera sentiment reported lower due to ample supply and expectation of higher production 35 - 37 lakh bags in 2011-12.

Sowing Progress

Jeera sowing activity started in Gujarat districts like Jamnagar, Porbandar, Junagadh, Rajkot, Amreli regions. Sources revealed that, around 15 - 20 percent sowing completed in Gujarat regions. Area may increase in this region due to sufficient soil moisture amid favourable weather conditions. In Rajasthan jeera sowing will start after 15th of November.

The following tables shows Jeera Unjha all paid prices in 2010, 2011 and 5 years average prices and their seasonality trends-



*All above mentioned prices are Jeera all paid prices in Unjha spot market.

Source – Agriwatch.

It is evident from the above chart that, Jeera Unjha spot market prices (all paid) in 2011 were up as compared to the 2010 and 5 years averages prices. In 2011 from January to March prices were not seen following its seasonal trend and prices significantly went up on crop concern due to rainfall in Gujarat and Rajasthan. It then slowly declined and followed its 5 years average prices trend. It then continued to follow its 5 years average price movement indicating price seasonality though still remain on higher side when compared to 2010 prices and its 5 year average prices.

Jeera Price Outlook:

As per the seasonal trend depicted in the above chart it is evident that prices might start declining from Oct onwards and is likely to stay lower till Nov. Taking into consideration current fundamentals we expect price direction to stay in-line with its 5 years average price trend. Expectation of prices decline could be attributed to start of sowing and acreage anticipation. Jeera prices were up as compared to the 2010 and 5 years average prices in current year. At current higher price level buyers would not be interested in bulk buying in the domestic market. We expect jeera prices will follow the 5 years average prices in further days.

In the international market, Syrian and Turkey's cumin seed is being offered at USD 3,100-3,200 and 3,300-3,400 per ton (fob) respectively while; Indian cumin seed is quoted at USD 2,900-3,000 per ton (cnf) Singapore.

Price Outlook Technical Analysis (Monthly Chart Spot market) Jeera: Unjha Mandi


Jeera prices were not sustained at higher price level in the market. The price of NCDEX Jeera November contract is trading between the 9 Day & 21 Day Exponential Moving Average (EMA) which shows further downside. 14300 as a strong support level in near term. Market indicators RSI is moving down in neutral zone and indicates the weakness in the market in near term.

Expected monthly Jeera price range: 14300 to 14860.

BLACK PEPPER

Spot Market Recap

- Higher arrivals were reported during the month period in the domestic spot market at higher price level.
- Expectations of lower supply in the domestic market as well as in international market may push up the pepper prices to the highest ever levels.
- Black pepper crop in Kerala are reported at berry development stage to maturity stage.
- Pepper producers revealed that, new crop arrivals may start from 15th December in the market.

Fundamental Analysis

Monthly Black Pepper Arrival Scenario

Market	% Change Over Previous month	Arrivals during the October 2011 in tonnes	Arrivals during the September 2011 in tonnes	Arrivals during October 2010 in tonnes
Kochi (Kerala)	+30.05	173	121	560.5

In Kochi (Kerala) market, arrivals were reported at around 173 tonnes during the month period higher by 52 tonnes as compared to the previous month's arrivals. Stockists were releasing their stocks at higher price level in the domestic spot market. Black pepper prices are trading at its all time high in the domestic market due to higher demand in international market from January to till date.

Lower stocks were reported from Kerala and Karnataka regions during this current period. Sources revealed that, in Kerala and Karnataka regions at around 9,000 – 11,000 tonnes stocks are being held. On the other hand, anticipation of higher demand from November to December may help black pepper prices to move up. Indian pepper quality demands were higher in international market. As per trade information, supply crunch amid lower pepper production, winter season demand, discounted prices of Indian origin in the international market may supports prices to gain. In India, black pepper export demand and unit value was increasing day by day. As per trade sources, there is a good buying support for black pepper in coming days with the anticipation of more depreciation of Indian currency against the US dollar and exporters were active for their new export enquiries.

Crop Progress:

In current period, Black pepper crop in Kerala are reported at berry development stage to maturity stage almost 60 – 70% crop are matured. Pepper producers revealed that, in Kerala pepper picking or harvesting will start from November first week onwards and new crop arrivals may start from 15th December in the market. Black pepper area reported steady as compared to the same period last year

International sentiments for Pepper market:

In the global markets, Indian black pepper MG 1 quoted at 7,900-7,925 per quintal for New York (CNF). Vietnam FAQ 500 GL is offered at USD 7,000 and 550 GL at USD 7,300 per ton. While new ASTA offered at USD 8,175 per ton from March-April, 2012 delivery. Brazil ASTA priced at USD 7,725-7,825 per ton FOB.

In overseas markets, shortage in supply of pepper in 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 303,500 tonnes down by 6,500 tonnes as compared to the same period last year due to un-seasonal rains and pepper production decline in several producing countries.

As per trade sources, pepper producers in Vietnam are expanding their areas as the price of pepper are at a record high. The area under pepper cultivation has increased to 20000 ha, up by 4000 ha compared to previous year. According to Malaysian Pepper Board, Malaysian pepper production is estimated to be 25500 tonnes current year, up 10% as compared to the previous year.

Technical Analysis Monthly Chart: Black Pepper (Kochi Spot market)


Black pepper prices hover near all time highs. Candlestick price trend reveals bullish sentiment in the market. Prices stay significantly above 9 and 21-day EMA and support the bullishness in the market. However, RSI is moving in the overbought zone as well and prices might be correct in near term. Level of 32022 is the immediate support for the price. If the prices breach this level it may drag down towards 30000.

Expected monthly black pepper spot price range: 32600 to 35000

CARDAMOM

Spot Market Recap

- Lower arrivals were reported in the domestic market during the month period.
- Arrivals may increase in coming days due to picking up of harvesting in growing areas.
- Sources revealed that, at lower price level buyers may active for higher buying in coming days. However, new crop arrivals may limit any near term gains in the domestic market.
- Expectations of better crop production current year as compared to last year.
- In Guatemala, cardamom harvesting already started and has an expected crop of around 20000 tons.

Fundamental Analysis:

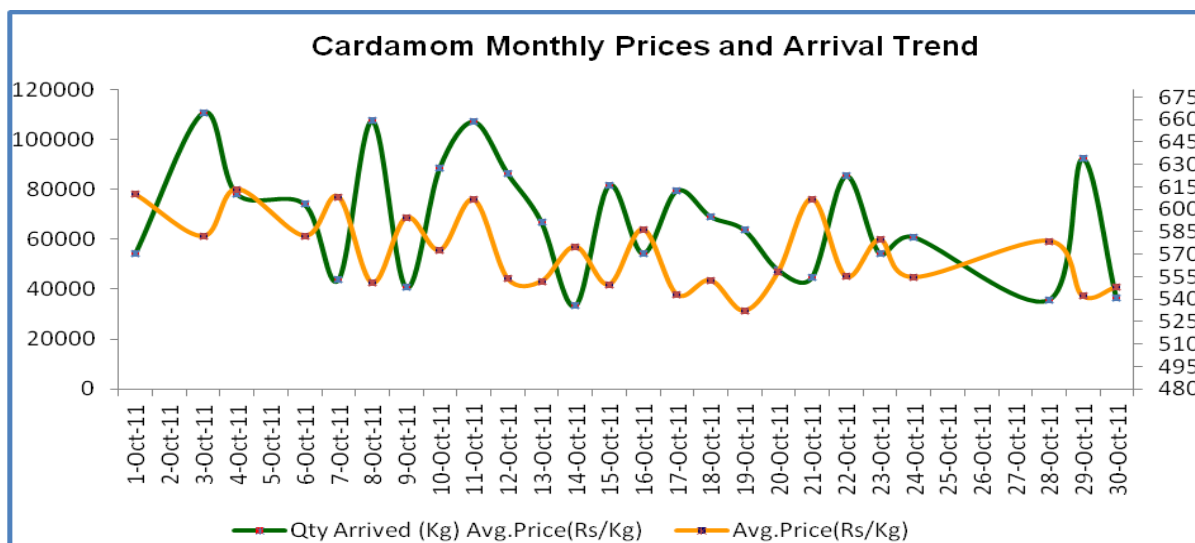
Monthly Cardamom Arrival Scenario

Market	% Change Over Previous month	Arrivals during the October 2011 in Kgs	Arrivals during the September 2011 in Kgs	Arrivals during the October 2010 in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	-69.19	11,57,965	19,59,208	10,70,815

Cardamom arrivals were reported at 37, 1231 Kgs lower by 80, 1243 kgs as compared to the previous months arrivals due to extended holidays period. Cardamom arrivals expected to increase in coming days with picking up of harvest. Third round harvesting has already started, near about 85 - 90 percent was completed and it will end in short term. As per trade information, fourth round of Cardamom harvesting will start from 15th November onwards. Cardamom arrivals may increase in coming days due to increasing picking activity in growing areas with favourable weather conditions.

Higher carry in stocks, ample supply and lack of active buyers at higher price level in the domestic market continue to pressure prices. However, market participants were expecting global demand stay supportive in coming days 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 current year at around 18000 tons and 3,500 - 4,000 tonnes already came to the market.

Cardamom prices were reported down during this month period due to lower demand from buyers as well as exporters. Cardamom buyers were not interested in buying cardamom at higher price levels owing to expectations of higher arrivals in the domestic market and they are waiting for lower quotas in coming days.



It is evident from the adjacent chart that Cardamom arrivals continue to increase during month period coinciding with the harvest. Increase in arrival indicates harvesting to gain momentum during current period. With harvest to peak during November to December we expect average prices of cardamom to decline moving forward. Marginal M-O-M improvement could be seen for the prices and demand at lower level underpins the market sentiments.

Weather Watch

Widespread rain/thundershowers would occur over coastal Tamil Nadu. Fairly widespread rain/thundershowers would occur at many places over interior Tamil Nadu, Kerala, Rayalaseema, coastal & south interior Karnataka, Lakshadweep and Andaman & Nicobar Islands and at a few places over remaining parts of south peninsular India. Scattered rain/thundershowers would occur over rest of the region.

Technical Analysis Weekly Chart (Spot market)
Cardamom (values in Kg)


Cardamom prices moving sideways trade in the market. 500 – 640 is the trading range for the price; drift in either direction is likely to take the price in the respective same. Cardamom prices might find support near 500. Market indicators RSI is moving down in neutral zone and indicates the weakness in the market in near term.

Expected monthly cardamom price range: 500 and 640.

Spot Prices Monthly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		Change
			31.10.11	30.09.11	
Black Pepper	Kochi	Ungarbled	33100	33000	+100
		Garbled	34600	34500	+100
	New Delhi	Unpolished	33500	34500	-1000
		Number 11.5	36500	37000	-500
Turmeric	Erode	Finger	Closed	4400-5400	-
		Gattah	Closed	4400-4800	-
	Nizamabad	Nizam	5500	5200-5300	+250
Cumin Seed	Unjha	Loose	13000-13200	-	-
		Machine Cut	14800-15000	-	-
		NCDEX Quality	14900	-	-
	Jodhpur	Loose	14000	14000-14200	-100
Red Chilli	Guntur	LCA 334	7500-8500	8500-9000	-750
		Teja	9300-9400	8600-9400	+350
Coriander Seed	Ramganj	Badami	3500-3650	3550-3750	-75
		Eagle	3650-3850	3750-3950	-100
	Kota	Badami	3950	3950-4000	-25
		Eagle	4050	4100	-50
	Baran	Badami	3850	3800-3900	Unch
		Eagle	3950	3950	Unch
Cardamom (Small)	Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur	Small (Price Rs/Kg)			
		Max Auction Price	765.5	946	-180.5
		Average Auction Price	516.83	656.45	-139.62

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