

## **TURMERIC**

### **Spot Market Recap**

- In Nizam, higher arrivals were reported during January against December. However, in Erode, lower arrivals were reported as market was reported closed for several days.
- As per trade sources, there are huge chances of higher turmeric production due to favourable weather conditions, which may put pressure on prices.
- In Nizam, stockists are releasing their stocks in the domestic market on expectations of better crop production.
- 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.

### **Fundamental analysis**

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

Market	% Change during corresponding period last month	Arrivals during the January 2012 in bags	Arrivals during the December 2011 in bags	Arrivals during January 2011 in bags
<b>Nizamabad (Andhra Pradesh)</b>	<b>+112.41</b>	32,500	15,300	32,300
<b>Erode (Tamil Nadu)</b>	<b>-51.47</b>	82,000	1,69,000	36,700

1 bag = 75kgs

In Nizam spot market, higher arrivals were reported at 32,500 bags up by 17,200 bags during the month period against last month. However, in Erode, lower arrivals were reported as market was closed due to Pongal festival and farmers protest, demanding turmeric procurement by government at Rs 10,000/quintal.

### **New Crop Arrivals**

Turmeric new crop arrivals have started, in Karnataka, where around 500-600 bags are arriving on daily basis and peak arrival is expected during mid-March. In Tamil nadu region, around 200-400 bags are arriving on daily basis and peak arrivals is expected by the March end.

Based on farmers inputs, we project total turmeric production to increase to 80 lakh bags (1 bag = 65 kgs) against 70 lakh bags last year. In Erode, we are expecting production to increase by 50% from last year crop which may be around 25-30 lakh bags and in Nizamabad, production could touch around 15 lakh bags which is higher by 10% from last year crop.

### **Stock Position:**

Higher carry forward stock that is around 15 lakh bags continues to weigh on the market sentiments. As per trade sources, in Erode, stock is around 6-7 lakh bags against 2 lakh bags last year while in Nizamabad, it is near 70,000 bags against 50,000 bags last year.

### **Export Scenario:**

As per trade sources, no fresh export enquiries were reported during this period and this may keep turmeric prices at lower levels. However, market participants are expecting that demand may increase in the coming days.

### **Spot Prices Monthly Change**

Commodity	Centre	Variety/Type	Price Rs/Qtl		% Change
			30.01.12	30.12.11	
Turmeric	Erode	Finger	4400-4700	4400-4700	Unch
		Gattah	4100-4400	4200-4400	-1.16
	Nizamabad	Nizam	4800	5400	-11.11

## Turmeric Price Outlook Monthly Chart (Nizamabad Spot market)



Candlestick chart pattern indicates a bearish trend in the market. Prices may take immediate supports level at 4210 in coming days, breaching this level is likely to test towards 4000 in near term. Prices were closed below 9 and 18 days suggesting a bearish sentiment in the market. Momentum 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 range of 4210 - 5000.**

## CORIANDER SEED

### Spot Market Recap

- In major coriander markets, higher arrivals were reported during the month as comparison to last month.
- Lower domestic and export demand was noticed in major coriander markets.
- Anticipation of higher production due to higher acreage and favourable weather conditions weigh on prices.
- In major coriander markets, new crop arrivals have started which will increase gradually in coming weeks.
- Higher carry in stock amid lower demand put pressure on prices.

### Fundamental analysis

#### Monthly Coriander Arrival Scenario:

Market (Rajasthan)	% Change during corresponding period last month	Arrivals during the January 2012 in bags	Arrivals during the December 2011 in bags
Kota	+11.28	36,500	32,800
Ramganj	+77.5	56,800	32,000
Baran	+4.24	29,500	28,300

1 bag=40 kg

Higher arrivals were reported in major coriander markers during the month against last month. Taking Kota spot markets as the indicative market, arrivals increased by 3700 bags to 36,500 bags against 32,800 bags last month.

### Sowing Scenario:

Sources revealed that coriander sowing has been completed with the higher acreage against last year and in Rajasthan, crop was reported at leaf plucking to flowering stage. In Baran and M.P., farmers are expecting that area may increase by 1.5 times this year as comparison to last year. However, In Kota

market, farmers are expecting that area will be same as previous year. Based on trader's information, in Rajasthan region, we expect area could increase to 237469 hectares against 197891 hectares last year.

Coriander has been sown in 0.09 lakh hectares in A.P as on 25<sup>th</sup> January 2012.

#### Coriander Sowing Progress: Andhra Pradesh

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on	% Sown to	
Crop	Season	As date on	As on 25/01/10	As on 25/01/11	on 25/01/12	Season	As date on
Coriander	0.27	0.27	0.33	0.17	0.09	32	32

#### New Crop Arrivals:

In major coriander markets, new crop arrivals have started but they are negligible in terms of quantity at this time and will increase gradually in the coming weeks but peak arrivals will start by mid march. Sources revealed that the new crop contains moisture level that varies from 10 to 60%, which is considerably high.

#### Crop Conditions:

As per trade sources, coriander crop looks in good condition due to favourable weather conditions amid no major impact of pest and diseases. Sources revealed that plant height is around 2 to 2.5 foot at this time and yield is expected to improve around 15% against last year.

As per trade information, total coriander production to increase around 1-1.25 crore bags against 75 lakh bags last year due to higher acreage and favourable weather conditions which may weigh on prices in the next few weeks.

#### Stock Position:

In Ramganj mandi, Coriander stock is around 1.5-2 lakh bags against 3-4 lakh bags last year. In Kota, stock is around 1-1.5 lakh bag against 2-3 lakh bags last year and in Baran, stock is around 2 lakh bags against 3-4 lakh bags last year. However, on NCDEX this is around 8.6 lakh bags against 2 lakh bags last year. As per trade sources, total carry forward stock is around 17 lakh bags against 40 lakh bags last year as last year, stock was in the farmers hand but this year, farmers have liquidate their stock due to better realization. However, old crop is still lying with big stockist

#### Coriander Export Scenario:

No new fresh export enquiries were reported from major markets as of now. As per trade sources, export demand will start in March with peak arrivals.

#### Spot Prices Monthly Change

Commodity	Centre & Variety		% Change Over Previous Month	Prices (Rs/Qtl)	
				31-01-12	31-12-11
Coriander Seed	Ramganj	Badami	-9.48	3000-3200	3375-3475
		Eagle	-7.69	3200-3400	3475-3675
		Scotter	-10.30	3700	4125
	Kota	Badami	-5.71	3300	3500
		Eagle	-5.55	3400	3600
	Baran	Badami	-7.46	3100	3350
		Eagle	-8.69	3100-3200	3450

**Coriander Price Outlook Weekly Chart (Spot market)**


Candlesticks chart pattern depicts range bound movement in the market. Immediate support level likely to be 4278 in the short term. RSI is hovering near to neutral zone. Prices could move in a range of Rs.3952-4278. Breaching this level price can touch to 3626 level at down side and at upper side at 4583 level.

**Expected price range: 3952-4278**

## RED CHILLI

**Spot Market Recap**

- In Guntur, red chilli arrivals were reported lower during the month against last month.
- As per trade sources, lower domestic and export demand was noticed in the red chilli market.
- In Guntur, carry forward stock was reported at 20-25 lakh bags similar to last year stock.
- Sources revealed that anticipation of higher production put pressure on prices.
- In Guntur, red chilli new crop arrivals will increase in coming days and peak arrivals should be in mid February.

**Fundamental Analysis**
**Monthly Red Chilli Arrival Scenario:**

Market	% Change Over Previous month	Arrivals during the January 2012 in bags	Arrivals during the December 2011 in bags
Guntur (Andhra Pradesh)	-5.00	6,84,000	7,20,000

1 Bag=45 Kgs

In Guntur, red chilli arrivals was reported at 6,84,000 bags (1 bag=45Kg) during January month lowered by 36,000 bags as compared to the previous month' arrivals as market was reported closed due to Pongal festival and strike against increase in food license fees.

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

Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 25/01/12	% Sown to	
Crop	Season	As on date	As on 25/01/10	As on 25/01/11		Season	As on date
Red Chilli	0.47	0.42	0.53	0.44	0.49	104	115

As per trade sources, crop looks good in shape due to favourable weather conditions and production could be higher by 25-30% against last year due to higher acreage provided no rain damage occurs in the coming days. Peak arrivals should be in mid February. Sources revealed that in M.P., yield is expected around 30-35 quintal per hectare and production could be at 75 lakh bags against 45 lakh bags last year due to higher acreage.

#### New Crop Arrivals:

Sources revealed that in Guntur, 20,000 to 25,000 bags are arriving on daily basis and in M.P. around 2,00,000 bags are arriving on weekly basis against 1,00,000 bags last year during same period.

#### Stock Position:

In Guntur cold storage, carry forward stock was reported at 20-25 lakh bags similar to last year stock. However, on NCDEX, no stock was reported at this time.

#### Export Scenario:

Some export demand was noticed in the red chilli market. Export demand from Pakistan is reported higher amid lower stock position in the market. Exporters are expecting an increase in demand in the mid of February. Bangladesh, Malaysia and Sri Lanka are also in the market for the Teja variety of red chilli which keeps the price at higher levels.

#### Spot Prices Monthly Change

Commodity	Centre & Variety	% Change Over Previous Month	Prices (Rs/Qtl)	
			30-01-12	30-12-11
Red Chilli	LCA 334	-10.00	5500-6200	6100-6900
	Teja	+4.00	6000-7000	5000-7500
	No.5	-8.88	6000-6300	6500-7000
	Fatki	-	2500-3000	-
	Sanam 334	-	-	6000-7000
	Byadgi	-	-	9000-9500

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



Candlestick chart pattern reveals bearish sentiment in the market. RSI is moving down in neutral zone indicates bearish sentiment in the market. 6430 level seems like an immediate support level and breaching this level price could touch to 6040 level.

**Expected price range: (INR/Qtl): 6430 – 7160.**

## CUMIN SEED (JEERA)

### Spot Market Recap:

- Higher arrivals were reported in the domestic market during the month under review.
- Anticipation of lower production due to weather concern may lead cumin prices at higher level.
- New crop arrivals will start in the month of March and peak arrivals expected in April.
- Lower carry forward stock may also lead prices to gain in coming weeks.
- Lower export demand was reported at higher price level.

### Fundamental analysis

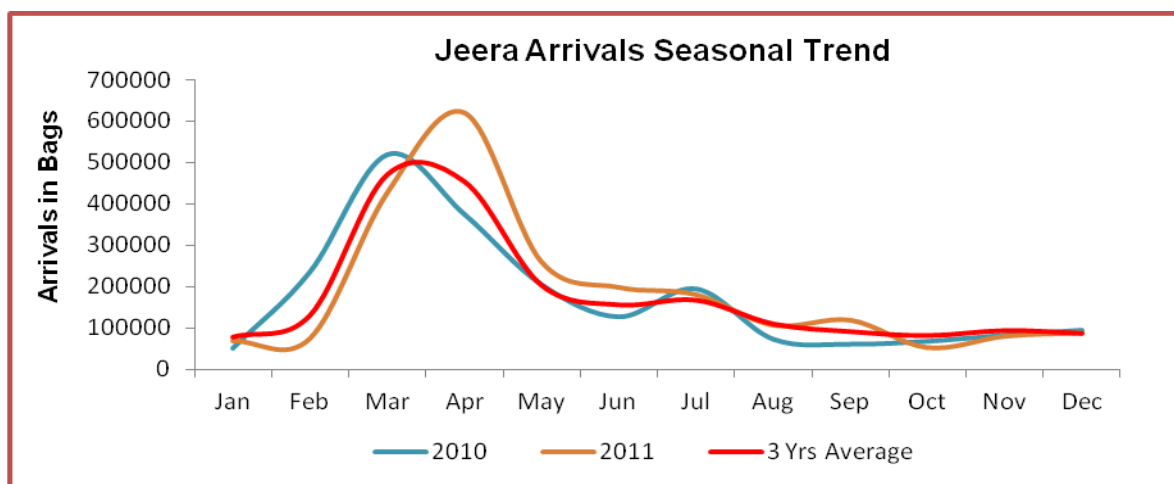
#### Monthly Jeera Arrival Scenario:

Market	% Change Over Previous month	Arrivals during the January 2012 in bags	Arrivals during the December 2011 in bags	Arrivals during the January 2011 in bags
Unjha (Gujarat)	+11.17	97,500	87,700	68,500

Unjha 1 bag = 65kgs

In Unjha, Cumin arrivals were reported higher at 97,500 bags higher by 9,800 bags against last month during same period and higher by 29,000 bags against last year during same period.

The following tables shows Jeera Unjha arrivals in 2010, 2011 and 3 years average arrivals and their seasonality trends-



Source – Agriwatch.

It is evident from the above chart that, Jeera Unjha arrivals in 2011 were up during March as compared to the 2010 and 3 years averages arrivals. In 2011 from January to March arrivals were seen following its seasonal trend. It then slowly declined from April onwards and followed its 3 years average prices trend. Seasonal trend showed that lean-season arrival period is from Aug to January. However during 2010 the crop gets delayed by nearly one month and peak arrival shifted to April.

### Stock Position

Lower carry forward stock may also lead prices to gain in coming weeks. In Unjha, cumin stock is reported at 6-7 lakh bags (1 bag = 65 Kg) which is lower against last year stock of around 12-14 lakh bags. As per trade sources, Stockists are holding their stock on expectation of further rise in prices. Sources revealed that cumin new crop arrivals will start during the month of March and peak arrivals will start by April month.

### Export Scenario:

As per trade sources, cumin export demand is reported lower at higher price level and waiting for new crop arrivals to start from March. As per trade sources, in Turkey and Syria, cumin new crop arrivals will start in the month of June and July and Indian crop will start in the month of March. In the mean time, our crop demand will be higher and will lead prices.

### Jeera International Prices

In the international market, Syrian and Turkey's cumin seed offered at USD 3,200 per ton (fob), while, Indian cumin seed quoted at USD 2,850-2,900 per ton (cnf) Singapore.



**Spot Prices Monthly Change**

Commodity	Centre	Variety/Type	Price Rs/Qtl		% Change
			30.01.12	30.12.11	
Cumin Seed	Unjha	Loose	14000-14500	13400-13600	<b>+5.55</b>
		Machine Cut	15200-15500	13800	<b>+13.70</b>
		NCDEX Quality	14500-14800	14275-14775	<b>+0.86</b>
	Jodhpur	Loose	14000-14500	15000	<b>-5.00</b>

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


Jeera prices indicate bearish sentiment in the market. 14540 as a strong support level in near term. Market indicators RSI is moving down in neutral zone and indicates the bearishness in the market in near term.

**Expected monthly Jeera price range: 14540 to 15900.**

## **BLACK PEPPER**

**Spot Market Recap**

- Lower arrivals were reported during the month period (1<sup>st</sup> Jan – 31<sup>st</sup> Jan) in the domestic spot market.
- Expectations of lower supply in the spot market may support the black pepper prices to gain in coming days.
- Sources revealed that, black pepper area in Kerala was steady as compared to the same period last year.
- Inactive response from buyers at higher prices level in the domestic market.

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

Market	% Change Over Previous month	Arrivals during the January 2012 in tonnes	Arrivals during the December 2011 in tonnes	Arrivals during January 2011 in tonnes
Kochi (Kerala)	<b>-36.64</b>	<b>223</b>	<b>352</b>	<b>523.5</b>

In Kochi (Kerala) market, arrivals were reported at around 223 tonnes during the month period lower by 129 tonnes as compared to the previous month's arrivals. Producers and stockists were not liquidating their stocks expecting of higher price level in further days and also sellers were not interested to sell their produce at lower price level and they were expected to increase further.

New crop arrivals already started with lower quantity 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. Market participants are expecting that pepper arrivals may increase in the mid of February.

#### Production Estimate:

Black pepper area was steady as compared to the same period last year. The Black Pepper Production in 2011-12 may be around 43,000 tonnes as compared to the previous year 48,000 tonnes, down by 10.42%. We are expecting lower production due to stagnant area and decreasing yield in pepper producing regions due to old orchards.

#### International sentiments for Pepper market:

Black pepper international markets were reported inactive from last week. In Vietnam, Sarawak and Indonesia pepper markets were closed for Lunar New Year. As per trade sources, trading activity is expected to become normal by next week, when pepper harvest in Vietnam should begin. In Sarawak, local prices were relatively stable. In dollar terms however, the price increased due to strengthening of local currency against US Dollar. Three percent decrease in fob price of Sarawak black was recorded this week. In Sri Lanka, producer's price decreased further by 4%.

In White Pepper market in Bangka, local prices decreased marginally, while in Sarawak the local prices were relatively stable. In dollar terms however, local price in Bangka remained stable and in Sarawak increased by 2%, due to strengthening of local currency against US Dollar.

#### Pepper International Prices

In the international market, Indian black pepper MG 1 is quoted at USD 6,500-6,550 per ton CNF Europe and USD 6,800-6,850 per ton C&F US. Vietnam GL 500 FAQ at USD 5,850 per ton FOB, 500 GL FAQ at USD 6,150 per ton FOB.

#### Spot Prices Monthly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		% Change
			30.01.12	30.12.11	
Black Pepper	Kochi	Ungarbled	30000	32100	-6.54
		Garbled	31500	33600	-6.25
	New Delhi	Unpolished	34000	34000	Unch
		Number 11.5	-	-	

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



Candlestick formation reveals bearish sentiment in the market. Price closed between 9 and 18 day EMA suggests weak bias movement in prices. RSI is moving down in neutral region which suggests prices may go down in the market. Level of 28560 is the immediate support for the price. If the prices breach this level it may drag down towards 28000.

**Expected monthly black pepper spot price range: 28560 to 33460**



## CARDAMOM

### Spot Market Recap

- Higher arrivals were reported in the domestic market during the month under review.
- Cardamom arrivals further increase due to increasing picking activity in growing areas.
- Cardamom production this year is expected to be better than last year's.
- Expectations of improving demand in domestic market will lend support to the cardamom prices in coming days.
- 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 January 2012 in Kgs	Arrivals during the December 2011 in Kgs	Arrivals during the January 2011 in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	+412.69	26,25,183	5,12,041	6,61,900

In Kochi market Cardamom arrivals were reported at 26, 25,183 Kgs during January month higher by 21, 13,142 kgs due to better harvesting progress in the growing regions as in December month lower arrivals were reported due to dam protest.

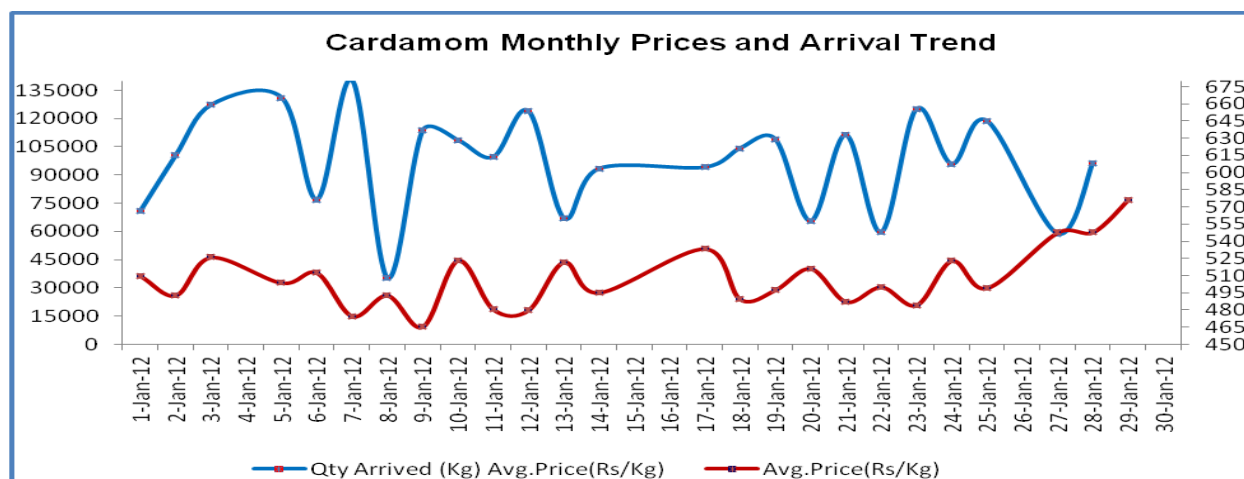
Cardamom arrivals may increase in the coming days due to increased picking activity in growing areas with favourable weather condition. As per trade sources, fourth round of harvesting will be completed by 15<sup>th</sup> of February and fifth round harvesting activity will start from April onwards given favourable climatic condition with better production.

### Production Estimate for 2011-12:

Cardamom production is expected to be around 17000 - 18000 tonnes in the current year, higher by 25% compared to the last year (2010) due favourable weather condition in growing regions and supportive weather at crucial stages.

### Export Scenario:

Exporters were active in the domestic market. In spite of higher production as well as Japan rejection due to pesticide, no carry forward stock will be reported this season as export demand is higher by 30-35% this year against last year during same period mainly from Saudi Arabia and if export demand continues to the month end, cardamom prices will go up further.



**Source – Agriwatch.**

There was an inverse relationship between arrivals and prices in the spot market. However, we are expecting that arrivals will increase in coming days and prices also go up as stockists and buyers have no

stocks at current period which lend supports to the cardamom prices to recover. Overall, for cardamom in future period prices will move in positive trend.

### Spot Prices Monthly Change

Commodity	Centre	Variety/Type	Small (Price Rs/Kg)		% Change
			30.01.12	30.12.11	
Cardamom (Small)	Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur				
		Max Auction Price	753.50	689.00	+9.36
		Average Auction Price	567.94	528.80	+7.40

### Technical Analysis Monthly (Futures Continuous Chart)

#### Cardamom (values in Kg)



Candlestick chart pattern indicates prices should correct in the market. Cardamom prices might find support near 540. Breaching the level likely to lead to a fall up to 510 levels in the near term. Market indicators RSI is moving up in neutral zone and indicates the bullishness in the market in near term.

**Expected monthly cardamom price range: 540 and 760.**

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