

PULSES

May 22 - 27, 2006

Highlights

Spot Markets

- Indian Chana Finding Destination in Pakistan
- Monsoon Strikes Kerala 7-days Ahead of Normal Schedule
- Dollar Prices Continue Appreciating Versus INR

Highlights -

Futures Market

According to latest notification by NCDEX, in pursuant to directives of the Forward Markets Commission, the Special Margin will be reduced by 15% in all running contracts of Urad and Lemon Tur applicable from beginning of Saturday May 27, 2006. However the additional margin levied by the Exchange will remain unchanged.

Fundamentals

URAD:

Urad markets featured firm trend through the week. Since, inventories had been substantially truncated over a period of time in southern states, stockists there appeared reserved sellers. Also, Burmese kept quoting higher for their produce. Now, doubts of common man are up with government projecting second advance estimate of pulses in the country at 14.4 million ton, up more than 7.5% on year basis. If government figures stand true, people have started voicing to bring in effective mechanism by government to curb prices of pulses as well. There was report in local media that Finance Ministry had sent some note to Cabinet Committee on Economic Affairs suggesting elimination of import duty on pulses to help curbing rising prices of essential commodities. Sowing of urad will start in first fortnight of June with the onset of monsoon. Progress of monsoon has been satisfactory, so far. Farmers also are highly inclined towards urad due to good realization against last year crop. Traders with leftover stock of urad are betting on weather factor. Further, new crop would not be available before 3-4 months.

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

Date	Burma FAQ 2005 (Delhi)	Loyal Grade-UP/Bihar (Delhi)	Burma spot FAQ 2005 (Mumbai)
22.05.06	3500	-	3225
23.05.06	3425-3450	-	3190

24.05.06	3425-3450	-	3150-3175
25.05.06	3400	-	3200
26.05.06	3400	-	3250
27.05.06	3400	-	3225

Urad Prices in secondary markets

QUALITY	20.05.06	27.05.06
Akola	3425-3450	NA
Indore	3000-3400	Closed
Vijaywada	3600	3600

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

Date	F A Q	S Q
20.05.06	660	700
27.05.06	660	700

TUR:

Tur markets continued to see weak trend. Arrivals in the mandis are shrinking in Maharashtra, as farmers are getting engaged in marriage season. Sowing of the tur will start in first fortnight of June with the arrival of monsoon, of which progress has been satisfactory so far. So, farmers will get engaged in sowing then. Now, influx from the farmers will likely to remain low quite for some time. But break into

arrivals would not have much impact on its prices. Stock of tur is good in domestic markets. Good start of monsoon might trigger increased selling by stockists. So, weather is only factor, which will play crucial in setting dynamics of tur markets.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
22.05.06	NA	2075	1825
23.05.06	NA	2075-2100	1825
24.05.06	NA	2075	1800
25.05.06	NA	2075	1800
26.05.06	NA	2050-2075	1800-1825
27.05.06	NA	2050	1801

Tur Prices in secondary markets

QUALITY AND CENTRE NAME	20.03.06	27.05.06
Gulbarga - Red Tur	1925	Closed
Latur Red tur (Mh Line)	2030-2070	Closed
Latur White tur (Mh Line)	1950-2000	Closed
Jalna Red	1900-1925	Closed
Jalna White	1950	Closed
Jalna BDM	2000	Closed
Akola Red Marathwada Line (motor cut)	1975-2000	1960-1965
Akola Red Vidharbha Line (motor cut)	2015-2020	1930-1935
Vijaywada Local	1800	1775

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

DATE	Burmese (FAQ/lemon/ Shwebo)
20.05.06	365
27.05.06	365

MUNG:

Sentiments remained weak in moong markets. Small summer harvest in sporadic areas helped placating the domestic shortage. Also, import of the same, though are not so frequent, helped replenishing moong stocks. Demand for the same has been low due to higher prices. Monsoon is advancing ahead of its schedule. Farmers are highly inclined towards this crop due to good realization against last year crop.

Latest prices in Delhi (Rs/qtt.)

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati -Bisao (Delhi)
20.05.06	3450	3400
27.05.06	3400	3350

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

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
20.05.06	655-660	NA	NA
27.05.06	660	NA	NA

CHICKPEAS:

Sentiments remained firm for most of the week in Chana markets. Rumors of export of chana to Pakistan at higher prices kept the bulls in high spirit. Claims made by some exporters that Pakistan importing the Indian chana as high as \$800 per ton do not sound rational. Import of chana in Pakistan at \$800 per ton will translate into cost in their domestic markets more than Rs 4800 per qtl. Production there might be short this year, Pakistanis would not be much hurry as harvest in their conventional exporting nations would start in September. Preliminary reports from Canada and Australia (major exporting nations) suggest likely increase in acreage under chana in these countries this year.

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

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
22.05.06	2475	2430-2435	2380-2400
23.05.06	2450-2455	2425-2430	2350-2380
24.05.06	2425-2450	2400-2420	2375
25.05.06	2450-2455	2420	2375
26.05.06	2450-2470	2420-2440	2350-2375
27.05.06	2460-2465	2420-2425	2350-2360

Prices in Mandies of Maharashtra/ UP/ Karnataka

Centres	20.05.06	27.05.06
Gulbarga New	2250	Closed
Latur (Gauran)	2200	Closed
Latur (Annagiri)	2300-2325	Closed
Jalna (Gauran)	2250	Closed
Jalna (Pila)	2300	Closed
Akola (Mixed) motor cut	2420-2425	2335-2340
Akola new (Chapa) motor cut	2450	2375

Kanpur (mandi rates)	2425-2430	2425-2430
----------------------	-----------	-----------

LENTILS:

Masoor markets remained sluggish through the week. Demand for the same remained subdued in the international markets. Middle-east nations remained passive buyers this year, as supplies there remained well from western nations. Demand for the same also was not good in domestic markets.

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

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
22.05.06	2100	2500
23.05.06	2075	2500
24.05.06	2075	2500
25.05.06	2075	2500
26.05.06	2075	2500
27.05.06	2075	2500

Prices at Secondary Centres (Rs/ct)

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
22.05.06	1960	1950	1850	2000	2070
23.05.06	1970	1960	1850	1980	2040
24.05.06	1960	1950	1850	2000	2070
25.05.06	Closed	Closed	Closed	2000	2070
26.05.06	1970	1960	1950	1980	2040
27.05.06	Closed	Closed	Closed	1970	2020

FIELD PEAS:

Prices of peas continued to hover high despite weak demand and good stocks in the physical markets. Stockists are still optimistic about its promising perspectives ahead. Prices are lucrative enough to keep importers' interest alive. According to trade sources, one vessel carrying some 35,000 MT of yellow pea is expected to arrive early in June from Canada.

Peas Price Movement (Rs/ct)

Offers	Kanpur New	Mumbai Peas
20.05.06	1320	1321
27.05.06	1330	1271-1281

NEWS

Acreage Under Lentil to Decline in Canada?

Statistics Canada late last month had made forecast for acreage under lentil to fall to 526,100 hectares (1.30 million acres) in 2006 from 874,100 hectares in 2005. Statistics Canada had taken in to account only acreage under lentil in Saskatchewan. Small areas sown in Manitoba and Alberta were squarely ignored. However, traders do not deny the possibility of rise in acreage than what had been estimated by Statistics Canada. According to traders, this survey by the agency was done a month ago before the release of crop data. Since, price of lentil (red lentil) has risen substantially in spot markets in past two months, which may lure farmers to sow more under the same. It is not true for all the varieties of lentil like prices of green lentil had been very sluggish and depressing in 2006. But there was active trading in all the varieties for lentil past month, which obviously would have helped cutting inventories of last year crop, which might encourage farmers to grow more.

Pakistan Traders Oppose Import of Pulses by TCP

Traders in Pakistan have started protesting against proposed import of lentil and pulses by Trading Corporation of Pakistan (TCP). Prices of essential commodities this year in Pakistan had skyrocketed as production of almost all the crop was affected due to unfavorable weather situation. Pakistan used to import pulses from Ethiopia, Tanzania, Syria, Egypt and other African countries while lintels are being imported from Australia. Traders doubt whether additional effort of TCP to control domestic prices will help much, rather feel that prices of the desired commodity might rise in exporting nation on news of TCP demand like what happened with sugar. Exporting nations also have not much exportable surplus left this year.

Glimpses - Future Markets (NCDEX)

Urad

Urad futures fell sharply in the beginning of the week on reports of heft deliveries against May month. Total 3,410 MT of urad was offered for delivery against May contract at NCDEX. Futures later started improving in tune to firm cash basis and higher offerings in international markets. Early advancement of monsoon pulled futures down later. Trading is equally active in front two months (June and July) in Urad. Overall volume however has been low compared to volumes in urad 2 months back, for which traders blame to higher margins.















Chana

Initial decline in futures were blamed to poor off-take in physical markets. Reports of heavy stocks in terminal markets kept the bulls in low spirits. Rumors of chana export to Pakistan helped improving futures for some time, but early advancement of monsoon weighed on futures later in the week. Trading was seen most active in the second month (July contract).

Tur

Deliveries offered against May month were low at NCDEX, but concern over high stocks and subdued demand kept weighing on values. Declines later in the week halted on ideas of oversold market. Both the available contracts at NCDEX are equally active. Position limit for the clients has been fixed at 1000 MT with immediate effect for June effective on May 26, 2006 and for later month contracts a month ahead of their expiry. Decision will help limiting volume and volatility to some extent in immediate month.

Crop -Weather Impact

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

*Valid till 30th May Source-IMD

Latest Vessel Position

Mumbai Port is receiving 14,500 MT of pulses from the vessel 'Yaad E Mostafa'. The cargo was loaded from Yangon. Able Marine agents is handling the vessel. The port is expecting 'Dragonis' and 'Bounty 7' to deliver

14,800 MT and 8,500 MT of pulses respectively. The cargo was loaded from Yangon. Able Marine agents will be handling these vessels.

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	45.830
European Union	Euro	58.380
United Kingdom	GBP	85.070

*As on May 27, 2006

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.