

PULSES DAILY

May 22, 2006

URAD

FUNDAMENTALS

Urad markets continued to see firm trend. Little nervousness was seen in futures market following report of a big consignment reaching at Mumbai port today. According to traders, reaction was immature in future market, as arrival of urad from Myanmar is routine/common feature at current period of time. Most of the produce arrived has already been sold out. According to sources, vessel 'Yaad-e-Mustafa' carrying 14,500 MT of pulses has arrived at Mumbai port. Vessel was carrying 7,680 MT of urad. Stock is short in domestic markets and next crop would only be available after 3-4 months. Sowing of urad in leading producing states like Maharashtra and Karnataka will start in first fortnight of June with the arrival of monsoon.

Futures Market Commentary

Urad futures opened steady, but set out moving higher just after opening and reached the day's high with in 10 minutes. But long liquidation after reaching highs pulled futures down very swiftly. Futures plunged into negative zone by 11.00 hrs. Futures could not come out of bearish mode till end of the day. June urad contract finished off 33 points at Rs 3180 per qtl..

Price Drivers

Bullish

Dwindling inventories in Southern States

Bearish

Arrival imported cargo from Myanmar

Early onset of Monsoon

Weather

Monsoon has already hit the Andaman Island. Karntaka and Maharashtra might see timely arrival of monsoon.

TECHNICALS

NCDEX -June Contract

Candlestick body has formed 'short day' pattern. Big upper shadow shows bearish pattern. Prices closed below both the 9-days and 18-days EMA. MACD still is in negative territory. Stochastic oscillator has made bullish crossover with %d line, while RSI is giving bearish signal.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| June | 3095 | 3010 | 3180 | 3301 | 3422 |
| July | 3084 | 3004 | 3163 | 3282 | 3400 |

TRADE RECOMMENDATION:

Buy June contract near 3180 with target towards 3210.
Second target 3225. Put SL at 3160

Spot Market Prices of Urad

(Rs/qtl)

| Origin/Grade | Center | 20.05.06 | 19.05.06 | Change |
|--------------|-----------|-----------|-----------|--------|
| Burma Faq | Mumbai | 3325 | 3325 | - |
| Burma Faq | Delhi | 3525 | 3525 | - |
| Desi | Akola | 3425-3450 | 3000-3500 | - |
| Desi | Indore | 3000-3400 | 3000-3400 | - |
| Desi | Vijaywada | 3600 | 3625 | -25 |

CHANA

FUNDAMENTALS

There was no fresh fundamental news. Demand remained subdued in the domestic markets. However, stockists still carry optimistic outlook for the same. According to sources, sole bullish factor is immediate shortage of other pulses and freshly emerging demand from Pakistan. Pakistan conventionally buys chana from Ethiopia, Canada and Australia etc. Major chunk of import in Pakistan comes from Australia, which grows desi chickpea for the purpose of export to subcontinents in Asia. Australia harvests chana somewhere in September. Now, production has fallen short in Pakistan. Low production in Pakistan and higher prices in possible exporting nation has led to hoarding activities in Pakistan. According to some traders, Pakistan is buying chana from India as high at \$815 per ton CIF

Futures Market Commentary

Chana June contract observed roller-coaster trend during the day. Futures opened firm gapping high versus yesterday closing and attained peak with in 10 minutes after opening of the session. Futures moved both side of unchanged level during the day and concluded the session in positive territory. Chana June futures finished up 12 points at Rs 2618 per qtl.

Price Drivers

Bullish

Reports of export to Pakistan

Bearish

Subdued demand from consumers' end

Good stocks in key markets

Weather

Weather is not a factor until June for onset of monsoon. Chana itself is rabi crop, but good sowing of other pulses might cause negative impact on it.

TECHNICALS

NCDEX -June Contract

Candlestick body has formed doji star showing indecisiveness in the market. Both the moving averages remained below price line. MACD is in positive territory, but falling downward %k line is running below %d line and still is in neutral zone. RSI also is downwardly slanted.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| June | 2590 | 2563 | 2618 | 2641 | 2665 |
| July | 2702 | 2663 | 2742 | 2770 | 2791 |

TRADE RECOMMENDATION:

Buy June contract near 2620 with target of 2645.
Second target 2665. Put SL at 2605.

Spot Market Prices of Chana

(Rs/ctl)

| Origin/Grade | Center | 20.05.06 | 19.05.06 | Change |
|----------------|----------|-----------|-----------|--------|
| Rajasthan Desi | Delhi | 2500 | 2450-2460 | +40 |
| MP Desi | Delhi | 2450 | 2400-2410 | +40 |
| Kantewala | Indore | 2435-2440 | 2375-2380 | +55 |
| Desi | Gulbarga | 2250 | 2250 | - |
| Gauran | Latur | 2200 | 2150 | -50 |
| Annagiri | Latur | 2300-2325 | 2275 | -25 |
| G-12/Vijay | Latur | 2250 | 2225-2250 | - |
| Gauran | Jalna | 2250 | 2225-2250 | - |
| Pila | Jalna | 2300 | 2300 | - |
| Mixed | Akola | 2420-2425 | 2400 | +20 |
| Chapa | Akola | 2450 | 2450 | - |
| Desi | Kanpur | 2435-2440 | 2410-2415 | +20 |

TUR

FUNDAMENTALS

Tur markets featured steady trend. Imported cargo, which has reached Mumbai today from Myanmar brought less than 4000 MT of tur. Traders believe that import of tur will slow in coming weeks, as quality of imported tur has not been satisfactory. Also, situation of domestic stock is quite comfortable. Arrivals of tur though are shortening in major markets of Maharashtra like Latur, which traders say is merely because of ongoing marriage season. Sowing of tur will start early next month. Weather will play crucial in coming weeks in pulses markets.

Futures Market Commentary

Lemon tur futures moved both ways during the day showing lack of conviction in the market. Futures reached the top just after opening, but could not come close to that level again during the day. Futures finally closed just above the unchanged level. June contract ended up 2 points at Rs 1994 per qtl.

Price Drivers

Bullish

Likely issuance of tender by govt in June

Bearish

Arrival imported cargo from Myanmar

Good stocks of local produce

Weather

Weather is not a factor until June when new crop sowings will take place. All eyes will be on the monsoon then.

TECHNICALS

NCDEX -June Contract

Candlestick body has formed 'spinning top' pattern signalling little price action. Prices closed below both the 9-days and 18-days EMA. MACD is plunging into negative zone. %k line is in oversold zone and tipping with %d line from the bottom.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| June | 1969 | 1945 | 1994 | 2026 | 2059 |
| July | 2026 | 2005 | 2047 | 2073 | 2099 |

TRADE RECOMMENDATION:

Buy June contract near 1995 with target towards 2020, second target 2035. Put SL at 1980.

Spot Market Prices of Tur

(Rs/ctl)

| Origin/Grade | Center | 20.05.06 | 19.05.06 | Change |
|-----------------|-----------|-----------|-----------|--------|
| Burmese Lemon | Mumbai | 1825 | 1825-1850 | - |
| Burmese Lemon | Delhi | NA | NA | - |
| Maharashtra tur | Delhi | 2100 | 2075-2100 | - |
| Karnataka tur | Delhi | 2200 | 2175-2200 | - |
| Red tur | Gulbarga | 1925 | 1925 | - |
| Fatka Dall | Gulbarga | 2800 | 2800 | - |
| Red Tur | Latur | 2030-2070 | 2000 | +30 |
| White Tur | Latur | 1950-2000 | 1950-2000 | - |
| Red | Jalna | 1900-1925 | 1900-1925 | - |
| White | Jalna | 1950 | 1925-1950 | - |
| BDM | Jalna | 2000 | 2000 | - |
| Marathwada | Akola | 1975-2000 | 2050 | +50 |
| Vidarbha | Akola | 2015-2020 | 2025 | +5 |
| Local Tur | Vijaywada | 1800 | 1800 | |

Others

Moong

Moong markets continued to see weak trend, According to traders, domestic harvest (though small in size), imported cargos and subdued demand kept the market in dispirited mood. According to trade sources, one vessel carrying some 2925 MT of moong has just arrived from Myanmar. Since, immediate stock of moong is short, traders rule out possibility of big ease in its prices.

Spot Market Prices of Moong (Rs/qtl)

| Origin/Grade | Center | 20.05.06 | 19.05.06 |
|--------------|--------|-----------|-----------|
| Shekhavati | Delhi | 3400 | 3400 |
| Kishangarh | Delhi | 3450 | 3450 |
| Medta/Bisao | Delhi | 3500 | 3500 |
| Desi | Indore | 3200-3500 | 3200-3500 |
| Muglai | Jalna | 3400 | 3500-3700 |
| Chamki | Akola | 3200-3400 | 3400 |

PEAS

Peas markets continued to see steady trend. There was no oomph in the market. Demand though have slowed in peas markets, firm trend in Chana helped underpinning the values of pea.

Spot Market Prices of Pea (Rs/qtl)

| Center | 20.05.06 | 19.05.06 |
|--------|----------|-----------|
| Mumbai | 1301 | 1311-1321 |
| Kanpur | 1330 | 1320 |

Masoor

Masoor markets observed weak trend. Demand for the same has gone down at current high prices. Traders blame seasonality for decline in local demand. Demand for masoor usually comes down in local markets with the increased availability of other alternatives like mango and other cheaper seasonal vegetables.

Spot Market Prices of Masoor (Rs/qtl)

| Center | 20.05.06 | 19.05.06 |
|------------------------------|-----------|-----------|
| Delhi-MP/kota Line | 2100 | 2100 |
| Delhi- UP/Sikari | 2500 | 2500 |
| Kanpur local mill delivery | 1980-2000 | 1980 |
| Kanpur new-Braeilly Delivery | 2060-2070 | 2040-2050 |
| Kanpur- new Malka Dal | 2280-2300 | 2280 |
| Indore- Masra | 1970 | 1980 |
| Indore- Masoor New | 1960 | 1970 |
| Indore- Medium New | 1850 | 1850 |
| Bahraich-Masoor | 2675 | 2700 |
| Bahraich-Export Chanti | 3100 | 3150 |
| Kolkata (Truck delivery) | 3500 | 3500 |
| Masur Dal | 3100 | 3000-3200 |

International Prices (\$/ton)

| Quality | 20.05.06 |
|--|----------|
| Burmese new Lemon Tur Mumbai Chennai | 365 |
| Burmese FAQ new Tur Mumbai/Chennai | 355 |
| Burmese Shwebo Tur Mumbai/Chennai | 328 |
| Burmese FAQ Urad Mumbai/Chennai | 660 |
| Burmese SQ Urad Mumbai/Chennai | 690 |
| Burmese Pedishwa Mung Chennai/Mumbai | 665 |
| Burmese Anneshwar Mung Mumbai | NA |
| Burmese Pokako Mung Mumbai/Chennai | NA |
| Burmese Kabuli Chickpea Chennai/Mumbai | 645 |

Port watch

One vessel namely Yaad-e-Mustafa has arrived at Mumbai port. Vessel is carrying 3779 MT of tur, 7680 MT of Urad, 120 MT of Red Kidney beans and 2925 MT of Moong.

Forex- 1 US\$ - INR 45.460

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