

PULSES

February 03, 2006

HIGHLIGHTS

- Sentiments to Ease in Chana Markets
- Urad Markets Likely to Turn Easy Ahead

TECHNICAL ANALYSIS (Perspective- Short Term)

Commodity: URAD

Market-Commentary

Urad future opened red, but managed to heal from bearish mode soon. Future tested day's high with in first 20 minutes. Then on, it saw gradual downward movements for most of the day. By 14.55 PM, future dipped to its low at 2456 level. Then again manifesting strength near the closing bell, future retreated to close in positive territory.

Indicators-

Big lower shadow of white candlestick body shows lack of strength in downwardly dispositions. Prices, however, closed below 9-days and 18-days EMA. Stochastic oscillator is moving upward and is in neutral zone. MACD is running below its signal line.

Market Advice: Go short near 2480 with target towards 2460, put stop loss at 2495.

NCDEX FEBRUARY CONTRACT



Urad Future Closing price

Contract	01.02.06	02.02.06	Chg	Daily Spread (%)
February	2472	2477	+5	0.20
March	2408	2417	+9	0.37

Expected Support and Resistance Levels

Contract	Supports	Resistances
February	2461	2487
	2446	2498

Commodity: CHANA

Market Commentary

Chana February future opened firm. After 10 minutes of zigzag, it set off moving higher. However, future found it hard to hold levels above 1760 level. In the second half, future dipped gradually down shedding almost all what it gained through the day by 16.20 PM. Heavy buying in the last 30 minutes pushed future upward to conclude the session at its high.

Indicators-

Candlestick body has formed Marubozu implying strength in the existing pattern. Three white candles occurred in the last three days. However, these candles were not big enough to create three white soldiers, the steady upward pattern is bullish. MACD is giving bearish signal. %k line is moving upward and is in neutral zone.

Market Advice: Short near 1775 with target towards 1750. Put stop loss at 1785

Chana Future Closing price

Contract	01.02.06	02.02.06	Chg	Daily Spread (%)
February	1745	1771	+26	1.49
March	1629	1639	+10	0.61

NCDEX FEBRUARY CONTRACT



Expected Support and Resistance Levels

Contract	Supports	Resistances
February	1754	1779
	1738	1788

Commodity: LEMON TUR

Market Commentary

February tur future opened green and nearly touched both extremes of its price-range today in first 10 minutes. It hovered in positive territory for most of the day. So, the zing sustained nearly all through the session. Future finally closed off 3 points from its days high.

Indicators-

'Hanging man' is formation by candlestick is indicating likely uptrend ahead. Spinning top formation indicated little price action (indecisiveness) in the market. Prices closed below both the 9-days and 18-days EMA. MACD is giving bearish signal. %k line is moving upward in neutral zone.

Market Advice: Short near 1540 with target towards 1525, put stop loss at 1550.

Lemon Tur Future Closing price

Contract	01.02.06	02.02.06	Chg	Daily Spread (%)
February	1530	1536	+6	0.39
March	1552	1558	+6	0.39

NCDEX FEBRUARY CONTRACT



Expected Support and Resistance Levels

Contract	Supports	Resistances
February	1527	1542
	1518	1548

MARKET HIGHLIGHTS & ANALYSIS

Urad Trade Analysis

Many clamours over dodgy moves in recent at NCDEX compelled Forward Market Commission (FMC) to mend contract regulations in order to ensure checking replication of such stances again. FMC has issued regulatory measures towards determination of settlement prices. (Attached below this report is the measures issued by FMC in a press release on Thursday). These regulations apparently will help curbing irrational moves both in future and domestic markets. Fundamentally, urad market is weak. Demand for the same is low in domestic markets, while big consignments of urad are due to reach shortly at Indian ports. Demand will remain the key price-deriving factor in near term.

Urad Price Change In Delhi - Rs Per Quintal

QUALITY	01.02.06	02.02.06	Change
Burmese FAQ 2005	2775-2800	2800	-
Local grade -Bihar	2300	2300	-

Urad Price Changes in Mumbai

QUALITY	01.02.06	02.02.06	Change
Burmese FAQ 2005	2541	2531	-10

Urad Price Change at Secondary Centers

CENTERS	01.02.06	02.02.06	Change
Vijaywada	2850	2850	-
Gulbarga	NA	NA	-
Latur	2700	2750	+50
Akola (Motor cut)	2650	2650	-
Indore	2700	2700	-

Tur Trade Analysis

Harvest of tur is gradually picking up in Maharashtra. Arrivals of tur in Latur market today totaled at 15,000 bags. It's already on peak in Karnataka. Maharashtra and Karnataka accounts for more than 50% of total tur production. Sporadic harvest of the same has also been started in Myanmar. Tur is the only kharif crop spared by weather atrocities this year. Size of crop is undoubtedly good, which traders expect should cross 22 lakh ton this year. Traders, however, rule out possibility of its prices to ease below 1500 levels, which would be lucrative enough to expedite covering by stockists. Furthermore, few consignments are scheduled to reach shortly at Mumbai port from Myanmar.

Tur Price Change in Mumbai

QUALITY	01.02.06	02.02.06	Change
Burmese Lemon	1521	1511	-10
Spot			

Tur Price Change in Delhi

QUALITY	01.02.06	02.02.06	Change
Burmese Lemon	1700	1720	+20
Maharashtra line Tur	1800	1825	+25
UP/ Haryana Tur	-		

Tur Prices at Other Important Centres

CENTERS	01.02.06	02.02.06	Change
Gulbarga - Red Tur	1600	1600	-
Gulbarga- Fatka Dal	2300	2300	-
Latur Red Tur (Mh Line)	1650	1710	+60
Latur White Tur (Mh Line)	1700	1710	+10
Jalna Red	1575	1600	+25
Jalna White	1675	1700	+25
Jalna BDM	1700	1720	+20
Akola Red Marathwada Line	1590	1550	-40
Akola Red Vidharbha Line	1620	1625	+5
Vijaywada-Tur Local	1590	1600	+10

Moong Trade Analysis

Harvest of Kala moong has started in some parts of Gujarat. However, harvest report had not much impact on its prices. Size of this crop remains inconspicuously low. Demand for the same is good in northern India for marriage season. Furthermore, few small consignments are arriving in from the overseas markets.

Moong Prices in Delhi Rs/Quintal

QUALITY	01.02.06	02.02.06	Change
Kekdi/Kishangarh	3100-3200	3150-3250	+50
Shekhawati/ Medta	2900	2925	+25
Bisao	-	-	-

New Mung Mandi Prices at Other Important Centres

CENTERS	01.02.06	02.02.06	Change
Indore	3000	2700-3000	-
Latur	2600	2600	-
Vijaywada	2650	2650	-
Jalna	2750	2750	-
Akola	2700	2700	-

Gram Trade Analysis

Trading in chana has thinned down due to increased volatility in its market again. Arrivals of chana in Delhi were reported at 15 motors. According to traders, quotes for MP origin chana is substantially down versus Rajasthan chana, as harvest of the chana already has started in MP and is progressing well amidst favorable weather situation.

However, Rajasthan reaps chana in March. But nervousness in the chana markets has increased at higher levels. Further, notification issued by FMC today will help cooling undue attempts inspired from what happened at expiry of January future at NCDEX.

Desi Chana Price Change in Delhi And Indore

QUALITY	01.02.06	02.02.06	Change
Rajasthan	1835-1850	1875-1880	+25
M.P.	1800	1825	+25
Indore New	1735	1770-1780	+35

Gram Prices at Secondary Centers

CENTERS	01.02.06	02.02.06	Change
Gulbarga New	1575	1600	+25
Latur (Gauran)	1565	1550	-15
Latur(Annagiri)New crop	1675	1700	+25
Latur Vijay	1650	1700	+50
Jalna (Gauran)	1500	1550	+50
Jalna (Pila)	1600	1625	+25
Akola (Mixed) motor cut	1590	1650	+60
Akola new (Chapa) motor cut	1620	1700	+80
Kanpur	1850	1870	+20

Lentil Trade Analysis

Lentil markets featured steady to weak trend. Arrivals of fresh crop has started in some areas and might take 1-12 days to pick up the momentum. Demand for the same remained low. Prices of masoor already are low. Traders rule out further ease in its prices till fresh harvest gains momentum.

Lentil Price Movement in Delhi/Indore/ UP

CENTERS	01.02.06	02.02.06	Change
Delhi- MP/Kota Line	1465	1470	+5
Delhi- UP/Sikari	1970	1975	+5
Kanpur local mill delivery	1630-1635	1635	-
Kanpur new - Bareilly delivery	1680-1685	1685	-
Kanpur- new Malka Dal	1870-1875	1870	-
Indore - Masra	1600	1600	-
Indore - Masoor New	1590	1590	-
Indore Medium new	1500	1500	-
Bahraich-Masoor	2025	2025	-
Bahraich - Export Chanti	2500	2500	-
Kolkata (truck delivery)	2800	2800	-
Masur Dal	2400	2400	-
local conditioned	2300	2300	-

Bareilly delivery	-	-	-
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Field Pea Trade Analysis

Filed pea markets also observed weak trend. Harvest of field pea has started in some areas in northern states. Demand for the same remained low from domestic consumption centers.

Peas Price Movement (Rs/qt)

CENTERS	01.02.06	02.02.06	Change
Kanpur New	1070-1075	1070	-
Mumbai	991	981	-10

PORT-WATCH (Latest)

One Vessel namely MV Al Muztuba is due to arrive shortly at Mumbai port. Vessel is carrying total 5545 MT of Pulses. In break up, vessel contains 1440 MT of tur, 864 MT Mung and 3241 MT of Urad.

Current Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.310
European Union	Euro	53.370
United Kingdom	GBP	78.480

International Prices as on 02.02.06: CNF 90 Days

Quality	Prices Us\$/Mt	Landed Cost in INR/MT
Burmese new Lemon Tur Mumbai/ Chennai	300	1505
Burmese FAQ new Tur Mumbai/ Chennai	280	1405
Burmese Shwebo Tur Mumbai/ Chennai	260	1305
Burmese FAQ Urad Mumbai/ Chennai	500	2510
Burmese SQ Urad Mumbai/ Chennai	550	2760
Burmese Pedishewa Mung Chennai /Mumbai	575	2935
Burmese Pokako Mung Chennai / Mumbai	560	2810
Burmese Anneshwar Mung Mumbai	535	2685
Australian Chickpea Chennai/Mumbai	350	1750

❖ **FMC has decided to introduce the following changes to the regulatory measures and contract designs for the Chana, Tur, Urad, Guarseed, Guar gum, Mentha Oil and Sugar towards expiry of contract.**

- (a) The limit on open position may be restricted to 1/10th of the existing limit on open position for the near month contract. This reduction would be consistent with the international practices. This would be applicable for all contracts of above commodities from March 2006 onwards.
- (b) With introduction of this measure, earlier direction of not permitting additional open position by operators stands withdrawn in respect of contracts in above commodities from March, 2006 onwards.
- (c) The exchange shall require sellers to give their intention /notice at least 5 days before the expiry of the contract. The delivery centre-wise quantities intended to be delivered by the sellers should be disseminated by the exchanges at least 4 days before the expiry of the contract. These changes come into force with immediate effect.
- (d) The exchanges shall also ensure wide publicity/dissemination of quantity of goods of deliverable grades lying in the accredited warehouses on a daily basis at least for the last 15 days of the contract.
- (e) Penalties collected from the defaulting participants would not be passed on to the opposite parties. The exchange would set up an "Investor Protection Fund" for meeting the pre-specified liabilities including liabilities arising out of defaults by members. The penalty amount would be deposited to this fund after deducting a maximum of 5% of the penalty amount towards the administrative expenses incurred by the exchanges. These measures come into force with immediate effect.
- (f) The exchanges shall delete the delivery centres which are outside the radius of 300 kms. from the main delivery centres. This would apply to all contracts maturing after March, 2006.
- (g) The exchanges shall review on a monthly basis the prices polled by the participants to identify participants habitually polling extreme/unrealistic prices. These participants could be put under watch, and deleted from the panel if such instances recur despite suitable communications by exchanges/agencies. This should be got implemented with immediate effect.
- (h) Exchanges/external agencies would also double the sample size presently used for fixing the daily spot prices, during the last 15 days of the contract. This should be got implemented with immediate effect.
- (i) The external agencies would also be advised to fix the spot prices after taking into account the normal variations in the spot prices of different delivery centres. The exchange would also give a formula/procedure to be followed by the polling agencies for fixing the spot prices which would be based on the normal parities between the spot price at the main delivery centres and spot prices at other delivery centres. This process should invariably be adopted for at least 15 days prior to the expiry of the contract. This becomes applicable with immediate effect.

These instructions were conveyed to the three National Exchanges. The Exchanges were advised to take suitable action to amend the contract designs, rules, regulations, etc. byelaws so as to introduce the above changes. FMC also advised the exchanges to intimate the compliance within ten days.

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