

PULSES

Apr 03 - 08, 2006

Highlights

Spot Markets

- VAT issues yet not resolved in Maharashtra and Rajasthan
- Trade Tapering in Urad Markets
- Importers in Eastern States More Interested in Peas

Highlights

Futures Market

In pursuant to FMC directives, NCDEX has increased special margin on long side across all contracts of urad from 15% to 25% w.e.f. April 07, 2006 end of the day open positions. This margin is in addition of 15% additional margin already being levied by the Exchange.. In another notification issued by NCDEX, it has been stated that no new contracts would be launched for urad, lemon tur and Maharashtra lal tur till further notice.

Fundamentals

URAD:

VAT in Maharashtra and higher quotes from Burma were two key factors in urad markets. Resentment among traders is for lack of uniformity of taxes across different states. Now, pulses are exempted from VAT in other adjoining pulses growing states to Maharashtra namely Karnataka and Madhya Pradesh, while pulses in Maharashtra attracts 4% tax cutting its competitiveness. VAT was implemented last year in Maharashtra, but food grains and pulses were exempted from it till March 31st, 2006. Since, contracts at NCDEX is inclusive of taxes and delivery center of imported Urad is in Mumbai, increased prices after tax was evident from its prices at exchange. Inspired with exchange prices, Burmese also started quoting higher in tune. However, increased volatility in its prices has discouraged the importers. Trading in urad has declined in both physical and futures market. Even biggies, who are not involved in any alleged cartel, are losing interest in this trade.

Urad Prices in Delhi and Mumbai (Rs/qtt.)

Date	Burma FAQ 2005 (Delhi)	Loyal Grade-UP/Bihar (Delhi)	Burma spot FAQ 2005 (Mumbai)
03.04.06	3700	-	3450-3475
04.04.06	3750	-	3550

05.04.06	3750	-	3550
06.04.06	3750	-	3600
07.04.06	3650-3700	-	3550
08.04.06	3650	-	3475

Urad Prices in secondary markets

QUALITY	01.04.06	08.04.06
Gulbarga New	NA	NA
Latur loose New	NA	NA
Akola New	3400-3500	NA

International Price Offer For Urad, FAQ, SQ New: \$/MT CNF (Mumbai/ Chennai) 90 Days

Date	F A Q	S Q
01.04.06	670	710
08.04.06	685	725

TUR:

Tur markets also featured firm trend in tandem with gains in other pulses. Stockists in Maharashtra seem in little trouble as exemption of pulses from VAT is over on March 31st, 2006. Maharashtra and Karnataka are the leading producers of tur, but now increased variation in tax in these two states has given edge to the stockists in Karnataka. Production of tur was good in last kharif season. Since,

farmers in Maharashtra had been reserved seller, it took long to reach produce to the stockists. Now, any seller in Maharashtra for any sale outside the state would have less realization compared to one in Karnataka given all other factors like freight etc remain akin.

Tur Prices at Delhi / Mumbai (Rs/qtt.):

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
03.04.06	2075-2100	2150	1900
04.04.06	2075-2100	2150	1850
05.04.06	2075	2150	1850
06.04.06	2100	2150	1850-1860
07.04.06	2050	2075-2100	1850-1900
08.04.06	NA	2075	1850

Tur Prices in secondary markets

QUALITY AND CENTRE NAME	01.03.06	08.04.06
Gulbarga - Red Tur	1925	1975-1980
Latur Red tur (Mh Line)	2000	2070
Latur White tur (Mh Line)	2021-2030	2100
Jalna Red	1900-1950	2000
Jalna White	2000	2050
Jalna BDM	2025	2150
Akola Red Marathwada Line (motor cut)	1980-1985	1980
Akola Red Vidharbha Line (motor cut)	2000	1990
Vijaywada Local	1850	1850

International Price for Tur USD/MT CNF (Mumbai) 90 Days

DATE	Burmese (FAQ/lemon/ Shwebo)
01.04.06	390
08.04.06	400

MUNG:

Moong markets also observed firm trend. Stock of moong is short in interior markets of MP and other northern states. Traders are expecting demand for moong to improve in coming days for lagan or marriage season ahead. Otherwise, demand for the same has gone down at current high prices at the retail end. Stockists on the other hand in no mood to ease their quotes. Availability is also less in the international markets. Only Pedishewar grade is offered from Burma. CNF prices for the same at Mumbai port were last quoted at \$685 per ton.

Latest prices in Delhi (Rs/qtt.)

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati -Bisao (Delhi)
01.04.06	4000-4050	4200
08.04.06	4050	4200

International Price Offer for Moong USD/MT CNF (Mumbai) 90 Days

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
01.04.06	600	550	650
08.04.06	NA	NA	685

CHICKPEAS:

Chana millers are bewildered over this ill-timed bullishness and increased volatility in the markets. Prices are skyrocketing even at the time of harvest. Crop is not that short as has been hyped. Stockists are very active in the interior markets of Rajasthan boosting its prices. Further situation was aggravated after implementation of VAT. Though implementation of VAT in Rajasthan was not out of the blue, traders never had accounted 4% tax on pulses. Pulses are exempted from VAT in some other major pulses growing states like MP, Karnataka etc.

Desi Chickpea Price Change in Delhi and Indore (Rs/qtt.)

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
03.04.06	2050-2085	2000-2025	1990-2000
04.04.06	2100	2050	2020-2025
05.04.06	2100	2050	2020-2025
06.04.06	2125-2150	2110	2080-2085
07.04.06	2135-2150	2140	2080-2100
08.04.06	2140-2150	2140	2080

Prices in Mandies of Maharashtra/ UP/ Karnataka

Centres	01.04.06	08.04.06
Gulbarga New	1975	2025-2050
Latur (Gauran)	1800	1900
Latur (Annagiri)	2000	2100
Latur Vijay	1900	2000
Jalna (Gauran)	1900	2000
Jalna (Pila)	1925	2050
Akola (Mixed) motor cut	1900	2050
Akola new (Chapa) motor cut	1950	2100

Kanpur (mandi rates)	1940	2030-2040
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LENTILS:

Lentil markets also featured firm trend through the week. Stockists in eastern states are active in the lentil markets. According to preliminary field reports, yield of lentil is low in some areas of Uttar Pradesh, while carryover stock of chotti grade masoor from last year crop was short. However, overall trading has been slowed, as actual users/millers are hesitant covering at current high prices, while sellers are in no mood to ease their quotes.

Prices in Delhi/ UP/ Indore (Rs/ctl.)

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
03.04.06	2300	2750
04.04.06	2350	2600-2750
05.04.06	2350	2600-2750
06.04.06	2350	2600-2700
07.04.06	2250	2650-2675
08.04.06	2225	2625

Prices at Secondary Centres (Rs/qt)

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
03.04.06	1935	1925	1825	2060	2140
04.04.06	1950	1940	1850	2070	2150
05.04.06	1950	1940	1850	2140	2350
06.04.06	1950	1940	1850	2130	2375
07.04.06	1950	1940	1850	2180	2370
08.04.06	1930	1920	1850	2130	2350

FIELD PEAS:

Sentiments remained firm in field pea markets. Since, chana prices are highly volatile and costly, besan manufacturing units are turning to peas markets, which still is a safer option. Also, traders are expecting demand for the same to improve from retail end in eastern markets due to increased prices of other pulses. Importers also are focusing on peas after increased volatility in other pulses. According to trade sources, in Kolkata alone stock of pea is close to 1.20 lakh ton.

Peas Price Movement (Rs/qt)

Offers	Kanpur New	Mumbai Peas
01.04.06	1230-1235	1251
08.04.06	1260	1300

Hot Picks

National Commodity and Derivatives Exchange (NCDEX) has mulled over setting up kiosks all over the country, where all financial related services will be provided to the farmers. Preferentially, these kiosks will be set up in rural areas. Services to be given at NCDEX include e-banking, insurance, training on commodity trading and facilitating trading in commodities and equities. To have indigenously developed community PC for these centers, NCDEX has also inked partnership with Intel.

Glimpses - Future Markets (NCDEX)

Chana

Chana markets have been highly volatile at NCDEX. Absurd movement at exchange has led to simultaneous fall in its volumes. Interestingly, when harvest is in progress, chana futures have been setting new highs every now and then. Traders relate the same to implementation of VAT. In past fortnight, futures had not gone below 2000 levels. However, many indicators confirm that market is overbought and getting long again would be risky proposition.

Urad






Obstinate attitude of Burmese kept the urad futures hover high. Increased margins in urad by NCDEX/FMC have filtered out small investors from this trade. Also, increased volatility has distracted the interest of common investors in urad futures. Front months are trading on premiums over later months. Since, the trading also has gone down in physical markets as well, traders do not rule out possibility of downward correction soon.

Tur

Lemon tur contracts at NCDEX are on downtrend. According to traders stock is good in physical markets. There has been suspicion on quality of imported produce and is not popular. Also, the stock of desi tur is good in Maharashtra and Karnataka. According to traders, imported tur is brought to dump at commodity exchanges only, otherwise local millers are not keen in imported tur that too at higher prices.

Crop -Weather Impact

Commodity	States	Weather	Impact
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Urad	Andhra Pradesh	Clear		Favorable
	Karnataka	Clear		Favorable
Tur	Maharashtra	Clear		Favorable
	Karnataka	Clear		Favorable
	MP	Clear		Favorable
Chana	Rajasthan	Clear		Favorable
	MP	Clear		Favorable
	Haryana	Clear		Favorable
	Punjab	Clear		Favorable
Lentil	UP	Clear		Favorable
	MP	Clear		Favorable
Field Pea	UP	Clear		Favorable
	MP	Clear		Favorable

*Valid till 13th Apr

Source-IMD

Latest Vessel Position

No vessel reported.

India's Import Matrix for Burmese Pulses (Tonnes)

Pulses	Jan, 05	Feb, 05	Mar, 05	April, 05	May, 05
Black Matpea	13,113	14,376	26,256	26,472	31,598
Mung beans	1,390	1,832	3,051	3,317	1,749
Black Eye Beans	48	477	2,336	2,382	1,331
Chickpeas	-	48	3,296	631	5,582
Tur whole	10,949	13,852	18,571	5,603	11,165
Kidney Beans	319	46	275	1,032	1,752

Total	25,819	30,849	54,785	39,720	53,273
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International Highlight

Monthly Total Exports of Burma (qty. in tonnes)

Months	2003	2004	2005
January	43,885	59,450	37,528
February	65,471	85,062	51,171
March	70,011	131,179	71,433
April	88,772	129,001	56,153
May	51,591	139,895	62,878
June	100,893	98,906	92,430
July	107,520	68,992	64,063
August	87,198	47,786	75,578
September	100,575	30,748	44,082
October	99,008	34,080	46,235
November	36,638	45,107	35,959
December	38,493	35,584	32,159
Total	8,90,055	9,05,790	667,869

(Source: Commerce Ministry, Myanmar)

Latest FOREX Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.63
European Union	Euro	54.48
United Kingdom	GBP	78.20

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