

TURMERIC

Spot Market Recap

- Higher arrivals were reported in Nizamabad and Erode spot market during the month period.
- Stockists are releasing their stocks in the domestic market on expectations of another bumper crop in 2012.
- Lower demand from Masala millers was reported in the domestic spot market at higher price level as they have ample quantity of stocks for further requirements.
- Favourable weather condition expected better turmeric yield in coming season with higher production.
- Turmeric farmers are expecting fresh turmeric to arrive by February-end in the domestic market.

Fundamental analysis

Monthly Turmeric Arrival Scenario:

Market	% Change during corresponding period last month	Arrivals during the December 2011 in bags	Arrivals during the November 2011 in bags	Arrivals during December 2010 in bags
Nizamabad (Andhra Pradesh)	+13.34	15,300	13,500	5500
Erode (Tamil Nadu)	+2.12	1,69,000	1,65,500	90,000

1 bag = 75kgs

As shown in the above table, higher arrivals were reported in Nizamabad spot market during the month period due to offloading stocks by stockists. Arrivals in Nizam were up by 1,800 bags as compared to the same period last month. Likewise, in Erode spot market also higher arrivals was reported. Arrivals were reported at around 1, 69,000 bags, 3,500 bags were up as compared to previous month period.

Sufficient quantities of stocks in the major mandies were reported. Turmeric producers and stockists are trying to release their stocks in spot market before new crop arrivals starts. As per trade sources, higher stocks was reported in Nizamabad and Erode spot market during the current season, as a result of increasing carryover stocks along with better production y-o-y. Total turmeric stocks in India is reported at 25 – 30 lakh bags (1 bag= 70 kgs) while in Erode spot market was expected at around 15 – 18 lakh bags. Stocks position in Erode spot market up by 15 - 20% as compared to the same period last year.

Lower demand was reported in domestic turmeric market. Exporters were inactive in the spot market as they have no fresh export enquiries during this period and this keep sentiments low alongwith sluggish demands from Masala millers. However, market participants were expecting that demand may increase in coming days.

Turmeric crop progress reported satisfactory in the important centers of Nizamabad and Erode. Turmeric crop it's at critical growth stages or knee height stage. Weather conditions were favourable for turmeric crop during this current period.

New Crop Arrivals

Turmeric crop progress reported satisfactory in South Indian parts mainly in Nizamabad, Warangal and Tamil Nadu regions. Healthy crop condition was reported and weather condition was favourable for turmeric crop during this current period. This should lead to better turmeric yield in the coming season with higher production.

As per farmer's expectations, on the basis of sowing and favourable weather condition expected turmeric yield at around 15 – 20 quintals per hectare and 80 lakh bags (1 bag = 65 kgs) total production in coming season. New turmeric crop would arrive in the first or second week of February and would pressurize the prices in the domestic market.

Spot Prices Monthly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		% Change
			30.12.11	31.11.11	
Turmeric	Erode	Finger	4400-4700	closed	-
		Gattah	4200-4400	closed	-
	Nizamabad	Nizam	5400	5000-5100	+6.93

Turmeric Price Outlook Monthly Chart (Nizamabad Spot market)


Turmeric prices were move range bound for last couple of months. Prices may take immediate supports level at 4900 in coming days, breaching this level is likely to test towards 4722 in near term. Prices were closed below 9 and 18 days suggests the bearish sentiment in the market. Market indicators like RSI is moving down in oversold region, indicates prices may correct in near term.

We expect turmeric spot prices to stay in the ranges of 4900 - 5500.

CORIANDER SEED

Spot Market Recap

- Lower arrivals were reported in major coriander markets during the month as comparison to last month.
- Lower domestic and export demand was noticed in coriander market.
- The trade expects a higher production due to the area increase in Rajasthan, Madhya Pradesh and Gujarat region.
- Coriander new crop arrivals will start from January onwards.
- No new fresh export enquiries were reported for coriander.

Fundamental analysis
Monthly Coriander Arrival Scenario:

Market (Rajasthan)	% Change during corresponding period last month	Arrivals during the December 2011 in bags	Arrivals during the November 2011 in bags
Kota	-25.17	32,400	43,300
Ramganj	-46.30	32,000	59,600
Baran	-16.15	28,300	33,750

1 bag=40 kg

Taking Kota spot markets as the indicative market, arrivals were reported at 32,400 bags during the month period which was down by 10,900 bags compared to the same period last month.

Lower demand amid higher carry in stock of last year in cold storages and godowns were reported. There are huge chances of production increase in this year as compared to last year due to increase in area

and favourable weather conditions. As per trade sources, in Kota, coriander carry forward stock in cold storage is around 1.5 – 2 lakh bags.

Coriander Export Scenario:

No new fresh export enquiries were reported from countries like USA, UAE, Mauritius, Sri Lanka, South Africa with EU and New Zealand. Exporters are still waiting for new export enquiries. However, trade participants are expecting that demand may increase in coming days and support the prices at lower level.

Sowing Scenario:

As per trade sources, Coriander sowing has been completed and indications are of higher production this season especially in Rajasthan and Madhya Pradesh. In Rajasthan region, farmers are switching from wheat to coriander due to attractive returns they have received this year from coriander in comparison to wheat. 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 has been sown in 0.07 lakh hectares in A.P as on 04th January 2012.

Coriander Sowing Progress: Andhra Pradesh

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on	% Sown to	
Crop	Season	As on date	As on 04/01/10	As on 04/01/11	on 04/01/12	Season	As on date
Coriander	0.27	0.24	0.30	0.17	0.07	25	28

Zone wise Area Sowing during Rabi 2011-12 till 04-01-2012

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

CORIANDER SOWING PROGRESS			
Andhra Pradesh Zone wise	Last Year	Current Year	%change
Coastal Andhra	316	-	-
Rayalaseema	15817	5830	-63.14
Telangana	1255	1034	-17.60
Andhra Pradesh Total	17388	6864	-60.52

Unit – Area in hectares

Spot Prices Monthly Change

Commodity	Centre & Variety		% Change Over Previous Month	Prices (Rs/Qtl)	
				30-12-11	30-11-11
Coriander Seed	Ramganj	Badami	-5.59	3325-3425	3500-3650
		Eagle	-6.00	3425-3625	3650-3850
	Kota	Badami	-11.39	3500	3950
		Eagle	-11.12	3600	4050
	Baran	Badami	-12.98	3350	3850
		Eagle	-12.65	3450	3950

Coriander Price Outlook Weekly Chart (Spot market)


Candlestick chart pattern indicates uptrend movement in the market. Immediate support level likely to be 4093 in the short term. Breaching the level likely to lead to a fall up to 4030 levels in the near term. Positioning of RSI is moving up in neutral zone indicates prices may go up in the short term.

We are expecting that, coriander spot prices to stay in the range of 4093-4650

RED CHILLI
Spot Market Recap

- Lower arrivals were reported in Guntur Red chilli during this month compared to last month.
- Sources revealed that around 10 lakh bags of red chilli are currently held in Guntur cold storages.
- No domestic demand was noticed. However, some export demand was noticed in the red chilli market.
- As per trade sources, In Guntur, red chilli new crop arrivals will pick up in the January month which may put pressure on prices to go down

Fundamental Analysis
Monthly Red Chilli Arrival Scenario:

Market	% Change Over Previous month	Arrivals during the December 2011 in bags	Arrivals during the November 2011 in bags
Guntur (Andhra Pradesh)	-19.56	7,20,000	8,95,000

1 Bag=45 Kgs

Red Chilli arrivals in Guntur was reported 7, 20,000 bags (1 bag=45Kg) during December month lower by 1, 75,000 bags as compared to the previous month' arrivals.

Sources revealed that around 10 lakh bags of red chilli are currently held in Guntur cold storage. New crop arrivals started from MP (Indore) and Maharashtra, the same is likely to start from A.P (Guntur) from December end onwards however it will increase after 15th January. As per trade information, in M.P., 5 lakh bags are arriving on monthly basis that arrival is same in comparison to last year, red chilli arrivals will continue till 2-3 months. In Guntur spot market, 5000 – 15000 bag new arrivals came to the market.

No domestic demand was noticed. However, some export demand was noticed in the red chilli market. Bangladesh is demanding Teja variety of red chilli whereas Malaysia and Sri Lanka are demanding Teja and 334 varieties of red chilli. In Guntur, red chilli prices were reported steady during the week as comparison to last week. As per trade sources, Guntur market will remain steady till the new crop arrivals.

Chilli Sowing Progress in AP during Rabi Season:

Sowing in major chilli growing areas is almost complete. Red Chilli has been sown in 0.45 lakh hectares in A.P. as on 28th December 2011. Trade sources revealed that chilli production should increase this year due to increase in area. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 28/12/11 Crop	% Sown to	
Crop	Season	As date on	As 28/12/09 on	As 28/12/10 on		Season	As date on
Red Chilli	0.47	0.39	0.50	0.40	0.45	97	115

Spot Prices Monthly Change

Commodity	Centre & Variety	% Change Over Previous Month	Prices (Rs/Qtl)	
			30-12-11	30-11-11
Red Chilli	LCA 334	-3.70	6100-6900	6000-7500
	Teja	-7.40	5000-7500	6000-7500
	No.5	-10.00	6500-7000	7000-8000
	Fatki	--	--	3000-4000
	Sanam 334	-3.70	6000-7000	6000-7500
	Byadgi	-2.78	9000-9500	8000-10000

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



Candlestick pattern shows bearish sentiment in the market. Chilli prices may take immediate support level at 6760. Prices closed below 9 and 18-day EMAs supporting the bearish 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): 6760 – 7280.

CUMIN SEED (JEERA)

Spot Market Recap:

- Higher arrivals were reported in the domestic market during the month under review.
- Higher stocks were reported with producers, stockists and they may offload their stocks in coming days before new crop arrivals starts.
- However, stockists were not interested to releasing their stocks at lower prices level.
- Jeera export has increased during the period from April – October 2011 as compared to April – October 2010.

Fundamental analysis

Monthly Jeera Arrival Scenario:

Market	% Change Over Previous month	Arrivals during the December 2011 in bags	Arrivals during the November 2011 in bags	Arrivals during December 2010 in bags
Unjha (Gujarat)	+11.01	87,700	79,000	93,500

Unjha 1 bag = 55kgs

Taking Unjha cash markets as the indicative market, arrivals were reported at 87,700 bags during the period of 1st Dec – 31st Dec 2011 higher by 8,700 bags as compared to previous month same period.

As per trade information, demand for Machine cut or Poojari type (jeera variety) is high in Unjha due to its quality and lower stocks available in the market. However, overall jeera sentiment reported lower due to ample supply and expectation of higher production (34 - 35 lakh bags in 2011-12).

Stock Position

In Unjha spot market, higher stocks were reported during current period as compared to the same period last year. Sources revealed that, all over India stocks reported at around 7 - 8 lakh bags (1 bag = 65 Kgs) and near about 4 – 5 lakh bags stocks reported in Unjha domestic market during this season.

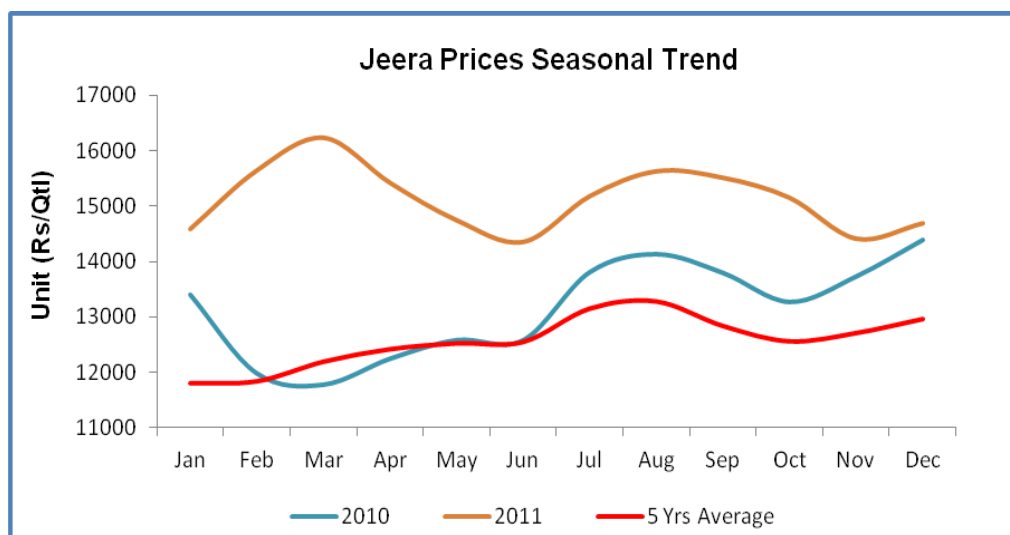
Sowing Progress –

In Gujarat cumin seed sowing reported around 2.82 lakh hectares till 3rd January as compared to the 2.38 lakh hectares in the last year. In Jamnagar and Surendranagar district, jeera resowing occurred during the season. Jeera sowing will complete till 15th January in Gujarat and area may increase up to 3 lakh hectre in current sowing period.

As per Rajasthan Agricultural Ministry, Jeera Acreage till 20th Dec 2011 was reported at 3.03 lakh hectare as compared to the 3.30 lakh hectare in the same period last year. New Jeera arrivals will come from March onwards in the domestic market.

In the international market, Syrian and Turkish cumin seed were offered at USD 3,400 and USD 3,000 per ton (fob) respectively, while, Indian cumin seed is quoted at USD 3,025 per ton (cnf) Singapore..

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



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 remains on higher side when compared to 2010 prices and its 5 year average prices.

Outlook:

As per the seasonal trend depicted in the above chart it is evident that prices started declining from Sept last onwards and stay low till Nov and then move up steadily until March. Taking into consideration current fundamentals we expect price direction to stay in-line with its 5 years average price trend.

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.

Spot Prices Monthly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		% Change
			28.12.11	28.11.11	
Cumin Seed	Unjha	Loose	13450-13650	12800	+5.86
		Machine Cut	13850	13850	Unch
		NCDEX Quality	14325-14825	13350-13850	+7.17
	Jodhpur	Loose	14000	13000	+7.69

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



Jeera prices indicates bullish trend in the market. Price is trading above the 9 Day & 21 Day Exponential Moving Average (EMA) which indicates upside in the market. 15000 as a strong support level in near term. Market indicators RSI is moving up in neutral zone and indicates the firmness in the market in near term.

Expected monthly Jeera price range: 15000 to 16600.

BLACK PEPPER

Spot Market Recap

- Lower arrivals were reported during the month period (1st Dec – 31st Dec) in the domestic spot market.
- Due to bad weather condition in pepper growing regions harvesting activity was delayed.
- New crop arrivals already started in the domestic market with lower quantity. Arrivals will increase from January last in the spot market.
- Domestic buyers were reported inactive at higher prices level.
- At present sluggish export demand was reported in the domestic spot market. No fresh export enquiries were reported.

Fundamental Analysis

Monthly Black Pepper Arrival Scenario

Market	% Change Over Previous month	Arrivals during the December 2011 in tonnes	Arrivals during the November 2011 in tonnes	Arrivals during December 2010 in tonnes
Kochi (Kerala)	-27.86	352	488	489

In Kochi (Kerala) market, arrivals were reported at around 352 tonnes during the month period lower by 136 tonnes as compared to the previous month's arrivals.

Arrivals Outlook

Market participants were expecting that, prices may go down further due to new arrivals pressure. As per our estimation based on last 3 years average current month period at around 530 – 535 tonnes new arrivals may come to the indicative Kochi market, which may increase 2 – 3 percent as compared to the previous year same period.

Crop Progress:

New crop arrivals already started in the domestic market mainly in Kochi regions. The crop harvesting normally begins in December but due to bad weather condition harvesting activity was delayed. Black pepper area was steady as compared to the same period last year. The Black Pepper Production in coming year may be around 48,000 tonnes as compared to the previous year 50,000 tonnes, down by 4%. As per trade information, decreasing yield in pepper producing regions due to old orchard.

Pepper International Prices:

In the international market, Indian black pepper MG 1 is quoted at USD 6,600-6,650 per Europe and USD 6,900-6,950 per ton CNF US. However, traders from Europe and US are on the holiday. Hence, market activities are dull. Vietnam Asta offered at USD 6,775, while some exporters are offering this for 7,500 USD per ton FOB. No price is being offered in Indonesia, while there is holiday in Brazil.

Pepper Export Scenario

Black Pepper export increased by 3,400 tonnes, which was 13,750 tonnes during the period from April – October 2011, compared to same period in 2010 when exports were reported at 10,350 tonnes. Current year exports till October were up by 33%. The value also has come up to Rs 40,027.50 this year which was Rs 18,578.55 last year and target for 2011-12 is 20,000 tonnes with value Rs.45,000/-

No buying supports for pepper prices in the domestic market at higher prices level. At present exporters were inactive in the domestic market due to content of high moisture level arrivals and higher prices level. Sources revealed that, at lower price level buyers may active for higher buying in coming days.

Spot Prices Monthly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		% Change
			30.12.11	30.11.11	
Black Pepper	Kochi	Ungarbled	32100	33200	-3.31
		Garbled	33600	34700	-3.17
	New Delhi	Unpolished	34000	34000	Unch
		Number 11.5	-	37000	-

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


Black pepper prices were not sustained above 34200 levels. 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 31900 is the immediate support for the price. If the prices breach this level it may drag down towards 31500.

Expected monthly black pepper spot price range: 31900 to 34000

CARDAMOM

Spot Market Recap

- Lower arrivals were reported in the domestic market during the month under review due to local disturbances.
- Cardamom arrivals may increase in coming days owing increasing picking activity in growing areas.
- Reportedly this year crop is expected to be good as compared to last year.
- 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.

Fundamental Analysis:
Monthly Cardamom Arrival Scenario

Market	% Change Over Previous month	Arrivals during the December 2011 in Kgs	Arrivals during the November 2011 in Kgs	Arrivals during the December 2010 in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam, Kumily, Santhanpara & Bodinayakanur (Kerala)	-74.37	5,12,041	19,98,255	1454166

Cardamom arrivals were reported at 5, 12,041 Kgs. In Kochi market lower arrivals were reported due to unrest in Kerala and Tamil Nadu over the Mullaperiyar Dam.

Cardamom arrivals may increase in the coming days owing better harvesting progress. Sources revealed that, fourth round of harvesting is about 40 – 50 percent complete in Kochi. Cardamom production is expected to have increased by 25% compared to the last year (2010) due favourable growing condition and supportive weather at crucial stages.

Buyers were active at the current price level in the domestic market. Domestic demand will be increase in coming days as stockists and buyers have no stocks at current period which lend supports to the cardamom prices. Overall, for cardamom in future period prices will move in positive trend. In the current domestic market exporters were inactive at higher price level.

Export Scenario:

Small Cardamom export increased by 1,830 tonnes, which was 2,300 tonnes during the period from April – October 2011, compared to previous year same period when export were reported at 470 tonnes. Current year exports till October were up by 389%. The value also has come up to Rs 19,574.63 lakh this year which was Rs 5,459.83 lakh last year and target for 2011-12 is 1,500 tonnes with value Rs.12, 000/- lakh.

On the other hand, large Cardamom export increased by 40 tonnes, which was 350 tonnes during the period from April – October 2011, compared to previous year same period when export were reported at 310 tonnes. Current year exports till October were up by 13%. The value also has come up to Rs 2,802.50 lakh this year which was Rs 1,499.98 lakh last year and target for 2011-12 is 1,000 tonnes with value Rs.5, 000/- lakh.

Spot Prices Monthly Change

Commodity	Centre	Variety/Type	Small (Price Rs/Kg)		% Change
			29.12.11	29.11.11	
Cardamom (Small)	Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur				
		Max Auction Price	689.00	783.50	-12.06
		Average Auction Price	528.80	533.32	-0.84

Technical Analysis Monthly (Futures Continuous Chart) Cardamom (values in Kg)



Cardamom prices moving in a downward trend in the market. Cardamom prices might find support near 515. Breaching the level likely to lead to a fall up to 500 levels in the near term. Market indicators RSI is moving down in neutral zone and indicates the bearishness in the market in near term.

Expected monthly cardamom price range: 515 and 650.

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