

## **TURMERIC**

### **Spot Market Recap**

- Sufficient quantity of stocks in the major mandies continues to pressure turmeric prices.
- Masala Millers are inactive in the spot market at higher price level as they have ample quantity of stocks for further requirement.
- Sluggish demand from exporters in the spot market was reported. They were waiting for new fresh export enquiries.
- Turmeric crop progress reported satisfactory with favourable weather condition amid better production prospects.

### **Fundamental analysis**

#### **Turmeric Arrival Scenario:**

Market	% Change during corresponding period last week	Arrivals during the week (15 <sup>th</sup> Oct - 21 <sup>th</sup> Oct 2011) in bags	Arrivals during the last week (7 <sup>th</sup> Oct - 14 <sup>th</sup> Oct 2011) in bags	Arrivals during the year (15 <sup>th</sup> Oct - 21 <sup>th</sup> Oct 2010) in bags
Nizamabad (Andhra Pradesh)	+10.00	4,400	4,000	2400
Erode (Tamil Nadu)	-17.14	28,000	35,000	24,000

1 bag = 90kgs

As shown in the above tables, higher arrivals were reported in Nizamabad spot market during the week period due to stockists are offloading their stocks at current prices level in the domestic market. Arrivals in Nizam were up by 400 bags as compared to the same period last week. However, in Erode spot market lower arrivals were reported. Arrivals were reported at around 28,000 bags, 7,000 bags were down as compared to previous week due to some holiday's period (local festival & local elections).

As per trade sources, turmeric sentiments remained weak as no strong market sentiments emerged. Better crop prospects, sufficient amount of stocks and low export demand are expected to pressurize the market sentiments in the short term however market participants are expect exports may raise in coming months. Good rainfall in growing areas in Andhra Pradesh and other nearby states has been pressurizing prices in apprehension of better crop prospects. Improved arrivals in AP have kept further pressure on the prices. Ample quantity of stocks and increased selling pressure along with weak demand in the mandis have kept trend weak for the commodity over the last few weeks. Exporters don't get any new fresh export enquiries and expected to rise in coming weeks from Europe, US, West Asia and Japan and supports the prices.

### **Weather Watch**

Fairly widespread rain/thundershowers would occur over south peninsular India like Tamilnadu, Kerala, Lakshadweep and Andaman & Nicobar Islands. Isolated rain/thundershowers would occur over northeastern states. Isolated rain/snowfall would occur over Jammu & Kashmir. Weather will be mainly dry over remaining parts of the country.

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (21-10-2011)	Week Ago (14-10-2011)	Month Ago (21-10-2011)	Year Ago (21-10-2010)
Turmeric	Nizamabad-Nizam Cold	-	-	5200	5200	14950-15150
	Erode-Finger	<b>-5.30</b>	5100-5600	5300-6000	4200-5200	14050-14350

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


Candlestick chart pattern indicates bearish sentiment and prices are not sustained at higher levels in the spot market. 5470 is a strong supports level breaching this level is likely to test towards 5380 in near term. Positioning of RSI is down in neutral zone indicating down trend likely for short term.

**Expected Price Range of TMC Nizamabad spot market: 5470 - 6250.**

## **CORIANDER SEED**

### **Spot Market Recap**

- In Ramganj Coriander market, prices were reported steady during the week. However, In Kota coriander market, prices were reported down due to lower demand.
- In Baran Coriander market, prices were reported up amid lower arrivals.
- As per trade sources, there are huge chances of area increased in Rajasthan and Madhya Pradesh region during the coming sowing period.
- Coriander sowing has started in M.P. region from 15 October. However, sowing in Rajasthan will start after 15 days of Diwali festival.
- Coriander new crop arrivals will start from January onwards.

### **Fundamental analysis**

#### **Coriander Arrival Scenario:**

<b>Market</b>	<b>% Change during corresponding period last week</b>	<b>Arrivals during the week (15<sup>th</sup> Oct ~ 21<sup>st</sup> Oct 2011) in bags</b>	<b>Arrivals during the last week (7<sup>th</sup> Oct – 14<sup>th</sup> Oct 2011) in bags</b>
Kota	<b>+6.06</b>	16,500	15,500
Ramganj	<b>+18.75</b>	24,000	19,500
Baran	<b>-31.81</b>	11,000	14,500

**1 bag=40 kg**

Taking Kota spot markets as the indicative market, arrivals were reported at 16,500 bags during the week under review up by 1,000 bags compared to the same period last week. Coriander prices are not getting support at higher price level due to higher carry in stock of last year that is around 2,00,000 bags amid lower demand. South India demand was noticed in the Kota coriander market at lower level.

Coriander sowing has started in some regions of M.P. but finally it will take place during diwali festival. However, sowing in Rajasthan will start after 15 days of Diwali festival. Sources revealed that, there are huge chances of area increase in Rajasthan and Madhya Pradesh region during the coming sowing period as compared to the last year. As per trade sources, In Rajasthan and M.P. , coriander sowing area may be increase by 1.5 times in the coming season as compared to last year. Coriander new crop arrivals will start from January onwards.

No export demand was found by exporters in the major coriander's market. Exporters are still waiting for new export shipments.

As per trade sources, Anticipation of increased area may put pressure on prices to go down in coming days. Ramganj and Baran farmers are saying that area may increase 1.5 – 2 times this year as comparison to last year. However, Kota farmers are expecting that area will be same as was in previous year. But the final report will come when the sowing will start in the growing regions. Sources revealed that sowing will start after diwali festival.

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (21-10-2011)	Week Ago (14-10-2011)	Month Ago (21-09-2011)
Coriander Seed	Ramganj-Badami	Unch	3450-3600	3500-3550	3700-3850
	Kota-Badami	-1.85	4050	4100-4150	4000-4050
	Baran-Badami	+5.00	4000	3750-3850	3950-4050

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


Candlestick chart pattern depicts range bound movement in the market. Immediate support level likely to be 5040 for short term. Breaching the level likely to lead to a fall up to 4970 levels in near term.

**Expected Price Range of Coriander Kota spot market: 5040 – 5275.**

## RED CHILLI

### Spot Market Recap

- In Guntur Red chilli market, higher arrivals were reported during this week compared to last week.
- Red Chilli has been sown in 12004 hectares in A.P as on 19th October 2011 as compared to 3091 hectares last year same period during Rabi season.
- In Tamil Nadu and Pondicherry and Madhya Maharastra regions, chilli sowing activity increased as compared to Telengana and Coastral A.P regions.
- Sources revealed that production may be increased around 1.5 times as compare to last year production due to increased in chilli area.
- In the Guntur market, Red chilli new crop arrivals will start from December end onwards.

### Fundamental Analysis

#### Red Chilli Arrival Scenario:

Market	% Change Over Previous Week	Arrivals during the week (15 <sup>th</sup> Oct - 21 <sup>st</sup> Oct 2011) in bags	Arrivals during the last week (7 <sup>th</sup> Oct- 14 <sup>th</sup> Oct2011) in bags	Arrivals during the year (15 <sup>th</sup> Oct - 21 <sup>st</sup> Oct 2010) in bags
Guntur (Andhra Pradesh)	<b>+47.27</b>	2,75,000	1,45,000	2,42,000

1 Bag=45 Kgs

Red Chilli arrivals in Guntur were reported 275,000 bags (1 bag=45Kg) during the week period higher by 130,000 bags as compared to the previous week.

Red Chilli has been sown in 12004 hectares in A.P as on 19th October 2011 as compared to 3091 hectares last year same period during Rabi season. Red Chilli sowing has completed in most of the growing regions of A.P. Sources revealed that around 20 lakh bags of red chilli currently held in Guntur cold storage and there are chances of huge production this year as comparison to last year due to area increase 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 M.P., new crop arrivals have started that is around 70,000 – 80,000 bags on weekly basis.

Export demand from Bangladesh, Malaysia and Sri Lanka was reported for Red chilli varieties that is around 10,000 bags on daily basis support the red chilli prices.

At Guntur cold storage red chilli Teja variety quoted at Rs 8,000-9,000 per quintal, Indo-5 at Rs 8,500-9,200 per quintal, Sanam at Rs 7,500-8,500 per quintal, 273 quality at Rs 8,500-9,200 per quintal, 334 Fataki at Rs 4,500-5,000 per quintal and Byadgi 10,500 per quintal.

**Rainfall Scenario:**

Actual rainfall and % Departure for the period of 1<sup>st</sup> Oct – 19<sup>th</sup> October

Regions	Actual Rainfall (mm) 1 <sup>st</sup> Oct – 19 <sup>th</sup> Oct.	Normal Rainfall (mm) 1 <sup>st</sup> Oct – 19 <sup>th</sup> Oct.	% Departure from LPA 1 <sup>st</sup> Oct – 19 <sup>th</sup> Oct.
Madhya Maharashtra	55.4	61.3	-10%
Coastal A.P	36.7	125.1	-71%
Telangana	12.7	65.5	-81%
Rayalaseema	50.6	85.5	-41%
Tamil Nadu and Pondicherry	98.5	102.9	-4%

**Source: IMD**

In Andhra Pradesh, most of the Chilli growing regions had received deficit rainfall during this period however in initial stage it had received normal rainfall which support chilli sowing progress. In Tamil Nadu and Pondicherry and Madhya Maharastra regions chilli sowing activity increased as compared to Telangana and Coastral A.P regions.

**Chilli Sowing Progress in AP during Rabi Season:**

Red Chilli has been sown in 12004 hectares in A.P as on 19th October 2011 as compared to 3091 hectares last year same period. Under A.P. region, in Coastral Andhra, red chilli has sown in 4 hectares as comparison to 476 hectares in last year same period due to deficit rainfall. However, in Telangana region, red chilli has sown in 12000 hectares as comparison to 2615 hectares in last year same period due to good weather conditions.

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 19/10/11 Crop	% Sown to	
Crop	Season	As on date	As on 19/10/09	As on 19/10/10		Season	As on date
Red Chilli	0.47	0.08	0.06	0.03	0.120	26	143

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 Coastral A.P. had received deficit rainfalls which obstruct the sowing progress. However, Tamil Nadu and Pondicherry and Madhya Pradesh region had received better rainfall as comparison to other regions so there are chances of better crop production.

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (21-10 - 2011)	Week Ago (14 -10- 2011)	Month Ago (21-09-2011)	Year Ago (21-10- 2010)
Red Chilli	Guntur-334	-8.125	7500-8500	8500-8800	8200-8800	-
	Guntur-Teja	-8.235	8000-9000	9000-9400	9200-9500	6000-6400



**Red Chilly weekly Price Outlook (Guntur Spot market)**


Candlestick chart pattern depicts range bound movement in the market. 8732 level seems immediate support for the prices and breaching the level likely lead to a fall up to 8690 levels in near term. Positioning of RSI is down in neutral zone which indicates down trend to continue. As indicators depicts, prices likely remain range bound in coming week.

**Expected Price Range of Red Chilly Guntur spot market (INR/Qtl): 8732 – 8900.**

## **CUMIN SEED (JEERA)**

### **Spot Market Recap:**

- Lower arrivals were reported in the domestic market during the week (15<sup>th</sup> Oct – 21<sup>st</sup> Oct 2011) under review due to weekend holidays.
- No new fresh export enquiries were reported in the domestic market. Exporters were waiting for new shipments.
- Sources revealed that, higher arrivals may weigh on the jeera market sentiments in coming days.
- Jeera sowing started in Gujarat and area may increase during this sowing period. However, in Rajasthan jeera sowing will start after Diwali festival.

### **Fundamental analysis**

#### **Jeera Arrival Scenario:**

Market	% Change during corresponding period last week	Arrivals during the week (15 <sup>th</sup> Oct – 21 <sup>st</sup> Oct 2011) in bags	Arrivals during the last week (7 <sup>th</sup> Oct – 14 <sup>th</sup> Oct 2011) in bags	Arrivals during the last year (15 <sup>th</sup> Oct – 21 <sup>st</sup> Oct 2010) in bags
Unjha (Gujarat)	<b>-15.09</b>	22,500	26,500	10,000

**Unjha 1 bag = 55kgs**

Taking Unjha cash markets as the indicative market, arrivals were reported at 22,500 bags during the week period down by 4,000 bags as compared to previous week due to some holidays in Unjha domestic market. However sources revealed that, in Unjha spot market higher stocks were reported current year as compared to the same period last year.

As per trade information, in Unjha market at around 6 - 7 lakh bags stocks (1 bag = 60 kgs) which was higher as compared to the previous year's 4 – 5 lakh bags stocks and they may release their stocks before sowing period. Market participants were expecting that, near about 2 lakh bags may carry forward for coming season. Sources revealed that prices may go down in near term due to higher carry forward stock in the market.

Jeera sowing activity started in Gujarat districts area like Jamnagar, Rajkot, Amreli and sowing area may increase in this region due to sufficient soil moisture amid favourable weather condition. Sources revealed that, actual scenario will come when sowing will take place in all growing regions, till now 5 – 10 percent sowing completed in Gujarat regions. In Rajasthan jeera sowing will start after Diwali festival.

In the international market, Syrian and Turkey's cumin seed is being offered at USD 3,400-3,500 per ton (fob) respectively while; Indian cumin seed is quoted at USD 3,100-3,150 per ton (cnf) Singapore.



**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (21-10-2011)	Week Ago (14-10-2011)	Month Ago (22-09-2011)	Year Ago (21-10-2010)
Cumin Seed	Unjha-Loose	+10.40	13500-14100	12500	14000	12650
	Jodhpur - Loose	Unch	14000	14000	14000-14500	12300-12500

**Jeera weekly Price Outlook (Unjha Spot market)**


Candlestick chart pattern depicts weak bias movement in the market. Prices were not sustained at higher levels. 14860 is a strong supports level. RSI is moving up in neutral region indicating bullish sentiment in near term.

**Expected Price Range of Jeera at Unjha (INR/Qtl): 14860 – 15038.**

## **BLACK PEPPER**

### **Spot Market Recap**

- Higher arrivals were reported during the week under review (15<sup>th</sup> Oct – 21<sup>st</sup> Oct 2011).
- 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.
- Increasing export demand was reported in the domestic spot market as compared to the same period last year.
- Lower supply in the domestic market as well as in international market has pushed up the pepper prices to the highest ever levels.

### **Fundamental Analysis**

#### **Black Pepper Arrival Scenario**

Market	% Change during corresponding period last week	Arrivals during the week (15 <sup>th</sup> Oct – 21 <sup>st</sup> Oct 2011) in tonnes	Arrivals during the last week (7 <sup>th</sup> Oct – 14 <sup>th</sup> Oct 2011) in tonnes	Arrivals during the last year (15 <sup>th</sup> Oct – 21 <sup>st</sup> Oct 2010) in tonnes
Kochi (Kerala)	<b>+205.55</b>	<b>55</b>	<b>18</b>	150

In Kochi (Kerala) market, arrivals were reported at around 55 tonnes during the week period. Stockists were offloading their stocks at higher price level in the domestic spot market. Lower pepper stocks were reported in the domestic mandi in pepper growing regions. However, stockists were releasing their stocks in the current period as pepper prices were traded at its all-time high position. Market sources also expect that there will higher demand in coming months from November to December likely to supports the pepper prices to gain. Higher demand reported for Indian pepper in international market due to better quality. As per trade information, lower pepper production and lower supply may supports prices to gain.

#### **Correlation study of IND vs pepper prices**

Period	Correlation Coefficient	Impact of IND/USD on pepper prices
Jan 2011 till date	0.65	Positive impact - Depreciation of currency stands supportive for pepper prices
Sep 2011 till date	0.87	Define recent surge in pepper prices. Any further depreciation of currency shall keep bullish pepper trend intact

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. In international market Indian pepper demand increasing day by day because of better quality. The above mentioned table shows that higher correlation coefficient noticed from January to till date due to depreciation of Indian currency as compared to the US dollar at that time and exporters were active for their new export enquiries. As per trade sources, there is a good buying support for black pepper in coming days as against the any depreciation of currency in the forex market.

**International sentiments for Pepper market:**

In the global market, Indian black pepper MG 1 is quoted at USD 8,000 per ton for America (CNF). Vietnam FAQ 500 GL is offered at USD 7,650 and 550 GL FOB also at USD 8,050 per ton. White pepper double washed is offered at USD 11,100 per ton. Brazil Asta is offered at 7,750-7,800, B1 560 GL at 7,700 per tone (fob). Indonesia Asta is quoted at USD 8,550 per ton for October-November shipment.

In overseas market, shortage 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 production decline in several producing countries.

Black pepper price may increase further with the exception of Sri Lanka. Considerable changes were taking place in Sarawak this week. Local price of Sarawak black increased almost daily from MYR 15.83 (USD 4.97) per kg last week to MYR 16.5 (USD 5.26) at the week's close. In FOB, the price increased by USD 500 per mt and reach USD 8,000 at the week's close, recording the highest. On an average, Sarawak black pepper increased by 7% locally and 6% in FOB. Pepper market in India increased as indicated by the increase in the volume of trade at the Commodity Exchange. Average price of Malabar black increased by around 3%. In Lampung, local price of black pepper stood at IDR 67,000 (USD 7.50) per kg, recording 2% higher from last week's average. In Sri Lanka, pepper prices at growing areas decreased marginally by 1%. In Daklak, the price of black pepper was VND 150,000 per kg.

In white pepper prices also took place in Sarawak. Local price of Sarawak white pepper increased by 5%. Fob price of Sarawak white increased significantly by 10%. In Bangka, local price of muntok white decreased marginally. White pepper price in Hainan stood at USD 9,819 per mt locally and USD 10,019 in fob.

As per trade sources, pepper producers in Vietnam are expanding their areas as the price of pepper is on 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. Malaysia exported 6200 tonnes of pepper during January-June 2011.

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (21-10-2011)	Week Ago (14-10-2011)	Month Ago (21-09-2011)	Year Ago (21-10-2010)
Black Pepper	Kochi-Ungarbled	-1.45	34000	34500	33500	18400
	Kochi-Garbled	-1.39	35500	36000	34500	18900
	New Delhi-Unpolished	-2.28	34200	35000	35000	19600
	New Delhi-Number 11.5	-	36500	-	38000	23500

**Black Pepper weekly Price Outlook (Kochi Spot market)**


Candlestick pattern reveals bearish sentiment in the market. 36000 is a strong resistance level, pepper prices are not sustained at this higher level. 34430 is a strong supports level. However, prices stay significantly above 9 and 18-day EMA and support the bullishness in the market. RSI is moving down in neutral zone as well and prices might be down in near term.

**Expected weekly black pepper price range: 34430 to 36000.**

## **CARDAMOM**

### **Spot Market Recap**

- Lower arrivals were reported in the domestic market during the week under review.
- Sources revealed that, arrivals may increase in further days due to picking up of harvesting in growing areas.
- Sources revealed that, prospects of better crop production current year as compared to last year.
- As per trade information, at lower price level buyers may active for higher buying in coming days.
- Festive season demand also may increase in coming days and is likely to lend underlying support to the prices at lower price quotes.

### **Fundamental Analysis:**

#### **Cardamom Arrival Scenario**

Market	% Change during corresponding period last week	Arrivals during the week (15 <sup>th</sup> Oct - 21 <sup>st</sup> Oct 2011) in Kgs	Arrivals during the last week (7 <sup>th</sup> Oct - 14 <sup>th</sup> Oct 2011) in Kgs	Arrivals during the year (15 <sup>th</sup> Oct - 21 <sup>st</sup> Oct 2010) in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	-30.22	429349	615340	268996

Cardamom arrivals were reported at 429349 Kgs lower by 185991 kgs as compared to the previous week's arrivals due to unfavourable weather condition. However, cardamom arrivals expected to increase in coming days with picking up of harvest. Cardamom arrivals increasing due to increasing picking progress in growing areas. Sources revealed that, third round of harvesting were already completed and around 21 lakh kgs arrivals reported till now. 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 condition.

Traders are expecting the total production at around 16000 - 18000 tonnes in the current year which was up by 30 percent as compared to the last year. On the demand side, not much buying was reported in physical markets with the expectation of further decline in cardamom prices. Moreover, strong carryover stocks have also reduced the stockiest off take during the new season. Traders mentioned that almost 2000 tonnes of opening stocks were reported before the commencement of the new season.

### **Weather Watch**

Fairly widespread rain/thundershowers would occur over south peninsular India like Tamilnadu, Kerala, Lakshadweep and Andaman & Nicobar Islands. Isolated rain/thundershowers would occur over northeastern states. Isolated rain/snowfall would occur over Jammu & Kashmir. Weather will be mainly dry over remaining parts of the country.

**Spot Prices Weekly Change**

Centre	Commodity & Variety	% Change Over Previous Week	Average Auction Prices (Rs/Qtl)			
			Current (21-10-2011)	Week Ago (14-10-2011)	Month Ago (14-09-2011)	Year Ago (14-10-2010)
Vandanmettu, Thekkady, Kochi, Nedumkandam, Kumily, Santhanpara & Bodinayakanur (Kerala)	Small Cardamom	+5.54	606.92	575.03	585.14	933.43

**Cardamom weekly Price Outlook (Kochi Spot market)**


Candlestick chart pattern indicates firm sentiment in the market. **515 – 630 is the trading range for the price in coming week period.** Cardamom prices might find immediate support near 515. Positioning of RSI is moving up in neutral zone indicates the bullish trend for short term.



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