

## PULSES DAILY

August 01, 2006

### URAD

#### FUNDAMENTALS

Reports that government has put import of pulses on hold for the time being due to disparity in prices helped checking decline in its prices. Media sources informed that Govt has deferred the purchase of around 191,500 ton of pulses due to higher prices in the international markets. Government cannot afford to retail the same at high subsidies. Recently government in Delhi has been selling urad and moong at reasonably low prices in its different outlets including 70 food and civil supply circles offices, Mother Dairy booths etc. Since, weather has turned friendly in all the major pulses producing areas and acreage under pulses has increased reasonably, govt decision of putting on hold its plan of pulses import sounds rational.

#### Futures Market Commentary

Starting of Urad August contract although was weak, but futures recovered from this bearishness within a hour or so. Futures started rising steadily from 11.15 am and peaked before noon. Though profit booking at higher levels pulled the futures off the high, but futures kept hanging higher through the day till closing. August Urad contract finished up Rs 17 at Rs 2793 per qtl.

#### Price Drivers

##### Bullish

Low stocks of urad in Immediate

##### Bearish

Import by Nafed, PEC, MMTC

#### Weather

Scattered heavy to very heavy falls is likely over West Madhya Pradesh, Gujarat region and southeast Rajasthan during next 1-2 days and decrease thereafter. Fairly widespread rainfall with isolated heavy falls is also likely over north Madhya Maharashtra and Increase in rainfall over remaining parts of Rajasthan during next 2-3 days.

#### TECHNICALS

##### NCDEX -August Contract

Candlestick body has formed 'bullish engulfing' pattern. Prices closed above both the 9-days and 18-days EMA. Stochastic Oscillator also has made bullish crossover with its signal line. RSI is also showing strengthening momentum. MACD is about to make centerline crossover and is in positive territory.



#### SUPPORT / RESISTANCES:

| Contract | S1   | S2   | PCP  | R1   | R2   |
|----------|------|------|------|------|------|
| Aug      | 2758 | 2722 | 2793 | 2822 | 2850 |
| Sept     | 2485 | 2465 | 2506 | 2526 | 2547 |

#### TRADE RECOMMENDATION:

Buy August contract near 2790 with target towards 2815 Second target at 2825. Put SL at 2775.

#### Spot Market Prices of Urad

(Rs/ctl)

| Origin/Grade | Center    | 31.07.06  | 29.07.06  | Change |
|--------------|-----------|-----------|-----------|--------|
| Burma Faq    | Mumbai    | 3050      | 3100      | -50    |
| Burma Faq    | Delhi     | 3225      | 3200      | +25    |
| Desi         | Akola     | 3200-3250 | 3200      | -      |
| Desi         | Indore    | 2700-3100 | 2700-3100 | -      |
| Desi         | Vijaywada | 3550-3560 | 3550      | -      |

## CHANA

### FUNDAMENTALS

Chana markets observed range bound trading. Improved weather in all the pulses growing areas has triggered selling by the stockists. Also, stockists are finding prices remunerative enough, as demand for the same is good in domestic markets for the festival season ahead. Demand factor at present helped checking fall in its prices, but traders do not rule out slight ease in its prices in coming months with the onset of kharif harvest of pulses. Situation of crop is good in all the producing areas.

### Futures Market Commentary

Chana August contract featured weak trend during the day. Futures managed to get into positive territory once during the day near noon, otherwise there was strong resistance at 2455, which happened to be previous day's closing also. Bottom was set at 2436 near 13.15 hrs. Slight retreat was seen thereafter, but futures could not get out of negative territory and ended the day red. Chana August contract ended off Rs 10 at Rs 2445 per qtl.

### Price Drivers

#### Bullish

Good demand from the retail end

#### Bearish

Improved weather in all pulses growing areas

### Weather

Scattered heavy to very heavy falls is likely over West Madhya Pradesh, Gujarat region and southeast Rajasthan during next 1-2 days and decrease thereafter. Fairly widespread rainfall with isolated heavy falls is also likely over north Madhya Maharashtra and Increase in rainfall over remaining parts of Rajasthan during next 2-3 days.

### TECHNICALS

#### NCDEX -August Contract

Candlestick has formed doji star. 'Spinning top' formation by candlestick body shows highly indecisive market. Prices closed above both the 9-days and 18-days EMA. Stochastic Oscillator is running below % d line and is falling further downward. MACD is running flat into positive territory. RSI is giving signals of weakening momentum.



#### SUPPORT / RESISTANCES:

| Contract | S1   | S2   | PCP  | R1   | R2   |
|----------|------|------|------|------|------|
| Aug      | 2435 | 2425 | 2445 | 2456 | 2467 |
| Sept     | 2468 | 2457 | 2479 | 2490 | 2501 |

#### TRADE RECOMMENDATION:

Buy August contract near 2445 with target of 2465  
Second target 2475. Put SL at 2430

### Spot Market Prices of Chana

(Rs/qtl)

| Origin/Grade   | Center   | 31.07.06  | 29.07.06  | Change |
|----------------|----------|-----------|-----------|--------|
| Rajasthan Desi | Delhi    | 2400      | 2415-2420 | -15    |
| MP Desi        | Delhi    | 2380      | 2400      | -20    |
| Kantewala      | Indore   | 2350      | 2350      | -      |
| Desi           | Gulbarga | 2200      | 2200      | -      |
| Gauran         | Latur    | 2100-2150 | 2150      | -      |
| Annagiri       | Latur    | 2350      | 2200-2300 | +50    |
| G-12/Vijay     | Latur    | 2250      | 2150-2200 | +50    |
| Gauran         | Jalna    | 2250      | 2300      | -50    |
| Pila           | Jalna    | 2300      | 2325      | -25    |
| Mixed          | Akola    | 2360-2370 | 2350-2360 | -      |
| Chapa          | Akola    | 2380-2385 | 2380-2390 | -      |
| Desi           | Kanpur   | 2440      | 2440      | -      |

## TUR

### FUNDAMENTALS

Sentiments improved in tur markets following news of government deferring import of pulses due to disparity in its prices. Further, appreciation of INR versus dollar is another supportive item. Traders at the same time rule out possibility of big jump in its prices due to likely augmentation of pulses supply in coming months with the onset of kharif harvesting.

### Futures Market Commentary

August Tur contract featured roller-coaster trend as futures moved both side of unchanged level during the day. Futures moved in a narrow range of Rs 1540-1552 per qtl during the day. There was strong resistance at 1550, which futures could infringe only once in the starting of the session. August contract finally ended the day at this level only, which is up Rs 5 against yesterday's closing.

### Price Drivers

#### Bullish

Concerning situation in AP

#### Bearish

Due import of Tur by govt

### Weather

Scattered heavy to very heavy falls is likely over West Madhya Pradesh, Gujarat region and southeast Rajasthan during next 1-2 days and decrease thereafter. Fairly widespread rainfall with isolated heavy falls is also likely over north Madhya Maharashtra and Increase in rainfall over remaining parts of Rajasthan during next 2-3 days.

### TECHNICALS

#### NCDEX -August Contract

White candlestick body has formed 'opening marubozu' with relatively small upper shadow shows strongly bullish dispositions. Prices closed far below both the 9-days and 18-days EMA. %k line is running flat into oversold zone. MACD is in negative territory and is tilting further downward. RSI however is giving signals of gaining momentum.



#### SUPPORT / RESISTANCES:

| Contract | S1   | S2   | PCP  | R1   | R2   |
|----------|------|------|------|------|------|
| Aug      | 1543 | 1535 | 1550 | 1555 | 1560 |
| Sept     | 1562 | 1549 | 1575 | 1585 | 1595 |

#### TRADE RECOMMENDATION:

Buy August contract near 1548 with target towards 1555, second target 1560. Put SL at 1542.

### Spot Market Prices of Tur

(Rs/qtl)

| Origin/Grade    | Center    | 31.07.06  | 29.07.06  | Change |
|-----------------|-----------|-----------|-----------|--------|
| Burmese Lemon   | Mumbai    | 1550      | 1571      | -20    |
| Burmese Lemon   | Delhi     | 1750      | 1750      | -      |
| Maharashtra tur | Delhi     | 1850      | 1875-1900 | -25    |
| Karnataka tur   | Delhi     | 1950      | 1950      | -      |
| Red tur         | Gulbarga  | 1825-1830 | 1820      | -5     |
| Fatka Dall      | Gulbarga  | 2650      | 2650      | -      |
| Red Tur         | Latur     | 1850-1870 | 1825-1860 | -      |
| White Tur       | Latur     | 1850-1870 | 1850-1950 | -      |
| Red             | Jalna     | 1700-1725 | 1725      | -      |
| White           | Jalna     | 1750-1800 | 1825-1850 | -25    |
| BDM             | Jalna     | 1900      | 1900      | -      |
| Marathwada      | Akola     | 1835-1840 | 1825-1830 | +5     |
| Vidarbha        | Akola     | 1800      | 1811-1815 | -10    |
| Local Tur       | Vijaywada | 1650      | 1650      | -      |

## Others

### Moong

Harvest of moong is due shortly in southern states. It is already in progress in early sown areas of Karnataka like Gadag, Narayanpeth, and Chitradurga etc. Weather situation also has improved in Rajasthan, which is the largest producing state of moong. Chamki quality of Moong from Karnataka is arriving in Delhi and changed hands at Rs 3450 per qtl, while muglai quality was offered at Rs 2700 per qtl.

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

| Origin/Grade | Center | 31.07.06  | 29.07.06  |
|--------------|--------|-----------|-----------|
| Shekhavati   | Delhi  | 3075      | 3075      |
| Kishangarh   | Delhi  | 3125      | 3150      |
| Medta/Bisao  | Delhi  | 3150      | 3150      |
| Desi         | Indore | 2600-2900 | 2600-2900 |
| Chamki       | Jalna  | NA        | NA        |
| Chamki       | Akola  | 2400-2650 | 2500-2650 |

### FIELD PEAS

Field pea prices continued to hover high on regular demand from different consumption centers. However, enhanced perspectives of kharif crop with improvement in weather put cap on immediate bullish tendencies.

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

| Center | 31.07.06  | 29.07.06  |
|--------|-----------|-----------|
| Mumbai | 1301      | 1311-1321 |
| Kanpur | 1325-1330 | 1325-1330 |

### Masoor

Masoor markets observed steady trend. Improved weather situation kept weighing on its values. However, traders do not expect big decline in its prices, as its dall is still cheaper than many other alternatives.

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

| Center                        | 31.07.06  | 29.07.06  |
|-------------------------------|-----------|-----------|
| Delhi-MP/kota Line            | 1900      | 1900      |
| Delhi- UP/Sikari              | 2400      | 2400      |
| Kanpur local mill delivery    | 1910-1915 | 1925      |
| Kanpur new- Braeilly Delivery | 1980-1990 | 1970      |
| Kanpur- new Malka Dal         | 2100      | 2100-2125 |
| Indore- Masra                 | 1810      | 1810      |
| Indore- Masoor New            | 1800      | 1800      |
| Indore- Medium New            | 1725      | 1725      |
| Bahraich-Masoor               | 2700      | 2711      |
| Bahraich-Export Chanti        | 2900      | 2980      |
| Kolkata (Truck delivery)      | 3350      | 3350      |
| Masur Dal                     | 3000      | 3000      |

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

| Quality                              | 31.07.06 |
|--------------------------------------|----------|
| Burmese new Lemon Tur Mumbai Chennai | 320      |
| Burmese FAQ new Tur Mumbai/Chennai   | NA       |
| Burmese Shwebo Tur Mumbai/Chennai    | NA       |
| Burmese FAQ Urad Mumbai/Chennai      | 650      |
| Burmese SQ Urad Mumbai/Chennai       | 700      |
| Burmese Pedishwa Mung Chennai/Mumbai | 620      |
| Burmese Anneshwar Mung Mumbai        | NA       |
| Burmese Pokako Mung Mumbai/Chennai   | NA       |
| Australian Chickpea Chennai/Mumbai   | 500-510  |

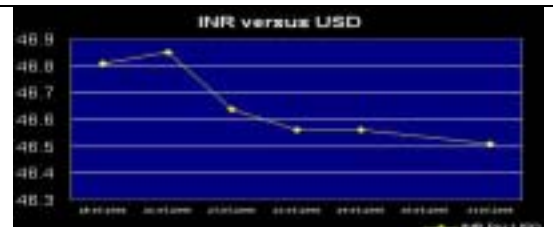
## Port watch

- Mumbai Port is receiving 12,450 MT of pulses from the vessel 'Leonis'. The cargo was loaded from Yangon. Able Marine agents is handling the vessel. Delivery of 12,500 MT of pulses is continuing at the port from the vessel 'Krabinaevee'. The vessel is being handled by Samsara agents.
- Delivery of 21,550 MT of peas is continuing at Tuticorin Port from the vessel 'Global Young'. Vilson agents is handling the vessel.

## Forex

### Forex rate as on 31.07.06

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA                | Dollar   | 46.510          |
| European Union     | Euro     | 59.310          |
| Japan              | 100 Yen  | 40.660          |
| United Kingdom     | GBP      | 86.650          |



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