

## PULSES

Apr 10 - 15, 2006

### Highlights

#### Spot Markets

- VAT issues yet not resolved in Maharashtra and Rajasthan
- Sentiments Turning Weak in Urad Markets
- Burmese Urad, Moong &, Tur finding destination in India

### 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:

Urad markets had been highly volatile through the week. Trading in most domestic markets has been stalled due to this increased volatility. Traders blame clamours over VAT in Maharashtra for this instability in the markets. This is the second year of VAT in Maharashtra, but pulses no more off the hook now under this new tax regime. State government had exempted pulses from VAT lat year till March 31<sup>st</sup>, 2006. Now, under new regime pulses attract 4% tax in Maharashtra, which has resulted in reduced competitiveness of its produce versus other adjoining states. Ministry though assured trade representatives for the necessary action in due course of time, but delayed response from government has raised apprehensions among traders. Demand for the same has also been low at retail end due to its higher prices. Burmese still are quoting higher for their produce. Markets unlikely to have lead further from Myanmar, as Burmese markets will remain closed for one week to see water festival.

#### Urad Prices in Delhi and Mumbai (Rs/qttl.)

Date	Burma FAQ 2005 (Delhi)	Loyal Grade-UP/Bihar (Delhi)	Burma spot FAQ 2005 (Mumbai)
10.04.06	3600-3650	-	3475-3500
11.04.06	Closed	-	3400-3450

12.04.06	3400-3650	-	3400-3450
13.04.06	3400-3650	-	3150-3201
14.04.06	3400-3650	-	3250-3300
15.04.06	3400-3650	-	3200

#### Urad Prices in secondary markets

QUALITY	08.04.06	15.04.06
Gulbarga New	NA	NA
Latur loose New	NA	NA
Akola New	NA	NA

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

Date	F A Q	S Q
08.04.06	685	725
15.04.06	650-670	71-715

### TUR:

Tur markets are also turned weak due to poor demand for the same in retail markets. People in Maharashtra are worried over VAT, where stock is good. Optimism stands for likely increase in preferential offtake of domestic tur, as quality of imported tur is as reported by trade people is slightly inferior this year, while cost are unusually high. But VAT in Maharashtra has raised walls for pulses to trade

beyond the state premises, as pulses are exempted in most of the adjoining pulses growing states. Trade in Maharashtra likely to remain gloomy unless this VAT issue is resolved.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
10.04.06	2050	2075	1875-1900
11.04.06	Closed	Closed	1850
12.04.06	2050	2075	1800-1825
13.04.06	2050	2075	1750-1780
14.04.06	2050	2075	1850
15.04.06	2050	2075	1850

#### Tur Prices in secondary markets

QUALITY AND CENTRE NAME	08.03.06	15.04.06
Gulbarga - Red Tur	1975-1980	1875
Latur Red tur (Mh Line)	2070	Closed
Latur White tur (Mh Line)	2100	Closed
Jalna Red	2000	Closed
Jalna White	2050	Closed
Jalna BDM	2150	Closed
Akola Red Marathwada Line (motor cut)	1980	1975
Akola Red Vidharbha Line (motor cut)	1990	1975
Vijaywada Local	1850	1800

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

DATE	Burmese (FAQ/lemon/ Shwebo)
08.04.06	400
15.04.06	400

#### MUNG:

Sentiments turned weak in mung markets following sustained lack of interest from the actual users/millers due to higher prices. Stock though is short, but traders feel that prices had far exceeded the levels to accommodate this stock factor. Furthermore, production of rabi crop is good in all the producing areas, where farmers had increased inclination toward this crop due to its higher prices. Harvest of moong is continuing in Orissa. Still remunerative prices of moong in domestic markets had attracted its import despite higher prices. According to sources, some 128

containers carrying moong are scheduled to reach at JNPT and Mumbai ports from Myanmar.

#### Latest prices in Delhi (Rs/qt.)

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati -Bisao (Delhi)
08.04.06	4000-4050	4200
15.04.06	4050	4200

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

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
08.04.06	NA	NA	685
15.04.06	NA	NA	690-700

#### CHICKPEAS:

Traders in Rajasthan have finally given acceptance to conform to VAT after some initial resistance. According to sources, pulses traders in Rajasthan would have additional obligation of mere 2% unlike 4% in Maharashtra. In Maharashtra tax obligations were zero for pulses trade before being it's enlisted under taxable items on March 31<sup>st</sup>, 2006, while in Rajasthan already there was 2% ST on pulses trade. Additional 2% tax does not make much difference. Traders relate puffiness in the market with increased tendency of hoarding among stockists in the interior markets and reserved selling by farmers, who are eyeing its friendly outlook for medium to long term.

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

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
10.04.06	2150	2130-2140	2090-2100
11.04.06	2120-2125	2080-2090	2070-2075
12.04.06	2090-2100	2060-2065	2030-2050
13.04.06	2100-2110	2100	2030-2050
14.04.06	2105	2075-2100	2050
15.04.06	2150	2130	2070-2075

#### Prices in Mandles of Maharashtra/ UP/ Karnataka

Centres	01.04.06	15.04.06
Gulbarga New	2025-2050	2000
Latur (Gauran)	1900	Closed
Latur (Annagiri)	2100	Closed
Latur Vijay	2000	Closed
Jalna (Gauran)	2000	Closed

Jalna (Pila)	2050	Closed
Akola (Mixed) motor cut	2050	Closed
Akola new (Chapa) motor cut	2100	Closed
Kanpur (mandi rates)	1940	2070-2075

## LENTILS:

Lentil markets also featured increased stockists activities in the terminal markets. However, demand from the millers/actual users have gone down due to recent rise in its prices. Demand for the same has also gone down on export front, where too its prices do not stand competitive. Harvest is in its last phase in UP. Weather is perfect for the fieldwork. Also, increased availability of other cheaper alternative 'le' yellow pea had affected its demand. According to traders, importers in eastern states are now more focused on peas, which is less volatile compared to other pulses like Urad, tur etc. .

### Prices in Delhi/ UP/ Indore (Rs/qtt.)

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
10.04.06	2100	2625-2650
11.04.06	Closed	Closed
12.04.06	2050	2550-2600
13.04.06	2050	2550-2600
14.04.06	1900-1925	2551
15.04.06	1925	2550

### Prices at Secondary Centres (Rs/qtt)

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
10.04.06	1920	1910	1850	2030	2110
11.04.06	Closed	Closed	Closed	2020	2100
12.04.06	1870	1860	1750	1980	2070
13.04.06	1880	1860	1750	1980	2070
14.04.06	1880	1870	1750	1970	2050
15.04.06	1890	1870	1750	1980	2050

## FIELD PEAS:

Remunerative prices of peas even during its harvest period have helped sustaining interest of importers. Further, peas are less volatile, so are less risky, while demand for this pulses is good. Playing with Peas appeared safe bet for importers. According to traders, one vessel containing yellow peas is scheduled to arrive at Mumbai port shortly from France.

### Peas Price Movement (Rs/qtt)

Offers	Kanpur New	Mumbai Peas
08.04.06	1260	1300
15.04.06	1260	1281

## NEWS

Latest government crop data renounces cries for short crop in rabi season. Weather might not be conducive at some crop stages, increase in acreage under pulses this season has been more than offsetting weather factor. According to latest govt release, pulses in rabi season was sown in 12.41 million hectares, up against 11.3 million hectares sown last year. Substantial increase was noticed in area under gram on year basis. Acreage under chana only increased by 5.36 lakh hectares. Remarkable expansion under pulses was seen in Bihar (approx 60%), Tamilnadu (27%) and Rajasthan (22%).

### Glimpses - Future Markets (NCDEX)

#### Chana

Increasing influx in terminal markets was clearly reflected from the downtrend at commodity exchanges. Traders in the interior markets of northern India are expecting arrivals to increase in coming days. Since, volatility is relatively less in chana futures compared to Urad and tur, retail investors seem more interested in Chana contracts.. Open Interest is declining in April month, as participants are rolling over their position towards expiry of this contract.














#### Urad

Urad futures at NCDEX have been behaving strangely. Downhill movements, which started last week, came to halt after bottoming out below 3000 levels. Stringent actions taken by NCDEX to curb manipulative activities carried out by small section of influential investors/traders have been successful in meeting objectives of Exchange/FMC. However, repeated increase in margins has filtered out small or non-serious investors. Traders in physical markets are convinced with the price-discovery at commodity exchanges, which they feel in no way is true trend due to less active participation of traders. Traders acquainted with fundamentals feel that urad still is overly priced and its prices have far exceeded the threshold level to accommodate this shortage factor.

## Tur

Tur futures also have been highly volatile, which resulted in reduced interest of investors in this contract. Further recent increased in margins by NCDEX in pursuant to FMC late in March helped filtering out non-serious participants. Volume and Open Interest against April contract has fallen, while substantial improvements in Volume and OI in May contract shows conventional rollover of participants to later months towards expiry of front month.

### Crop -Weather Impact

Commodity	States	Weather	Impact
Urad	Andhra Pradesh	Isolated rains 	Not Concerning
	Karnataka	Isolated rains 	Not Concerning
Tur	Maharashtra	Clear 	Favorable
	Karnataka	Isolated rains 	Not Concerning
	MP	Isolated rains 	Not Concerning
Chana	Rajasthan	Clear 	Favorable
	MP	Isolated rains 	Not Concerning
	Haryana	Clear 	Favorable
	Punjab	Clear 	Favorable
Lentil	UP	Clear 	Favorable
	MP	Isolated rains 	Not Concerning
Field Pea	UP	Isolated rains 	Not Concerning
	MP	Isolated rains 	Not Concerning

\*Valid till 20<sup>th</sup> 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

### 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	45.30
European Union	Euro	54.88
United Kingdom	GBP	78.45

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