

## PULSES

June 05 - June 10, 2006

### Highlights

#### Spot Markets

- Govt Abolishes Import Duty on Pulses Till 31<sup>st</sup> March, 2007
- Southwest Monsoon Weakens
- Trading Slows in Pulses Markets

### Highlights -

#### Futures Market

- Forward Markets Commission (FMC) has notified that real time trading in commodities by opening terminals of foreign commodity exchanges in India without approval of Central Government or FMC, would be deemed to be illegal. Persons entering into such contracts would be punishable under Section 21 of Forward Contracts (Regulation) Act, 1952.

## Fundamentals

### URAD:

Urad markets observed firm trend during most of the week. Stocks of urad had exhausted in most of the interior markets long ago. Farmers this year are highly inclined towards urad in south due to good realization against last year crop. But weakening of monsoon has worsened the situation. Indian Meteorological Department (IMD) has reported that the monsoon is going through a weak phase and currently is not able to forecast when the monsoon will revive.. Government however has taken timely action waiving import duty fully on import of all the pulses till March 31<sup>st</sup>, 2007. Exemption will apply only to imports through ports having the capacity to handle bulk imports. The waiver of duties will help in keeping urad prices in control.

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

Date	Burma FAQ 2005 (Delhi)	Loyal Grade-UP/Bihar (Delhi)	Burma spot FAQ 2005 (Mumbai)
05.06.06	3300-3325	NA	3100
06.06.06	3275-3300	NA	3100
07.06.06	3300-3325	NA	3200
08.06.06	3250	NA	3201-3221
09.06.06	3200	NA	3225

10.06.06	3200	NA	3200
----------	------	----	------

#### Urad Prices in secondary markets

QUALITY	03.06.06	10.06.06
Akola	3200-3250	3200-3300
Indore	2700-3100	2900-3200
Vijaywada	1780	3600

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

Date	F A Q	S Q
03.06.06	660	690
10.06.06	620	675-700

### TUR:

Tur markets featured sluggish trend. News of exemption of pulses from import duty had similar bearish impact like on other pulses. Import of the same has been continuing. Presently we are importing from Burma. Its import from the African countries like Malawi, Mozambique, Kenya etc starts from September. Weather however, helped support the prices. Weather is turning dry in southwest areas of India due to weakness in monsoon. Weather is crucial as sowing of tur has started in some areas. According to sources, sowing of kharif tur is done in 30% of the intended

area in Karnataka. Extended dry spell would delay the fieldwork.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
05.06.06	NA	2000-2025	1800
06.06.06	NA	2025	1825-1850
07.06.06	NA	2025	1825
08.06.06	NA	2000	1811-1821
09.06.06	NA	2000	1800
10.06.06	NA	2000	1750

#### Tur Prices in secondary markets

QUALITY AND CENTRE NAME	03.06.06	10.06.06
Gulbarga - Red Tur	1800	1800
Latur Red tur (Mh Line)	1870-1900	1900-1925
Latur White tur (Mh Line)	1850-1900	1850-1900
Jalna Red	1800	1800-1850
Jalna White	1850	1900
Jalna BDM	1950	1925
Akola Red Marathwada Line (motor cut)	1900	1890
Akola Red Vidharbha Line (motor cut)	1870	1860-1865
Vijaywada Local	1780	1800

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

DATE	Burmese (FAQ/lemon/ Shwebo)
03.06.06	365
10.06.06	350

#### MUNG:

Sentiments remained weak in moong markets. Sporadic summer harvest in major producing states has helped replenishing inventories in respective states. Further, its prices in domestic markets are still matching import parity. Weather factor has helped checking decline in its prices, as its sowing is scheduled to start shortly in southern states.

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

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati -Bisao (Delhi)
03.06.06	3400	3350
10.06.06	3400	3350

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

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
03.06.06	665	NA	NA
10.06.06	650	NA	NA

#### CHICKPEAS:

Chana markets also observed firm trend early in the week. Bullishness in the market stemmed from the reports that Trading Corporation of Pakistan (TCP) seeking some 1.5 lakh ton of chana. Indian traders are optimistic to win this tender due to both availability and proximity factors. Bids for the same were invited by TCP till 11.30 am on 13th June, 2006 as mentioned in the tender floating in the market. But exemption of all the pulses from custom duty fully caused panic in the market. According to traders, stock of the chana is good and Zero duty on pulses will attract more import later this year. From September onward, India normally imports chana from Australia and Canada, where farmers are keener in pulses this year.

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

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
05.06.06	2450	2420	2320-2325
06.06.06	2400-2450	2420	2325
07.06.06	2450-2465	2425-2430	2325-2330
08.06.06	2465	2425	2350
09.06.06	2400	2400	2320
10.06.06	2425-2435	2400	2350

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

Centres	27.05.06	03.05.06
Gulbarga New	2200	2200
Latur (Gauran)	2100	2150
Latur (Annagiri)	2200-2225	2250
Jalna (Gauran)	2200-2225	2200
Jalna (Pila)	2250	2250
Akola (Mixed) motor cut	2300	2300
Akola new (Chapa) motor cut	2350	2375
Kanpur (mandi rates)	2375-2400	2425

#### LENTILS:

Sentiments improved in the beginning of the week following reports of its fresh export to Bangladesh. Demand for the

same also improved from eastern states. According to traders, demand for 'motta masoor', which conventionally consumed in domestic markets mainly, has also been good on export front. According to traders, production of chotti masoor was low in year 2005-06. Traders primarily blame to the unfriendly weather situation last year and also substantial areas in Tarai region in switched to rice (Dhan).

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

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
05.06.06	2020	2470
06.06.06	2020	2470
07.06.06	2020	2470
08.06.06	2000	2450
09.06.06	2000	2450
10.06.06	1975	2450

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

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
05.06.06	Closed	Closed	Closed	1975	2050
06.06.06	1890	1880	1800	1970	2035
07.06.06	1890	1880	1800	1965	2030
08.06.06	1890	1880	1800	1970	2030
09.06.06	1860	1850	1750	1950	2000
10.06.06	1850	1840	1725	1940	2020

#### FIELD PEAS:

Large number of consignments is reaching at different ports. Obviously, peas will benefit most in present situation. Mumbai port will be receiving some 39,700 MT of peas shortly, while discharge of some 22,000 ton is already in progress in Kolkata. Since, perspective of peas seem promising as have also been signalled by distorted weather cycle, traders do not rule out possibility of big import further ahead.

#### Peas Price Movement (Rs/qlt)

Offers	Kanpur New	Mumbai Peas
03.06.06	1240	1290-1300
10.06.06	1290-1300	1251

#### NEWS

Haryana government is planning to bring more acreage under pulses this year. Government has set target of 80,000 hectares to be sown under pulses compared to 53,000 hectares sown last year. This is

the largest area under pulses in Haryana allocated so far. According to official sources, maximum 78,000 hectare was sown under pulses in 1968-69. In fact, a campaign was launched in which sowing of Dhaincha was planned in crop rotation with Saathi dhan to main fertility of the soil. Now, pulses are brought under consideration to have rotation with Saathi.

#### Glimpses - Future Markets (NCDEX)

##### Urad

Urad June contract was highly volatile during the week. Reports of big consignments reaching from Burma were blamed for the initial weakness. Though weather factor has helped recovering urad markets from this bearishness, but news of import duty waiver by government again resulted in bearishness in the market. Both volume and Open Interest remained low, which traders blame to the still higher margins and high volatility.







##### Chana









Chana June futures rose timidly in the beginning. But futures shed more than what it gained initially by end of the week. Open interest has fallen substantially during the week, while increased substantially against July month, which shows timely rollover of positions by trade participants. Removal of import duty by the government has offset the weather factor, which was responsible for the initial gains.

##### Tur

Tur June contracts posted big gains early in the week on weather factor. But import of the same and weak cash basis pulled the futures off the highs set on very first day of the week. Removal of duty on pulses had additional bearish impact on futures. Volume and Open Interest both remained low, for which traders blame high margins.

#### Crop -Weather Impact

Commodity	States	Weather	Impact
Urad	Andhra Pradesh	Clear 	Normal
	Karnataka	Clear 	Concerning
	Maharashtra	Clear 	Concerning
Tur	Maharashtra	Clear 	Concerning
	Karnataka	Clear 	Concerning
	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 15<sup>th</sup> June Source-IMD

#### Latest Vessel Position

- 'Falcon Trader' has berthed at Kolkata Port and continues to discharge 24,650 MT of peas. B Ghose agents is handling the vessel. Kolkata Port is receiving 22,000 MT of peas from the vessel 'African Protea'. B Ghose agents is handling the vessel.
- 'Continent 4' from Yangon has berthed at Mumbai Port and continues to discharge 6,000 MT of pulses. Sai Freight agents is handling the vessel. 'Dragonis' from Yangon has berthed at Mumbai Port and continues to deliver 14,800 MT of pulses. Able Marine agents is handling the vessel. Delivery of 5,198 MT of peas is expected at the port from the vessel 'Aston Prelude'. The port is expecting 'Blest Marine' to deliver 39,700 MT of peas. These vessels will be handled by Sahi Oretrans agents.
- Delivery of 10,000 MT of peas is expected at New Mangalore Port from the vessel 'Blest Marine'..

#### International Highlight

##### India's Import Matrix for Burmese Pulses (Tonnes)

Pulses	Nov, 05	Dec, 05	Jan, 06	Feb, 06	March, 06
Black Matpea	12,628	9,979	24,427	14,973	31,539

Forex- 1USD= INR 45.920

Mung beans	5,998	8,774	13,472	12,608	27,084
Black Eye Beans	-	-	1,947	3,223	1,928
Chickpeas	407	-	-	-	358
Tur whole	11,127	10,135	12,067	5,951	12,039
Kidney Beans	1,883	138	161	1,103	2,057
Total	32,043	29,026	52,074	37,858	75,005

USDA

#### 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)

#### 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.