

## PULSES

June 19 - June 24, 2006

### Highlights

#### Spot Markets

- Weather Situation Improving in South Including Maharashtra
- Govt Bans on Export of All Pulses
- Sowing of Urad, Mung and Tur in Progress in Karnataka, Maharashtra and AP

### Highlights -

#### Futures Market

- In pursuant to approval received from Forward Markets Commission (FMC), NCDEX has further launched contracts in lemon tur for the month of August 2006 and September 2006 from June 20, 2006. Contract specifications for these new contracts will be the same as of July 2006.

## Fundamentals

### URAD:

Sentiments turned easy in urad markets as a consequence of series of corrective measures taken by Indian government to control spiralling prices of essential commodities. Government was under immense pressure due to double-digit rise in prices of pulses and few other essential commodities. Reasons may be many for this escalation like low production due to unfavourable weather last year, increased hoarding, excessive speculation in futures market etc, but recent hike in petrol/diesel has aggravated the situation calling urgent attention of political parties. Further, more regulations are likely with growing consensus on de-hoarding and checking speculative transactions. Cabinet Committee on Prices (CCP) has assigned cabinet secretary BK Chaturvedi to embark steps to mitigate speculative transactions. Also recently, government had instructed Nafed to import pulses on zero duty. Nafed is planning to import 45000 ton of urad and Chana.

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

Date	Burma FAQ 2005 (Delhi)	Loyal Grade-UP/Bihar (Delhi)	Burma spot FAQ 2005 (Mumbai)
19.06.06	3300-3325	NA	3150-3175
20.06.06	3325	NA	3200

21.06.06	3300-3325	NA	3151-3161
22.06.06	3300	NA	3200
23.06.06	3250-3275	NA	3121-3125
24.06.06	3275	NA	3131

#### Urad Prices in secondary markets

QUALITY	17.06.06	24.06.06
Akola	3500	3300
Indore	2900-3200	2800-3200
Vijaywada	3550	3550

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

Date	F A Q	S Q
17.06.06	600-610	675-690
24.06.06	625-630	700

### TUR:

Spill over weakness also was seen in tur markets. Critics say that government actions still sound superficial and are taken in haste. There seems no centralized decision making authority is active. Government should integrate its efforts from fields level. Monsoon pattern has been skewed for past few years. Government agencies have been silent over the reason for this distorted weather pattern and never

bothered to plan coping up with likely aftermaths. Very reason for immediate hassles has been squarely ignored. Tur markets remained sluggish through the week. Stock of tur is good in all the interior and terminal markets. Traders blame seasonality for this sluggishness in the market. Demand usually remains low during this period due to increased availability of other cheaper alternatives. Now, all the indecision in the market is associated with weather, as sowing of tur and other kharif pulses already have started in Southern states.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
19.06.06	NA	2000	1660-1670
20.06.06	NA	2000	1660
21.06.06	NA	2020	1650-1660
22.06.06	NA	2000	1650
23.06.06	NA	1925	1601
24.06.06	NA	1975-2000	1590

#### Tur Prices in secondary markets

QUALITY AND CENTRE NAME	17.06.06	24.06.06
Gulbarga - Red Tur	1825-1850	1750
Latur Red tur (Mh Line)	1900-1925	1800-1825
Latur White tur (Mh Line)	1850-1915	1750-1825
Jalna Red	1825	1750
Jalna White	1850	1850
Jalna BDM	1900	1900
Akola Red Marathwada Line (motor cut)	1900	1825-1830
Akola Red Vidharbha Line (motor cut)	1880	1850
Vijaywada Local	1775	1775

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

DATE	Burmese (FAQ/lemon/ Shwebo)
17.06.06	350
24.06.06	345

#### MUNG:

Mung markets observed weak trend all through the week. Demand for the same has been low due to its higher prices. Also, supply situation has improved slightly with its sporadic summer harvest in different states. Also, series of corrective measure taken by Cabinet Committee on

Economic Affairs had bearish impact on its prices. Import of the same has been slowed due to lack of availability in international markets. Also, importers are in no mood to take chance due to increased volatility in domestic markets.

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

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati (Delhi)
17.06.06	3375	3250
24.06.06	3300	3200

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

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
17.06.06	650	NA	NA
24.06.06	620	NA	NA

#### CHICKPEAS:

Chana markets also turned easy on series of government recent actions taken towards checking inflation. Also, these actions (as taken in haste) obviously will send bullish signal to the international markets. Situation is more or less similar in Pakistan this year. Prices are already up substantially on year basis in international markets. CNF prices for the Australian chana at Mumbai port were last quoted at \$500-510 per ton. Sowing of chickpea is to start shortly in major exporting nations like Australia, Canada etc, where farmers are highly inclined towards this crop due to crop rotational benefits and higher input cost of other alternatives. Bullish signal from Asian continent will further boost interest of growers towards legume crop in exporting nations this year. Since prices are high in international markets, import is unlikely to help much. Government off course will have to dig deeper to address the inflation issue.

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

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
19.06.06	2460-2475	2450	2365-2375
20.06.06	2450	2425-2430	2355-2365
21.06.06	2480-2485	2450	2385-2400
22.06.06	2450	2410-2420	2350-2360
23.06.06	2300	2300	2250
24.06.06	2225-2300	2300	2200-2250

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

Centres	17.06.06	24.06.06
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Gulbarga New	2225	2150
Latur (Gauran)	2200	2100
Latur (Annagiri)	2300-2325	2175
Jalna (Gauran)	2200	2250
Jalna (Pila)	2225	2300
Akola (Mixed) motor cut	2335	2275
Akola new (Chapa) motor cut	2375	2311
Kanpur (mandi rates)	2385-2390	2300

## LENTILS:

Masoor markets were most affected by government decision of banning pulses export. Although export this year already was subdued due to uncompetitive prices in the international market, now whatever little export was taking place come to halt with immediate effect.

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

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
19.06.06	1980-1985	2450
20.06.06	1970-1975	2450
21.06.06	1990	2450
22.06.06	1960	2430-2435
23.06.06	1900	2400
24.06.06	1900	2400

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

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
19.06.06	1880	1870	1775	1935	1980
20.06.06	1870	1860	1775	1925	2010
21.06.06	1870	1860	1770	1940	2010
22.06.06	1870	1860	1770	1930	2000
23.06.06	1770	1760	1700	1900	1975
24.06.06	1715-1720	1700	1600	1875	1940

## FIELD PEAS:

Pea markets observed weak trend. As expected, frequency of import has increased this year due to lucrative prices in domestic markets and increased availability in the exporting nations. According to traders, chana has been highly volatile, so many industries, which use pea as an alternative, have increased their proportion of pea usage.

### Peas Price Movement (Rs/qtt)

Offers	Kanpur New	Mumbai Peas
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17.06.06	1270	1190
24.06.06	1260-1265	1200

## NEWS

Pulses production in China in 2006 is expected to reach at 4.5 million ton, up around 28% as compared to its production of 3.5 million ton last year. Pulses itself is very minor crop in China and accounts for less than 1% of China's annual grain and feed output. Traders credit higher prices of kidney beans for this rise in production. Last year, farmers had high inclination for grain and oilseed production due to favorable govt policies for the same and consequently acreage under pulses fall substantially. Shortage led to appreciation in pulses prices by more than 20% on year basis. Export in 2005-06 remained 8,00,000 ton, which this year is expected to increase to 8,50,000 ton. Kidney beans are the major pulses crop in China and export of kidney beans accounts for more than 50% (official figures) in previous years.

## Glimpses - Future Markets (NCDEX)

### Chana

Early zigzag movements of July chana futures at NCDEX show lack of conviction in the market. Steep fall in the second half was attributed to reports of government banning export of pulses. Getting long once was looking safe bet due to rising demand of chana from Pakistan, but all hopes were washed away with recent government actions towards checking inflation. Nervousness was high among people having good stocks fearing that government could extend its activities against profiteers and stockists, which encouraged people to hedge in futures market.

### Urad















Urad July contract moved in irregular manner initially, but futures closed most of the sessions in negative zone only. Obviously, series of govt actions towards checking spiraling prices weighed on urad futures as well. Improving weather in south India had additional bearish impact. Volumes remained low in all the sessions, which traders blame to still high margins and high scale of volatility.

### Tur

Tur July contract was weak from the very first day of the week. Some resistance against downtrend was seen in subsequent days, but futures lost momentum in entirety.

after government announced banning of export. Market literally had nothing to cushion against this news. Improving weather in southern India had additional bearish impact.

#### 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	Isolated Shower		Good
Chana	Rajasthan	Clear		Normal
	MP	Isolated Shower		Normal
	Haryana	Isolated Shower		Normal
	Punjab	Clear		Normal
Lentil	UP	Clear		Normal
	MP	Isolated Shower		Normal
Field Pea	UP	Clear		Normal
	MP	Isolated Shower		Normal

\*Valid till 27<sup>th</sup> June Source-IMD

#### Latest Vessel Position

- 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.

#### 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
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)

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