



Pepper

KEY TAKEAWAYS

- > The harvest season has started in Vietnam (early regions), India and Southern Brazil, potentially putting some pressure on prices in the short term.
- > Negative macroeconomic factors are expected to influence the market price in the short and medium term.
- > Despite a good crop in Brazil, and a normal crop in Vietnam and most other producing countries, global production continues to lag behind global demand, leading to a decrease in global stock levels.

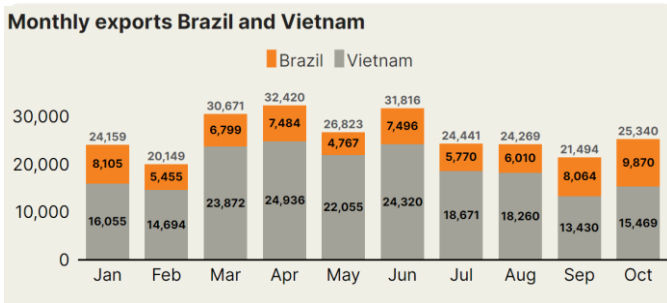
PRICE OUTLOOK

short term

medium term

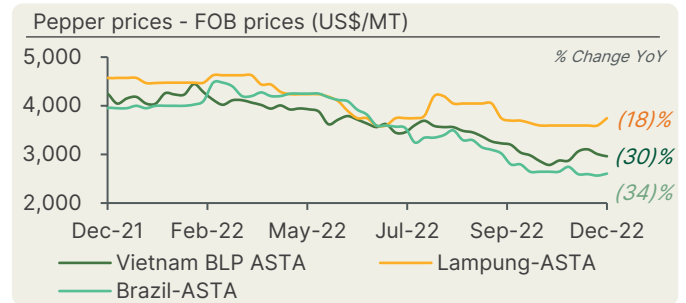
long term

SUPPLY DYNAMICS



- > The upcoming new crops in Vietnam, Southern Brazil, and India have put pressure on speculators to liquidate their old stocks. Export volumes in October increased compared to the previous months.
- > China, America, and Europe reduced their import from Vietnam in 2022, resulting in 18% less volume YtD-Oct.
- > Brazil's production is expected to increase by 10% this year, thanks to new yielding areas from the southern states of Espírito Santo and Bahia.
- > Companies in Brazil are in the process of establishing steam sterilization facilities, with the first factory expected to begin operations soon. This will enable the export of volumes from southern Brazil that meet the EU limits on salmonella contamination, starting in the first half of '23.

PRICE TRENDS

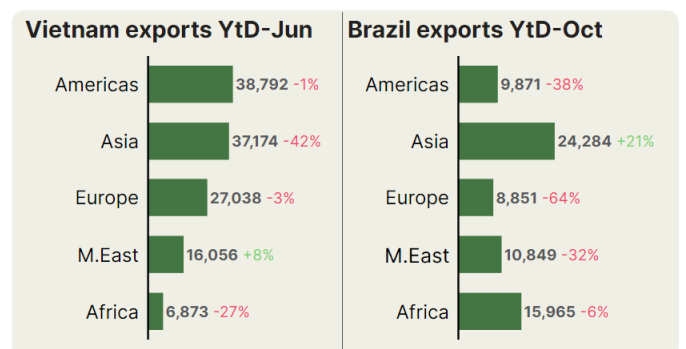


- > Demand from China ahead of the lunar new year has helped support market prices recently, but more pressure is expected as new crop materials hit the market. It is not yet known what the exact consequences of China's recent relaxation of its zero-covid policy will be.
- > During the VPA Vietnam pepper outlook 2022 meeting in Dak Lak, most of the participants voiced concern about the global economy, credit control and bank interest rates.
- > Over the previous weeks, speculators tried to squeeze the market to increase prices and subsequently liquidate their stocks. However, the price increase was short-lived, and prices have returned to the levels seen in early November.

KEY QUALITY PRICE LEVELS¹

Quality	US\$/MT	Change
BP Vietnam ASTA	2,960	3.1%
BP Brazil ASTA	2,685	(1.5%)
BP Lampung ASTA	3,785	4.1%
BP MG1	6,975	0.6%
WP China FAQ	5,750	1.8%
WP Indonesia Muntok FAQ	5,791	(1.7%)
WP Vietnam DW	4,456	4.1%

EXPORT STATISTICS VIETNAM & BRAZIL



1) FOB prices. Change shown vs last month. Source: Nedspice research, price data as per 12-Dec-22



Ginger

KEY TAKEAWAYS

- > India saw less ginger sowing this year, driven by the large volumes of last year's bumper crop. However, new growing areas like Maharashtra will continue to have good crop prospects.
- > China's crop is also smaller this year, and supply into the dehydrates market is short as prices for fresh ginger are high. Price are expected to stay firm during this harvesting season.
- > Buyers are turning to Nigeria, which is now becoming the most competitive origin.

PRICE OUTLOOK

short term

medium term

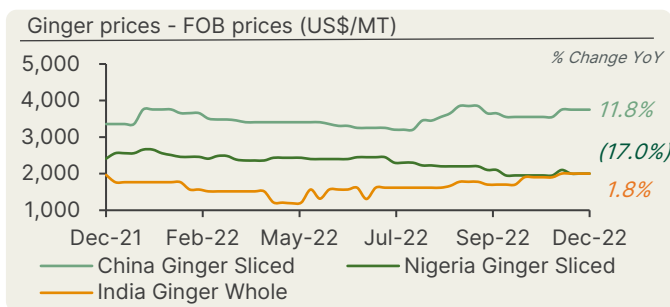
long term

SUPPLY DYNAMICS



- > Last year's bumper crop in India resulted in a surplus of ginger stocks, leading to a reduction in sowing for the current year. As a result, the upcoming ginger harvest is expected to be smaller. The next few weeks will be crucial in determining the market trends for the '23 harvest season, which is set to begin in January.
- > The harvest season in China will be completed by early 2023. Due to a decrease in planted areas, the overall volume of ginger produced is lower. Carry-over of good quality ginger is also low, while demand is high.
- > The Nigerian ginger harvest has also started. There is some decent volume available in the market, while demand increases due to the drop in production of other origins.

PRICE TRENDS

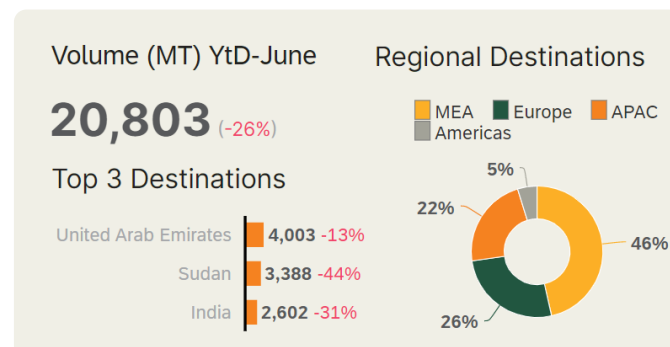


- > As the price for fresh ginger in India and China is increasing, less material will be available for the dehydrated market.
- > Dry ginger prices in India have been increasing, to over US\$ 2,000/MT before the harvest season. The price could ease somewhat during peak harvest.
- > The price of Chinese ginger continues to stay firm, currently at US\$ 3,750/MT. As the government has started to relax the Covid restrictions, demand for fresh ginger with its perceived health benefits could increase.
- > The price of Nigeria sliced ginger has dropped ~30% YoY, to below US\$ 2,000/MT for nonguaranteed qualities. Prices might see some upward pressure as volumes from other origins are not enough to cover demand.

KEY QUALITY PRICE LEVELS¹

Quality	US\$/MT	Change
Indian Ginger Whole	2,100	5.3%
Chinese Ginger Sliced	3,800	5.6%
Nigerian Ginger Split EU	2,000	(4.8%)

NIGERIA EXPORT YTD JUNE 2022 (KMT)

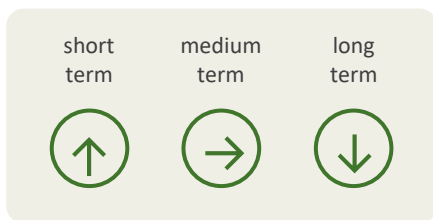


1) FOB prices. Change shown vs last month. Source: Nedspice research, price data as per 12-Dec-22.

Turmeric



PRICE OUTLOOK



ORIGINS

> **India**

The total **output of Indian turmeric** this year is expected to be the same as last year. A good crop in Maharashtra is compensating for other provinces like Andhra Pradesh and Telangana, which have seen less sowing because farmers switched to more profitable crops.

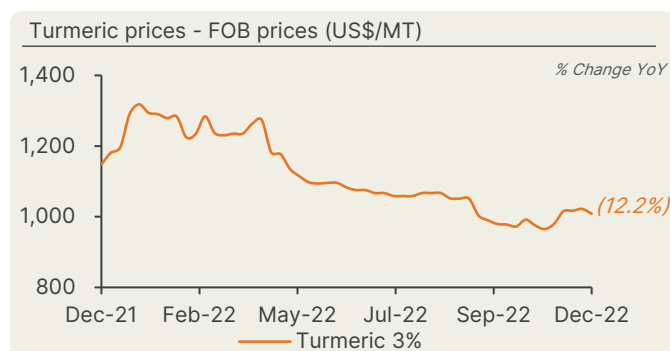
A more accurate crop estimate can be made in a few weeks time, and it is important to note that many areas have seen excessive rain in November.

The carry-over stock this year was larger than expected, which resulted in a gradual price decrease during 2022. Price did show a partial rebound in November, as especially MRL guaranteed materials are in short supply while the new harvest season has not started yet. Turmeric 3% is quoted at c. US\$ 1,000/MT FOB.

The **export volume** of ground turmeric from India (YtD-Sep) is c. 38KMT, (4%) less than last year, with stable monthly exports throughout the year. The main destinations are the US, The Netherlands and South Africa, with the UK and Germany not far behind.

There have been problems with the issuing of certificates for **organic** production in India this year, and export volumes of organic materials are 36% down YoY. Organic volumes are expected to rebound as new certifications are issued.

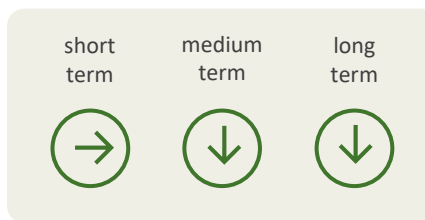
PRICE TRENDS



Cassia



PRICE OUTLOOK



ORIGINS

> **Vietnam**

The autumn harvest season for **high oil cassia** is coming to a close, and the volume has significantly decreased compared to last year's crop. Farmers are hesitant to harvest old trees when the price is low, leading to a limited supply of high oil cassia. As a result, the price may rise in the near future. Saigon cassia 5% FOB is quoted at c. US\$ 3,800/MT.

For **low oil cassia**, the carry-over from the 2022 spring crop is still high. Some suppliers are willing to clear the stock at lower prices. Saigon cassia 3.5% FOB is quoted at c. US\$ 2,650/MT, a drop of (7.0%) YoY.

> **Indonesia**

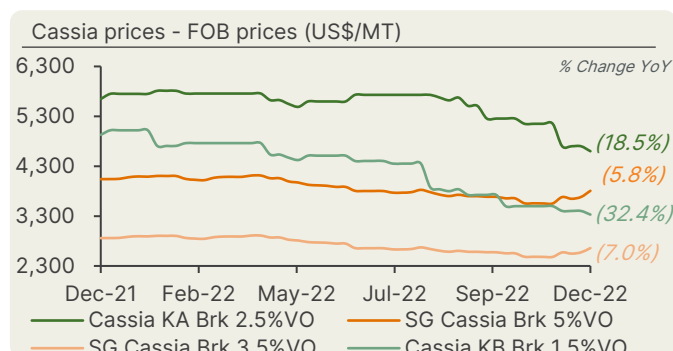
Indonesia exported c. 21KMT cassia for the YtD-Sep, which is 4% less compared to last year. Export volumes peaked in April and have continued to drop since then. The US is the biggest market by far, representing ~50% of the total volume.

The **market price** has been stable recently. KA quality is quoted at US\$ 4,600/MT and KB is quoted at US\$ 3,400/MT.

> **Madagascar**

Weather conditions have been favourable this year, with little rain, which should benefit the drying process. However, the clove harvest season is still in progress and suppliers are currently focused on this. The cinnamon supply is expected to pick up after March.

PRICE TRENDS



Source: Nedspice research, price data as per 12-Dec-22

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