

## PULSES DAILY

June 26, 2006

### URAD

#### FUNDAMENTALS

Sentiments were seen improving in urad markets. Market in fact is in consolidation phase after two hectic days of pestering. Series of actions taken by government to curb rising prices of essential commodities in fact baffled small investors/traders/stockists. According to traders, government should have taken these decisions five-six months back, when prices of pulses had started appreciating alarmingly. In October'05 alone prices of urad had posted 50% gains. Traders said that these decisions are taken under political pressure only. Production of urad was low last year due to unfavourable weather conditions. Government should have started maintaining buffers to cope up ill situation like at present. Import this time is not going to help much. Sole supplier is Burma. Any tender issued by govt would rather have bullish impact in international market. Realizing our urgency, Burmese have started quoting higher again. CNF prices for SQ grade at Mumbai were last quoted at \$700 per ton. Traders feel that new domestic crop is unlikely to come before (even in early sown areas) before August.

#### Futures Market Commentary

Urad July contract opened weak, but after brief upside movement futures set out falling further downward and bottomed out with in 30 minutes after opening of the session. Futures sprang up soon after touching day's bottom and managed to come out of red zone. Futures finally ended the day in positive territory, only. Urad July contract finished up Rs 36 at Rs 2811 per qtl.

#### Price Drivers

##### Bullish

High prices in International markets  
Low stocks in domestic markets

##### Bearish

Likely import by Nafed

#### Weather

Southwest monsoon has further advanced into most parts of Vidarbha, remaining parts of Telangana and some more parts of Chhattisgarh.

#### TECHNICALS

##### NCDEX -July Contract

Relatively big lower shadow of white candlestick body signals bullish pattern. Prices closed below both the 9-days and 18-days EMA. Stochastic oscillator is in oversold zone and bending southward. MACD is falling further into negative zone. RSI however is giving bullish signal.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
July	2707	2603	2811	2872	2933
August	2585	2501	2669	2717	2765

#### TRADE RECOMMENDATION:

Buy July contract near 2810 with target towards 2835. Second target at 2850. Put SL at 2795.

#### Spot Market Prices of Urad

(Rs/qtl)

Origin/Grade	Center	24.06.06	23.06.06	Change
Burma Faq	Mumbai	3131	3121-3125	+5
Burma Faq	Delhi	3275	3250-3275	-
Desi	Akola	3300	3300-3400	-
Desi	Indore	2800-3200	2800-3200	-
Desi	Vijaywada	3550	3550	-

## CHANA

### FUNDAMENTALS

Improvements were seen in chana markets. According to traders, recent big falls were due to impulsive response of small retail investors (mostly on futures market) to the government decision of banning export of all kind of pulses. Hopes for much anticipated export to Pakistan shattered with the news. Earlier, there were reports that few Indian companies had been short-listed by Trading Corporation of Pakistan (TCP) for chana dall. Traders said that this is not a big deal. Prices of chana were already up even before news of TCP tenders/Pakistan demand. According to traders, farmers this year had good realization for this crop. Traders/stockists had bought this chana at higher prices from the farmers, so they cannot afford to offer the same at lower prices. Prices also are up in international markets due to Pakistani demand and what signals Indian government had given (taking such hasty decisions) to exporting nations.

### Futures Market Commentary

Chana July contract opened weak gapping substantially versus previous closing. Futures started falling downward soon after opening of the session. Futures bottomed out with in 25 minutes after opening of the session. Futures though retreated soon, but could not come out of negative zone. July chana contract eventually ended the day off Rs 35 at Rs 2318 per qtl.

### Price Drivers

#### Bullish

Good demand for chana from Pakistan

#### Bearish

Ban on Pulses Export

### Weather

Southwest monsoon has further advanced into most parts of Vidarbha, remaining parts of Telangana and some more parts of Chhattisgarh.

### TECHNICALS

#### NCDEX -July Contract

White candlestick body has formed 'short day' pattern. Big lower shadow signals possibility of reversal in downtrend. Prices closed below both the 9-days and 18-days EMA. Stochastic oscillator is in oversold zone and heading further downward. MACD is falling further in to negative territory.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
July	2242	2167	2318	2363	2409
August	2299	2221	2378	2427	2477

#### TRADE RECOMMENDATION:

Buy July contract near 2315 with target of 2335. Second target 2350. Put SL at 2300.

### Spot Market Prices of Chana

(Rs/qty)

Origin/Grade	Center	24.06.06	23.06.06	Change
Rajasthan Desi	Delhi	2225-2300	2300	-
MP Desi	Delhi	2300	2300	-
Kantewala	Indore	2200-2250	2250	-
Desi	Gulbarga	2150	2150	-
Gauran	Latur	2100	2200	-100
Annagiri	Latur	2175	2300	-125
G-12/Vijay	Latur	2150	2250-2275	-100
Gauran	Jalna	2250	2175	+75
Pila	Jalna	2300	2200-2225	+75
Mixed	Akola	2275	2250	+25
Chapa	Akola	2311	2325	-15
Desi	Kanpur	2300	2370-2375	-75

## TUR

### FUNDAMENTALS

Tur prices also have shown recovery in most markets. Trading however remained slowed due to increased volatility in the market. Weather situation is improving. Weather is crucial factor as sowing of pulses is continuing in southern states including Maharashtra. Though intensity of rains has not been classy, consistency obviously has helped continuing fieldwork. Persistent rains will help switching farmers some acreage under tur to Urad and mung (which are sown early).

### Futures Market Commentary

Tur July futures opened weak and set out falling just after beginning of the session. There was strong support at 1545. Futures banged twice this level before 10.30 am and set off moving higher after failing to infringe this level. July contract finally finished the day up Rs 37 at Rs 1638 per qtl.

### Price Drivers

#### Bullish

Likely fall in acreage this year

#### Bearish

Good stock of domestic produce

### Weather

Southwest monsoon has further advanced into most parts of Vidarbha, remaining parts of Telangana and some more parts of Chhattisgarh.

### TECHNICALS

#### NCDEX -July Contract

White candlestick body has formed 'short day' pattern. Big lower shadow shows underlying strength. Prices closed below both the 9-days and 18-days EMA. Stochastic oscillator is in oversold zone, but signalling likely improvement. MACD is in negative zone and is still tilting southward.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
July	1573	1507	1638	1676	1713
August	1586	1530	1642	1677	1712

#### TRADE RECOMMENDATION:

Buy July contract near 1635 with target towards 1660, second target 1670. Put SL at 1620

### Spot Market Prices of Tur

(Rs/qtl)

Origin/Grade	Center	24.06.06	23.06.06	Change
Burmese Lemon	Mumbai	1590	1601	-10
Burmese Lemon	Delhi	NA	NA	-
Maharashtra tur	Delhi	1975-2000	1925	-
Karnataka tur	Delhi	2050	2050	-
Red tur	Gulbarga	1750	1750	-
Fatka Dall	Gulbarga	2625	2625	-
Red Tur	Latur	1800-1825	1825-1875	-
White Tur	Latur	1750-1825	1825-1875	-
Red	Jalna	1750	1600-1625	+125
White	Jalna	1850	1650-1700	+150
BDM	Jalna	1900	1775	+125
Marathwada	Akola	1825-1830	1850	+20
Vidarbha	Akola	1850	1840	+10
Local Tur	Vijaywada	1775	1760	+15

## Others

### Moong

Moong markets continued to see dull trend. Stock of Rajasthan origin Moong has nearly been exhausted. Presently UP grade mung is feeding Delhi. This small summer harvest mung in different states has helped easing mung prices in recent weeks.

#### Spot Market Prices of Moong (Rs/qty)

Origin/Grade	Center	24.06.06	23.06.06
Shekhavati	Delhi	3200	3200
Kishangarh	Delhi	3300	3300
Medta/Bisao	Delhi	3300	3350
Desi	Indore	2800-3100	2800-3100
Muglai	Jalna	NA	NA
Chamki	Akola	2800-3000	2850-3100

### PEAS

There was no oomph in peas markets. Markets featured routine trading. Prices, however, are still lucrative in domestic markets to help keeping importers' interest alive.

#### Spot Market Prices of Pea (Rs/qty)

Center	24.06.06	23.06.06
Mumbai	1200	1200
Kanpur	1260-1265	1280

### Masoor

Masur markets continued to see weak trend due to poor buying interest. According to traders, markets seemingly have factored the government news of banning pulses export. Demand in domestic markets also is weak, which traders blame to the seasonality.

#### Spot Market Prices of Masoor (Rs/qty)

Center	24.06.06	23.06.06
Delhi-MP/kota Line	1900	1900
Delhi- UP/Sikari	2400	2400
Kanpur local mill delivery	1870-1875	1900
Kanpur new- Braeilly Delivery	1940	1970-1975
Kanpur- new Malka Dal	2100	2150
Indore- Masra	1715-1720	1770
Indore- Masoor New	1700	1760
Indore- Medium New	1600	1700
Bahraich-Masoor	2600	2625
Bahraich-Export Chanti	2950	3000
Kolkata (Truck delivery)	3300	3350
Masur Dal	2950	2950

#### International Prices (\$/ton) (CNF 90 days)

Quality	24.06.06
Burmese new Lemon Tur Mumbai Chennai	345
Burmese FAQ new Tur Mumbai/Chennai	335
Burmese Shwebo Tur Mumbai/Chennai	310-315
Burmese FAQ Urad Mumbai/Chennai	625-630
Burmese SQ Urad Mumbai/Chennai	700
Burmese Pedishwa Mung Chennai/Mumbai	620
Burmese Anneswar Mung Mumbai	NA
Burmese Pokako Mung Mumbai/Chennai	NA
Australian Chickpea Chennai/Mumbai	500-510

### Port watch

- Kolkata Port is receiving 20,000 MT of peas from the vessel 'Shang Shai Hai'. B Ghose agents is handling the vessel. 'Thor Tribute' has berthed at Kolkata Port and continues to discharge 18,620 MT of peas. Multimode agents is handling the vessel.
- Mumbai Port is receiving 39,700 MT of peas from the vessel 'Blest Marine'. The vessel is being handled by Sahi Oretrans agents.

Forex - 1 US\$ - INR 46.010

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