

## PULSES DAILY

June 30, 2006

### URAD

#### FUNDAMENTALS

Fundamentals are bearish for urad markets. Satisfactory advancement of monsoon, extended govt efforts to control pulses prices, and subdued demand in the physical markets collectively has caused bearishness in the market. Nafed has finalized import of 25000-ton urad from Myanmar for shipment in July and early August. Cost of purchase of these cargos, however, has not yet been made public. Traders feel that decision has come very late and will unlikely to help much unless government sells the same at subsidised prices. Sowing of urad is in progress in the southern states. Urad is a short-duration crop. Fresh crop may even come in August in some early sown areas.

#### Futures Market Commentary

Urad July contract opened substantially low against previous closing and featured this downhill movement further till touching day's low near 12.35 hrs. Futures set out rising steadily thereafter, recouping most of what it shed in initial hours. However, futures could not manage to recover from the red zone. Urad July contract eventually ended the day off Rs 96 at Rs 2706 per qtl.

#### Price Drivers

##### Bullish

High prices in International markets

Low stocks in domestic markets

##### Bearish

Likely import by Nafed

#### Weather

Southwest monsoon has advanced into some more parts of Gujarat; remaining parts of Vidarbha, Chhattisgarh and East Uttar Pradesh; some parts of West Uttar Pradesh and many parts of Madhya Pradesh.

#### TECHNICALS

##### NCDEX -July Contract

Dark candlestick body with opening 'marubozu' indicates dominion of bears right from the opening of the session. Sizable lower shadow shows limited downside potential further. Prices closed below both the 9-days and 18-days EMA. %k line is running above %d line in neutral zone. MACD kept falling downward in negative territory.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
July	2651	2595	2706	2772	2837
August	2490	2439	2541	2597	2653

#### TRADE RECOMMENDATION:

Buy July contract near 2700 with target towards 2720. Second target at 2730. Put SL at 2685.

#### Spot Market Prices of Urad

(Rs/qtl)

Origin/Grade	Center	29.06.06	28.06.06	Change
Burma Faq	Mumbai	2900-2950	3061	-110
Burma Faq	Delhi	3100	3250	-150
Desi	Akola	3200-3300	3200	-
Desi	Indore	2800-3200	2800-3200	-
Desi	Vijaywada	3500	3550	-50

## CHANA

### FUNDAMENTALS

People appeared nervous about much hyped meeting of CWC with the govt. Fear against unforeseen actions likely by government towards its attempt to curb spiraling pulses prices kept the markets in low spirit. In one week only, chana prices have come down by nearly 15% in Delhi market. According to traders, governments plan for taking action against traders are not rational. Current situation arose due to delayed actions by the government. Prices had appreciated late last year only. Traders themselves have bought the chana from farmers at higher prices. Farmers off course had good realization this year. Now, if govt wants to provide the same at lower prices to consumer (Aam Admi), it should provide subsidy for it, rather than forcing traders to bear losses for its intentions.

### Futures Market Commentary

Chana Futures opened weak and spent the whole day into negative territory. Futures started falling downward right after opening of the session and bottomed out near 14.25 hrs. Futures sprang up soon after touching day's bottom and recovered almost all what it shed in the first half. Futures eventually ended the day off Rs 44 at Rs 2136 per qtl.

### Price Drivers

#### Bullish

Good demand for chana from Pakistan

#### Bearish

Ban on Pulses Export

Recent notification by DGFT

### Weather

Southwest monsoon has advanced into some more parts of Gujarat; remaining parts of Vidarbha, Chhattisgarh and East Uttar Pradesh; some parts of West Uttar Pradesh and many parts of Madhya Pradesh.

### TECHNICALS

#### NCDEX -July Contract

Dark candlestick body has formed very 'short day' pattern. Big lower shadow indicates likely halt in downtrend ahead. Prices closed below both the 9-days and 18-days EMA. %k line although has just made bullish crossover with %d line, but still is in oversold zone. MACD kept moving downward.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
July	2085	2034	2136	2183	2230
August	2127	2077	2176	2221	2265

#### TRADE RECOMMENDATION:

Buy July contract near 2135 with target of 2155. Second target 2165. Put SL at 2125.

### Spot Market Prices of Chana

(Rs/ctl)

Origin/Grade	Center	29.06.06	28.06.06	Change
Rajasthan Desi	Delhi	2150	2150-2200	-
MP Desi	Delhi	2130	2130-2150	-
Kantewala	Indore	2150	2165-2170	-15
Desi	Gulbarga	2100	2100	-
Gauran	Latur	2000-2050	2000-2050	-
Annagiri	Latur	2150	2150	-
G-12/Vijay	Latur	2100-2150	2150	-
Gauran	Jalna	2150	2200	-50
Pila	Jalna	NA	NA	-
Mixed	Akola	2175	2225	-50
Chapa	Akola	2225-2230	2270-2275	-40
Desi	Kanpur	2250	2300	-50

## TUR

### FUNDAMENTALS

Tur markets also had no oomph. Fortunately, government spared the tur. Prices of tur are already running low and even down on year basis. Though starting of the season was bullish in tune to shortfall in production of other pulses like urad and mung last year. But fortunately tur had not seen any losses last year unlike other pulses. So, stocks situation is very comfortable this year. Tur will likely to remain the last choice of farmer among pulses for this very reason.

### Futures Market Commentary

Lemon tur July contract opened firm, but after timid gains futures soon started falling downward and dipped into negative territory within in first five minutes. This downtrend persisted till futures bottomed out near 14.55 hrs. Futures retreated swiftly in the remaining hours, but eventually ended the day red. July contract finished off Rs 24 at Rs 1570 per qtl.

### Price Drivers

#### Bullish

Likely fall in acreage this year

#### Bearish

Good stock of domestic produce

### Weather

Southwest monsoon has advanced into some more parts of Gujarat; remaining parts of Vidarbha, Chhattisgarh and East Uttar Pradesh; some parts of West Uttar Pradesh and many parts of Madhya Pradesh.

### TECHNICALS

#### NCDEX -July Contract

Dark candlestick body with big lower shadow indicates likely reversal in pattern. Prices closed below both the 9-days and 18-days EMA. Stochastic oscillator is running above %d line, but is curving downward. MACD is in negative territory and still having downward slant.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
July	1523	1475	1570	1611	1651
August	1529	1481	1577	1614	1651

#### TRADE RECOMMENDATION:

Buy July contract near 1570 with target towards 1590, second target 1605. Put SL at 1555.

### Spot Market Prices of Tur

(Rs/qty)

Origin/Grade	Center	29.06.06	28.06.06	Change
Burmese Lemon	Mumbai	1525	1550	-25
Burmese Lemon	Delhi	NA	NA	-
Maharashtra tur	Delhi	1900	1950	-50
Karnataka tur	Delhi	2000	2000	-
Red tur	Gulbarga	1775	1775	-
Fatka Dall	Gulbarga	2650	2650	-
Red Tur	Latur	1750-1840	1800-1820	-
White Tur	Latur	1750-1889	1750-1830	-
Red	Jalna	1750	NA	-
White	Jalna	1800-1825	1800-1825	-
BDM	Jalna	1900	NA	-
Marathwada	Akola	1811-1815	1820-1825	-5
Vidarbha	Akola	1790	1790-1795	-
Local Tur	Vijaywada	1750	1765	-15

## Others

### Moong

Nafed is also importing 5000 ton of moong. Demand of the same is subdued in domestic markets. Supply also is not very concerning. Sowing of the same is in progress in Maharashtra, while in Rajasthan it will start after arrival of monsoon.

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

Origin/Grade	Center	29.06.06	28.06.06
Shekhavati	Delhi	3100	3100
Kishangarh	Delhi	3150	3150
Medta/Bisao	Delhi	3200	3200
Desi	Indore	2800-3100	2800-3200
Muglai	Jalna	NA	NA
Chamki	Akola	2700-3000	2800-3000

### PEAS

Peas markets observed weak trend. Weak trend in chana and other pulses has started affecting demand of peas. Supply for peas also is in abundance with the continuation of its import in bulk.

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

Center	29.06.06	28.06.06
Mumbai	1181-1200	1200
Kanpur	1250	1260-1270

### Masoor

Masoor markets featured weak trend following subdued demand in the local markets. Also, government has notified that ban on its export amongst other pulses will remain effective till December 26.

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

Center	29.06.06	28.06.06
Delhi-MP/kota Line	1800	1800
Delhi- UP/Sikari	2350	2350
Kanpur local mill delivery	1850	1850
Kanpur new- Braeilly Delivery	1910	1910-1920
Kanpur- new Malka Dal	2070	2050-2075
Indore- Masra	1730	1720
Indore- Masoor New	1720	1710
Indore- Medium New	1600	1600
Bahraich-Masoor	2600	2600
Bahraich-Export Chanti	2925	2950
Kolkata (Truck delivery)	3300	3300
Masur Dal	2900	2950

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

Quality	29.06.06
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	650
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

- Delivery of 1,747 MT of pulses is continuing at Kolkata Port from the vessel 'HPA An'. The cargo was loaded from Yangon. Pennon agents is handling the vessel. 'TCI Arjun' from Yangon has berthed at Kolkata Port and continues to discharge 2,900 MT of pulses. PBSA agents is handling the vessel. Kolkata Port is receiving 20,000 MT of peas from the vessel 'Shang Shai Hai'. B Ghose agents is handling the vessel. The port is expecting 'Supreme' from Yangon to discharge 3,300 MT of pulses. B Ghose 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 46.340

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