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Indian Turmeric Market – Jan18, 2010

### Turmeric likely weaken on fresh arrivals

Indian turmeric market eased on a likely rise in arrivals, weak exports and hopes of higher output.

Spot prices were low in the major Indian markets. Arrival pressure is hitting spot market and is under pressure. Arrivals are gradually rising, but buyers are not showing interest. New crop is coming in small quantity, but anticipating higher arrivals in coming weeks traders are liquidating old stocks. Arrivals from new crop have started in few places in Andhra Pradesh.



Turmeric futures price also showed weakening trend as traders indulged in booking profits amid higher output concerns. Besides profit taking by traders at higher levels, likely rise in output this year as farmers in southern and western regions expanded acreage under the spice, and drop in exports in November 2009 put pressure on the turmeric prices.

Turmeric arrivals usually start in mid-January in small quantities and gain momentum from March. The peak season runs till June.

On the other hand, prices may find support if fresh orders are placed from domestic market in good quantity. Reports of low stocks and low production are expected to support the prices in the medium term. Carry-forward stocks were low as output had fallen steeply last year due to low acreage and bad weather. Improved domestic and export demand was noted and along with reports of falling stocks, the trade expects demand to rise in coming weeks and prices to remain moderately firm.

In the long to medium term (February onwards) prices may take cues from the turmeric production for the year 2010 and demand from the domestic and overseas market.

Current price for polished clean raw material remains at US\$2500/Mt for delivery at Cochin.