

## **TURMERIC**

### **Spot Market Recap**

- Lower arrivals were reported in Nizamabad market as compared to Erode during the month period.
- Lower turmeric stocks were reported in Nizamabad market during the current period.
- Turmeric prices were not sustained at higher prices level as traders have sufficient stock in quantity.
- The carryover stocks are expected around 30,000 MT. Stockists were holding back their stocks in the domestic market.

### **Fundamental analysis**

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

Market	% Change during corresponding period last month	Arrivals during the September 2012 in bags	Arrivals during the August 2012 in bags	Arrivals during the September 2011 in bags
Nizamabad (AP)	-1.21	32600	33000	14100
Erode (TN)	3.95	84200	81000	131000

1 bag = 75kgs

In Erode higher arrivals were reported during the month period as compared to the Nizamabad spot market. Sources revealed that traders have sufficient amount stock in quantity in the domestic market. In Erode, around 22 lakh bags were reported in turmeric market.

Turmeric production for 2011-12 has been projected at 90 lakh bags (of 70 kg each) compared with 69 lakh bags in 2010-11. Expected pick-up in demand is supporting prices in coming days. According to the Spices Board of India, exports in April were up 1 % at 7,300 tonne.

Stockists were not interested for buying turmeric bulk quantity only few traders have procured turmeric to fulfil their local orders. Exporters were also waiting for fresh export orders in the spot market.

### **Zone wise Area Covered:**

Turmeric sowing in Andhra Pradesh state zone wise recorded in Coastal Andhra current year 6397 as compared to the 13443 hectares last year, in Rayalaseema current year 6056 as compared to the 12539 hectares last year and in Telangana current year 44587 as compared to the last year 55101 hectares last year.

### **Sowing Progress:**

Turmeric has been sown in 0.57 lakh hectares in A.P as on 03<sup>rd</sup> October 2012. The comparative sowing progress in AP is tabulated below:

#### **Turmeric Crop Sowing Progress: Andhra Pradesh**

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 03/10/12	% Sown to	
	Season	As on date	As on 03/10/10	As on 03/10/11		Season	As on date
Turmeric	0.67	0.67	0.69	0.81	0.57	85	85

## Spot Prices Monthly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		% Change
			28.9.12	29.8.12	
Turmeric	Erode	Finger	5500-6000	Closed	--
		Gattah	5300-5600	Closed	--
	Nizamabad	Nizam	5600	5800	-3.44

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



Candlestick chart pattern reveals range bound movement in the market. Prices closed between 9 and 18 days EMAs. RSI is moving down in neutral region, indicating that prices may go down in near term. 4800 seems like a strong support level. **We expect turmeric spot prices to stay in the range of 4800 - 6020.**

## CORIANDER SEED

### Spot Market Recap

- In major coriander markets, higher arrivals were reported during the month period.
- Higher arrivals amid sluggish domestic and export demand are also seen as reasons.
- Exporters were also reported inactive in the spot market; they were not getting any fresh order.
- Sources revealed that, carry forward stock, which is around 55 lakh bags against 35 lakh bags during the last year also weigh on the prices

### Fundamental analysis

#### Monthly Coriander Arrival Scenario:

Market (Rajasthan)	% Change during corresponding period last month	Arrivals during the September 2012 in bags	Arrivals during the August 2012 in bags
Kota	49.07	56200	37700
Ramganj	16.72	63500	54400
Baran	76.02	69000	39200

1 bag=40 kg

Taking Kota spot markets as the indicative market, arrivals were up by 18500 bags to 56200 bags against 37700 bags last month. Sources revealed that, almost 60 percent arrivals were traded in the market already. Stockiest and farmers have higher stock and they have started to release their stock in the market which may put further pressure on the prices.

Limited demand from south Indian buyers amid higher stock may keeps coriander prices at steady level. Higher production amid higher carry forward stocks put cap on prices at higher levels. In Rajasthan and Madhya Pradesh 35 - 40 lakh bags total stocks expected with traders.

Coriander prices may down in coming days due to lower demand in the domestic market. Exporters as well as domestic buyers were unresponsive in the market. No new export orders were coming to the market.

#### Spot Prices Monthly Change

Commodity	Centre & Variety		% Change Over Previous Month	Prices (Rs/Qtl)	
				28.9.12	29.8.12
Coriander Seed	Ramganj	Badami	+60.49	3150-3250	1925-2025
		Eagle	+66.26	3450	2025-2075
		Scooter	-0.68	3650	3675
	Kota	Badami	--	3400	Closed
		Eagle	--	3500	Closed
	Baran	Badami	-3.70	3250	3375
		Eagle	-3.59	3350	3475

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



Candlesticks chart pattern depicts prices may go up in the market. However, prices closed below 9 and 18 days EMAs indicating the bearish sentiment in the market. RSI is moving down in neutral region which indicates prices may go down in the near term. 4035 seems like a strong support level.

**Expected price range: 4035 -4400.**

## RED CHILLI

### Spot Market Recap

- In Guntur, Red chilli arrivals were reported higher during the month period.
- In Madhya Pradesh Chillies crop under cultivation is around 45,000 hectares.
- In Andhra Pradesh farmers were expected around 30% crop shortage due to current season lower prices and erratic monsoon.
- Chilli production is expected to be 12% lower this year compared to last year on the back of lower acreage.
- Sources revealed that, overall Chilli production for 2012 was 1.3 Million tons. Availability in 2013 is expected 1.081 Million tons as against normal production of 1.20 Million Tons.

### Fundamental Analysis

#### Monthly Red Chilli Arrival Scenario:

Market	% Change Over Previous month	Arrivals during the September 2012 in bags	Arrivals during the August 2012 in bags	Arrivals during the September 2011 in bags
Guntur (Andhra Pradesh)	3.52	735000	710000	775000

1 Bag=45 Kgs

Red chilli arrivals were reported lower by 25,000 bags to 735000 bags during the month against 710000 bags during the last month. Around 70 lakh bags stock of red chilli in all over Andhra Pradesh cold storage. Meanwhile, there is 40 lakh bags (per bag 40 kg) stock of red chilli at Guntur cold storage.

### Chilli Crop Sowing Progress:

Red Chilli has been sown in 1.20 lakh hectares in A.P as on 03<sup>rd</sup> October 2012. Chilli sowing in Andhra Pradesh is going on. The comparative sowing progress in AP is tabulated below:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 03/10/12	% Sown to	
Crop	Season	As on date	As on 03/10/10	As on 03/10/11		Season	As on date
Chilli	1.69	1.69	1.52	2.01	1.20	71	71

### Zone wise Area Covered in AP:

Chilli sowing in Andhra Pradesh state zone wise recorded in Coastal Andhra current year 70636 as compared to the 109153 hectares last year, in Rayalaseema current year 14894 as compared to the 24354 hectares last year and in Telangana current year 34790 as compared to the last year 67506 hectares last year. Sources revealed that, in Andhra Pradesh Red Chilli crop shortage of 15-30% during the current period. Transplanting work is in progress and is expected to be completed by first week of October. Transplanting is so far completed in 87,428 hectare against the last season of 106,858 hectare.

As per trade information, in Madhya Pradesh good crop expected with an increased acreage of 20%. Chilli crop is in fruiting stage and harvesting for stirring up flowering has begun.

In Karnataka, Chilli plant size is already around 1-1.5 feet and in some other areas re-transplanting work is progressing well. 20% area down as farmers has shifted to cotton cultivation.

**Spot Prices Monthly Change**

Commodity	Centre & Variety	% Change Over Previous Month	Prices (Rs/Qtl)	
			28.9.12	29.8.12
Red Chilli	LCA 334	-1.78	5300-5500	5300-5600
	Teja	2.63	7500-7800	7400-7600
	No.5	-4.76	5800-6000	6000-6300
	Fatki	-16.66	2200-2500	2200-3000
	Sanam 334	-	5600	-
	Byadgi	-6.15	5800-6100	6000-6500

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

**CUMIN SEED (JEERA)**
**Spot Market Recap:**

- Lower arrivals were reported in Unjha market during the month period.
- Exporters were trying to buy at lower prices level.
- At higher prices buyers were unresponsive in the domestic market owing to higher stocks with them.
- Prices fell in the domestic due to weak overseas demand at higher price level.

**Fundamental analysis  
Monthly Jeera Arrival Scenario:**

Market	% Change Over Previous month	Arrivals during the September 2012 in bags	Arrivals during the August 2012 in bags	Arrivals during the September 2011 in bags
Unjha (Gujarat)	<b>-31.10</b>	72000	104500	118500

**Unjha 1 bag = 65kgs**

In Unjha, Cumin arrivals were reported down by 32500 bags to 72000 bags against 104500 bags last month.

Total carryover stocks were reported at 7-8 lakh bags during the current year compared with 4-5 lakh bags last year.

Exporters were keeping away from the market at higher price level. However, due to lower supply in the international market from Syria and Turkey. The demand for Indian jeera remained high. Expectations of improvement in export orders may result in buying at lower levels.

Jeera is a winter crop sown October onwards and farmers depend on rains to moisten the land for sowing.

**International Jeera Prices:**

In the international market, Indian cumin seed one percent quoted at USD 2,600 ton (cnf) Singapore. However, Turkey and Syria are not offering.

**Spot Prices Monthly Change**

Commodity	Centre	Variety/Type	Price Rs/Qtl		% Change
			28.9.12	29.8.12	
Cumin Seed	Unjha	Loose	14400-14700	14820-15120	<b>-2.77</b>
		Machine Cut	14200	14620	<b>-2.87</b>
		NCDEX Quality	14400-14600	14820-15020	<b>-2.79</b>
	Jodhpur	Loose	13000	13000	<b>Unch</b>



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


Candlesticks chart pattern depicts prices may go up in the market. However, Prices closed below 9 and 18 days EMAs indicating the bearish sentiment in the market. RSI is moving down in neutral region which indicates prices may go down in the near term. 13900 seem like a strong support level.

**Expected monthly Jeera price range: 13900-14700.**

## **BLACK PEPPER**

### **Spot Market Recap**

- In Kochi, Pepper arrivals were reported higher during the month period.
- At higher price level stockists were bringing their produce in the spot market.
- Buyers were purchasing black pepper directly to farmers and primary markets at lower prices level.

### **Fundamental Analysis**

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

Market	% Change Over Previous month	Arrivals during the September 2012 in bags	Arrivals during the August 2012 in bags	Arrivals during the September 2011 in bags
Kochi (Kerala)	87.26	397	212	121.30

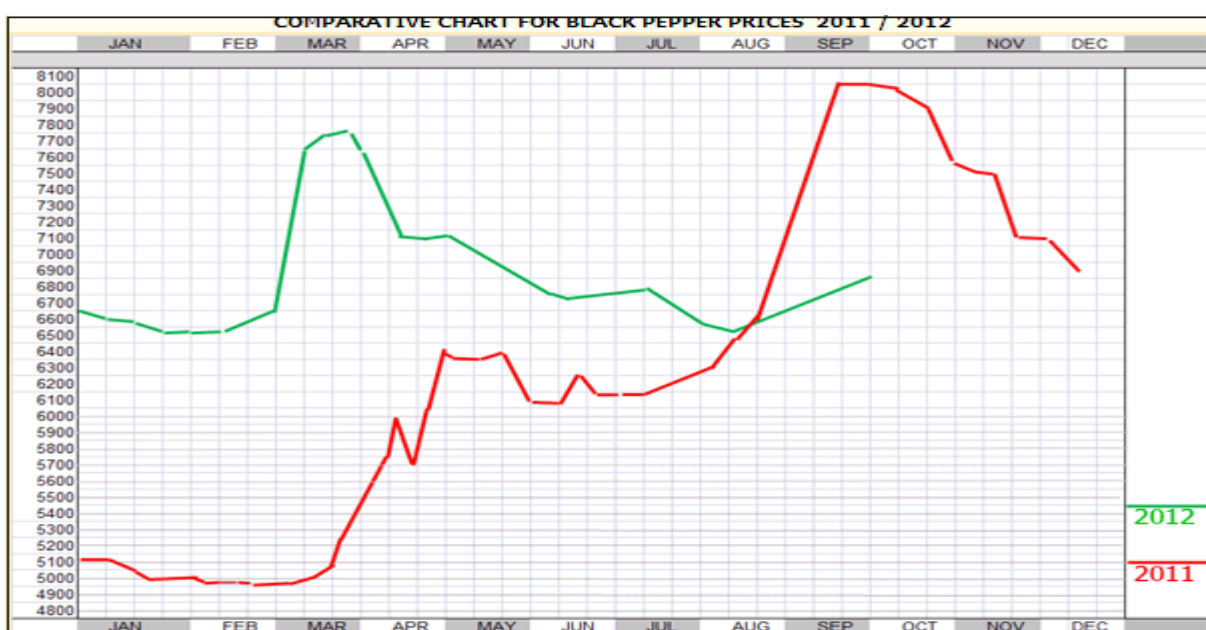
In Kochi, Pepper arrivals were reported up by 185 tonnes in comparison to last month. However, daily arrivals were very low in the domestic market due to lower stocks. Pepper availability continued to be tight in the domestic market in coming days.

In Indonesia Local pepper farmers are holding back their stocks to wait for higher prices. They are in no hurry to sell. Sources revealed that, there is now a very tight supply locally and the prices have been pushed up as dealers and exporters are trying to buy aggressively as their inventories have run out. There are very few sellers in the market even though farmers have almost harvested their entire new

crop. Most exporters have long-term commitment with foreign spice buyers and end-users. In Vietnam, stockists were holding back stocks in anticipation of strengthening prices in future.

In international market pepper available for export from India and Malaysia is not significant. Hence buyers look to other pepper producing countries in Southeast Asia. Because Indonesia has harvested with yields higher than expected and the exporters are offering at cheaper price, while Vietnamese farmers still hold goods waiting for higher prices in future. However, the average export price of Vietnamese pepper in the first eight months saw a year-on-year increase of 25.3 per cent to \$6,855 per tonne. Vietnam farmers are unwilling to sell their stocks at lower levels and are holding back their produce expecting better prices.

The following charts depicts the black pepper average prices of Brazil, India and Vietnam, 500gl, 560gl,



ASTA, in 2011 and 2012 in month wise –

In overseas markets, Black pepper prices recover from the previous levels in the market. Due to lower supply in the international market prices were go up, however at higher prices buyers may unresponsive in coming days.

Exports during Jan–July 2012 have shown an increase of 11.36 per cent to 11,505 tonnes from 10,331 tonnes in the same period the previous year. Imports also increased by 14.15 per cent to 8,834 tonnes from 7,739 tonnes during the period.

Indonesia has harvested with yields higher than expected and pepper being the country's export important crop, traders are offering at competitive price, while Vietnamese farmers still holds pepper and waiting for a better prices.

Vietnam white pepper double washed was at about \$9,100 a tonnes. White pepper from Vietnam usually exported to European and American customers at better prices, but this year declined continuously, due to reduction in the purchasing power by around 50% compared to the same period last year. Processors expect demand will increase again when the buying improves during the upcoming festive seasons and holidays.



## Pepper International Prices:

In the international market Indian black pepper for New York at USD 8,600 per ton C&F. Indonesia Austa quoted at USD 6,750 per ton FOB and Vietnams 500 GL offered at USD 6,900 per ton FOB.

## Spot Prices Monthly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		% Change
			28.9.12	29.8.12	
Black Pepper	Kochi	Ungarbled	40000	Closed	-
		Garbled	41500	Closed	-
	New Delhi	Unpolished	43000	42500	1.17
		Number 11.5	-	-	-

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



Candlestick chart pattern reveals bullish sentiment in the market. Price closed significantly above 9 and 18 day EMAs indicates bullish sentiment in the market. However, RSI is moving up in overbought region which might take correction in short term. **Expected monthly black pepper spot price range: 40240-43200.**

## CARDAMOM

### Spot Market Recap

- Lower arrivals were reported in the domestic market during the month under review.
- Higher carry forward stock with the higher domestic demand keeps cardamom prices at the steady level.
- Stockists were inactive at higher prices level as they have sufficient stock in quantity.
- New crop arrivals weigh on the cardamom prices.

**Fundamental Analysis:  
Monthly Cardamom Arrival Scenario**

Market	% Change Over Previous month	Arrivals during the September 2012 in bags	Arrivals during the August 2012 in bags	Arrivals during the September 2011 in bags
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	<b>-35.70</b>	<b>847275</b>	<b>1317761</b>	<b>1959208</b>

Since September 24 Bodinayakannur and Vandanmedu have remained suspended. The growers and even some Spices Board officials are keen to stop the auction process due to some various factors.

In Kochi, Cardamom arrivals were reported lower by 470486 Kgs to 847275 Kgs during September month in comparison to last month. New crop arrivals will expect to come one month delay from September – November in coming days.

Buyers were buying at lower levels in the domestic market. Overall market was remained weak due to higher carry forward stocks. During the current period, around 6,000 tonnes stocks carry forward. Currently the carryover stocks and rupee appreciation is keeping cardamom tethered to a bearish trend. Export demand is reported lower as importing countries have already purchased stock and they have sufficient stock in quantity.

Sources revealed that, due to dry weather conditions in June, July have impacted cardamom plantations in Idukki. Growers expect a drop of 40% in production this season against a normal production of 12,000 to 13,000 tons annually. If auction remains suspended prices are likely to rise further.

If Guatemala cardamom production too is low, then one will not have enough of cardamom to sell in the markets, meaning prices would skyrocket, sources revealed. As per trade information, cardamom plantations in Guatemala have not recovered from the damages that have been suffered.

According to Bancguat, Cardamom exports in Guatemala generated \$124.2 million in May, which is 27 percent less than in the same period in 2011 due to lower demand from Islamic countries.

**Spot Prices Monthly Change**

Commodity	Centre	Variety/Type	Small (Price Rs/Kg)		% Change
			28.9.12	30.8.12	
Cardamom (Small)	Vandanmedu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur				
		Max Auction Price	--	952.5	--
		Average Auction Price	--	737.00	--

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


Candlestick chart pattern reveals bearish sentiment in the market. RSI is moving down in neutral zone and indicates the bearishness in the market. 840 seem like a strong support level. Prices closed below 9 days and 18 days EMAs indicates bearish sentiment in the market.

**Expected monthly cardamom price range: 840-1040.**

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