

PULSES DAILY

June 23, 2006

URAD

FUNDAMENTALS

Big news today was ban by government on export of all kind of pulses. This report had immediate bearish impact in the market. According to sources, decision has not come out of the blue. Essential commodities like wheat, pulses and sugar were put under scanner by Cabinet Committee on Prices (CCP). Government is putting its best to check the inflation. Recently, government had instructed the NAFED to import pulses on zero duty. Obviously, NAFED would go for urad. Another important pulses are tur and chana. Prices of tur are already low, while chana in international markets (other than India) will not be available before September.

Futures Market Commentary

Starting of the urad contract was strong and futures peaked within first 55 minutes after opening of the session. But this initial momentum was not carried long and futures got trapped in narrow range. Futures kept swinging in tight range till 1.25 pm, after which sharp long liquidation pulled futures deep down into negative territory. Urad July contract ended off Rs 61 at Rs 2920 per qtl..

Price Drivers

Bullish

High prices in International markets
Low stocks in domestic markets

Bearish

Likely import by Nafed

Weather

Conditions are still favourable for further advance of the southwest monsoon into north Madhya Maharashtra, parts of Marathwada and rest parts of Telangana during next 1 or 2 days.

TECHNICALS

NCDEX -July Contract

Candlestick body has formed 'bearish engulfing' pattern. Prices closed below both the 9-days and 18-days EMA. Stochastic oscillator is moving downward giving bearish signal. MACD is in negative territory and moving further downward.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
July	2861	2803	2920	3002	3085
August	2725	2650	2800	2882	2964

TRADE RECOMMENDATION:

Sell July contract near 2920 with target towards 2895
Second target at 2880. Put SL at 2935.

Spot Market Prices of Urad

(Rs/ctl)

Origin/Grade	Center	22.06.06	21.06.06	Change
Burma Faq	Mumbai	3200	3151-3161	+40
Burma Faq	Delhi	3300	3300-3325	-
Desi	Akola	3300-3500	3500-3600	-
Desi	Indore	2800-3200	2800-3100	-
Desi	Vijaywada	3550	3550-3575	-

CHANA

FUNDAMENTALS

Chana markets had immediate bearish impact of government banning pulses export. According to trade sources, few Indian companies had successfully clinched some deal with Pakistan for export of chana and this was the prime reason for recent buoyancy in the chana markets. Government was under immense pressure due to rising prices of the essential commodities. Since, weather situation has also been little alarming (not satisfactory), decision seems to have been taken in time and with due diligence.

Futures Market Commentary

Chana July contract opened slightly up versus yesterday closing and got trapped in narrow range. Futures kept oscillating around unchanged level till 1.20 pm. Futures set out falling steeply near 1.25 pm, which obviously was due to news of government banning export of all kind of pulses. Downtrend persisted all through the remaining session and July contract eventually ended the day off Rs 116 at Rs 2505 per qtl.

Price Drivers

Bullish

Good demand for chana from Pakistan

Bearish

Ban on Pulses Export

Weather

Conditions are still favourable for further advance of the southwest monsoon into north Madhya Maharashtra, parts of Marathwada and rest parts of Telangana during next 1 or 2 days.

TECHNICALS

NCDEX -July Contract

Candlestick body has formed 'long day' pattern. Small shadows on either sides signal existing strong bearish pattern. Prices closed below both the 9-days and 18-days EMA. %k line is running flat, slightly up from %d line. MACD is in negative territory and tilting southward.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
July	2453	2401	2505	2596	2687
August	2512	2458	2566	2660	2754

TRADE RECOMMENDATION:

Sell contract near 2505 with target of 2480. Second target 2465. Put SL at 2525.

Spot Market Prices of Chana

(Rs/qtl)

Origin/Grade	Center	22.06.06	21.06.06	Change
Rajasthan Desi	Delhi	2450	2480-2485	-30
MP Desi	Delhi	2410-2420	2450	-30
Kantewala	Indore	2350-2360	2385-2400	-25
Desi	Gulbarga	2250	2250	-
Gauran	Latur	2250-2300	2250	-
Annagiri	Latur	2375	2350	+25
G-12/Vijay	Latur	2350-2360	2300-2325	+25
Gauran	Jalna	2200-2250	2250-2300	-
Pila	Jalna	2300-2350	2325-2350	-
Mixed	Akola	2340-2350	2380-2385	-30
Chapa	Akola	2375-2380	2425	-45
Desi	Kanpur	2420-2425	2435-2440	-10

TUR

FUNDAMENTALS

News of export ban had not much impact on tur. Stock of tur is already good and prices also have not appreciated abnormally unlike other pulses. Sowing of tur is in progress in south. Though monsoon rains have not been consistent, government agro-advisories are advising farmers in south to continue fieldwork. Situation is not very concerning for tur, as its sowing could be done even by end of July.

Futures Market Commentary

Lemon tur futures opened weak and set out rising higher soon after. Tur futures kept rising steadily in the first half, but lost momentum soon after news of ban on pulses export. July futures bottomed out near 1.45 pm. Though futures retreated after touching day's bottom, but couldn't even touch the unchanged level till end of the day. July tur contract ended off Rs 30 at Rs 1693 per qtl.

Price Drivers

Bullish

Likely fall in acreage this year

Bearish

Good stock of domestic produce

Weather

Conditions are still favourable for further advance of the southwest monsoon into north Madhya Maharashtra, parts of Marathwada and rest parts of Telangana during next 1 or 2 days.

TECHNICALS

NCDEX -July Contract

Dark candlestick body has formed 'short day' pattern. Prices closed below both the 9-days and 18-days EMA. %k line is running below %d line and moving further downward. Stochastic oscillator has plunged deep in oversold zone. MACD is in negative territory and falling further downward.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
July	1670	1648	1693	1726	1760
August	1691	1671	1712	1744	1777

TRADE RECOMMENDATION:

Buy July contract near 1690 with target towards 1715, second target 1725. Put SL at 1675

Spot Market Prices of Tur

(Rs/ctl)

Origin/Grade	Center	22.06.06	21.06.06	Change
Burmese Lemon	Mumbai		1650-1660	
Burmese Lemon	Delhi	NA	NA	-
Maharashtra tur	Delhi	2000	2020	-20
Karnataka tur	Delhi	2100	2125	-25
Red tur	Gulbarga	1825	1825	-
Fatka Dall	Gulbarga	2700	2700	-
Red Tur	Latur	1850-1900	1890-1920	-
White Tur	Latur	1850-1900	1850-1918	-
Red	Jalna	1750-1755	1750	-
White	Jalna	1800-1850	1850	-
BDM	Jalna	1925	1900-1925	-
Marathwada	Akola	1890	1900	-10
Vidarbha	Akola	1870-1875	1880	-5
Local Tur	Vijaywada	1775	1780	-5

Others

Moong

Moong markets also observed weak trend. Series of corrective measures taken by government has helped curbing rise in pulses prices. Demand also otherwise has gone down due to its higher prices.

Spot Market Prices of Moong (Rs/qty)

Origin/Grade	Center	22.06.06	21.06.06
Shekhavati	Delhi	3200	3200
Kishangarh	Delhi	3300	3325
Medta/Bisao	Delhi	3350	3350
Desi	Indore	2800-3100	2800-3100
Muglai	Jalna	NA	3000-3100
Chamki	Akola	2850-3100	2950-3050

PEAS

Peas markets continued to see steady trend. Mild pressure came with ease in chana markets; otherwise, both demand and supply are in balance.

Spot Market Prices of Pea (Rs/qty)

Center	22.06.06	21.06.06
Mumbai	1215	1201
Kanpur	1290	1290-1300

Masoor

Masoor markets, already struggling with poor export, were not much affected with government's decision of banning pulses export. Prices of masoor this year has appreciated on year basis due to less production of masoor. Our masoor export this year remained subdued due to less competitive prices.

Spot Market Prices of Masoor (Rs/qty)

Center	22.06.06	21.06.06
Delhi-MP/kota Line	1960	1990
Delhi- UP/Sikari	2430-2435	2450
Kanpur local mill delivery	1930	1940
Kanpur new- Braeilly Delivery	2000	2000-2010
Kanpur- new Malka Dal	2175	2200-2220
Indore- Masra	1870	1870
Indore- Masoor New	1860	1860
Indore- Medium New	1770	1760-1770
Bahraich-Masoor	2670	2670
Bahraich-Export Chanti	3075	3075
Kolkata (Truck delivery)	3400	3400
Masur Dal	3000	2900-3000

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

Quality	22.06.06
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	600-610
Burmese SQ Urad Mumbai/Chennai	675-690
Burmese Pedishwa Mung Chennai/Mumbai	650
Burmese Anneswar Mung Mumbai	NA
Burmese Pokako Mung Mumbai/Chennai	NA
Australian Chickpea Chennai/Mumbai	490-500

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.
- Delivery of 5,658 MT of peas is continuing at Mumbai Port from the vessel 'Aston Prelude'. Sahi Oretrans agents is handling the vessel. Mumbai Port is receiving 8,500 MT of pulses from the vessels 'Bounty 7'. The cargo was loaded from Yangon. Able Marine agents is handling the vessel. The port is expecting 'Blest Marine' to deliver 39,700 MT of peas. These vessels will be handled by Sahi Oretrans agents.

Forex - 1 US\$ - INR 46.010

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