

PULSES DAILY

August 22, 2006

URAD

FUNDAMENTALS

Urad got fired on all the cylinders on follow-through mood. Weather, although is improving in problematic areas of Gujarat and Maharashtra, but stockists do not seem in mood of compromising till its harvest gains momentum in early sown areas. Harvest is in progress in some areas of Maharashtra (Latur, Barsi) and Karnataka (Gulbarga). Also, premature assumptions of crop losses due to recent rains kept bulls in high spirit. Trading has come to standstill at current higher prices. Traders feel that current bullishness is short-lived and expecting bubbles to start settling soon given weather remains normal.

Futures Market Commentary

Urad September contract opened firm and kept hovering higher all through the day. Big gains were posted in the first 5 minutes. Upside momentum slowed thereafter and futures moved at snails' pace in narrow range till 13.50 hrs. Marginal gains thereafter took futures to the day's high at 3126 by 15.00 hrs. But futures shed these hourly gains in next 10 minutes. It further got caught in narrow range of Rs 3060-3090 per qtl. Futures fell below 3060 during last 5 minutes and ended the day up Rs 64 at Rs 3062 per qtl.

Price Drivers

Bullish

High prices in international markets

Bearish

Onset of harvest in early sown areas

Weather

Fairly widespread rainfall with isolated heavy to very heavy falls are likely over southwest Rajasthan during next 48 hours and decrease thereafter.

TECHNICALS

NCDEX -September Contract

Formation of 'shooting star' by candlestick body shows likely reversal in trend. However, further confirmation is required. Prices closed above both the 9-days and 18-days EMA. MACD is in positive territory and moving further upward. Stochastic oscillator is moving below %d line in neutral zone.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| Sept | 3016 | 2970 | 3062 | 3117 | 3172 |
| Oct | 2740 | 2716 | 2764 | 2798 | 2832 |

TRADE RECOMMENDATION:

Sell Sept contract near 3065 with target towards 3040
Second target at 3025. Put SL at 3085.

Spot Market Prices of Urad

(Rs/qtl)

| Origin/Grade | Center | 21.08.06 | 19.08.06 | Change |
|--------------|-----------|-----------|-----------|--------|
| Burma Faq | Mumbai | 3500-3525 | 3350 | +150 |
| Burma Faq | Delhi | 3775-3800 | 3700 | +75 |
| Desi | Akola | 3500-3600 | 3400 | +100 |
| Desi | Indore | 3000-3400 | 3000-3300 | - |
| Desi | Vijaywada | 4025-4075 | 3975-4025 | - |

CHANA

FUNDAMENTALS

Chana markets also observed firm trend. News of high court allowing one Mumbai based firm to export some 30,000 MT chickpea to Pakistan was a big factor today. However, trading was reported thin after sudden rise in its prices. Also, weather is improving in central and western India. Harvest of other kharif pulses has started in early sown areas and is expected to gain momentum in a week or so. Festival demand is also weakening, as retailers seem had covered enough while weather was unfriendly in some areas.

Futures Market Commentary

Chana September contract opened slightly up versus previous closing and posted substantial gains with in 5 minutes after opening of the session. Upside momentum slowed thereafter and futures slithered in narrow range till 14.00 hrs. Futures rose further steadily and reached to day's high at 2818 before 15.00 hrs. Small scale selling for profit booking was seen at higher level, but contract culminated the session above psychological mark of 2800. September contract thus eventually ended the day up Rs 93 at Rs 2802 per qtl.

Price Drivers

Bullish

Allowing export of 30,000 MT Chickpeas

Bearish

Due harvest of other kharif pulses

Weather

Fairly widespread rainfall with isolated heavy to very heavy falls are likely over southwest Rajasthan during next 48 hours and decrease thereafter.

TECHNICALS

NCDEX -September Contract

'White opening Marubozu' with very small upper shadow shows strength in existing bullish pattern. Both the 9-days and 18-days EMA remained below price line. MACD is up high in positive territory and moving further upward. %k is running below %d line, but both are in overbought zone.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| Sept | 2737 | 2671 | 2802 | 2843 | 2883 |
| Oct | 2762 | 2697 | 2827 | 2870 | 2913 |

TRADE RECOMMENDATION:

Buy Sept contract near 2800 with target of 2820
Second target 2830. Put SL at 2785

Spot Market Prices of Chana

(Rs/ctl)

| Origin/Grade | Center | 21.08.06 | 19.08.06 | Change |
|----------------|----------|-----------|-----------|--------|
| Rajasthan Desi | Delhi | 2750-2760 | 2575-2610 | +130 |
| MP Desi | Delhi | 2725 | 2550-2575 | +150 |
| Kantewala | Indore | 2700 | 2550 | +150 |
| Desi | Gulbarga | 2500 | 2450-2500 | - |
| Gauran | Latur | NA | 2500 | - |
| Annagiri | Latur | NA | 2650 | - |
| G-12/Vijay | Latur | NA | 2650 | - |
| Gauran | Jalna | 2650 | 2550 | +100 |
| Pila | Jalna | 2750-2800 | 2600-2625 | +125 |
| Mixed | Akola | 2725 | 2625 | +100 |
| Chapa | Akola | 2750 | 2650 | +100 |
| Desi | Kanpur | 2800 | 2665-2670 | +30 |

TUR

FUNDAMENTALS

Tur markets observed firm trend. Gains in tur prices had been posted on the back of assumption of crop losses in Gujarat, which produces some 9-10% of kharif tur production. Traders feel that production still is good. Tur is the largest kharif pulses. Trade sources informed that demand of tur is good from Gujarat, which is likely to continue unless its import starts from African countries. Otherwise, its demand in other producing markets remained weak.

Futures Market Commentary

Lemon tur September contract opened firm and moved up swiftly soon after opening. Day's high was set within 10 minutes after opening of the session. This initial rally is followed by log-liquidation, but there was strong support at 1738, which futures could not infringe in the first half. This level was breached quiet for some time near 15.20 hrs. September contract finally finished the day up Rs 36 at Rs 1745 per qtl.

Price Drivers

Bullish

Good demand from Gujarat

Bearish

Due harvest of other kharif pulses

Weather

Fairly widespread rainfall with isolated heavy to very heavy falls are likely over southwest Rajasthan during next 48 hours and decrease thereafter.

TECHNICALS

NCDEX -September Contract

Candlestick body has formed 'opening marubozu', but big upper shadow shows weak upside potential. Prices closed above both the 9-days and 18-days EMA. MACD is in positive territory and moving further upward. %k line is running below %d line, while RSI is giving signal of strengthening momentum.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| Sept | 1718 | 1691 | 1745 | 1774 | 1803 |

TRADE RECOMMENDATION:

Buy Sept contract near 1740 with target towards 1760, second target 1774. Put SL at 1725.

Spot Market Prices of Tur

(Rs/qtl)

| Origin/Grade | Center | 21.08.06 | 19.08.06 | Change |
|-----------------|-----------|-----------|-----------|--------|
| Burmese Lemon | Mumbai | 1750 | 1600 | +150 |
| Burmese Lemon | Delhi | NA | NA | - |
| Maharashtra tur | Delhi | 2025 | 1975 | +50 |
| Karnataka tur | Delhi | 2100 | 2040-2045 | +55 |
| Red tur | Gulbarga | 2000 | 1925 | +75 |
| Fatka Dall | Gulbarga | 3000 | 2900 | +100 |
| Red Tur | Latur | NA | 1950 | - |
| White Tur | Latur | NA | 1950 | - |
| Red | Jalna | 2025 | 1875 | +150 |
| White | Jalna | 2000 | 1900 | +100 |
| BDM | Jalna | 2050 | 1950 | +100 |
| Marathwada | Akola | 2025 | 1925-1930 | +100 |
| Vidarbha | Akola | 2025 | 1911 | +115 |
| Local Tur | Vijaywada | 1775-1800 | 1725 | +50 |

Others

Moong

Moong markets also witnessed firm trend. Depression, which was prominent over central and western India, seems away now. Demand has turned weak in domestic markets after sudden rise in its prices in recent. Harvest of moong is likely to start in some parts of Rajasthan shortly. Rajasthan is largest producer of moong.

Spot Market Prices of Moong (Rs/qtl)

| Origin/Grade | Center | 21.08.06 | 19.08.06 |
|--------------|--------|-----------|-----------|
| Shekhavati | Delhi | 300 | 3000 |
| Kishangarh | Delhi | 3100 | 3000 |
| Medta/Bisao | Delhi | 3200 | 3050 |
| Desi | Indore | 3000-3300 | 2900-3200 |
| Chamki | Jalna | 2000-2350 | NA |
| Chamki | Akola | 2850 | 2600-2800 |

FIELD PEAS

Peas were also up ahead in bullish run. Stocks are low. As informed by the traders, no ready offers were made in Mumbai market today. Harvest in some of exporting nations although has started, traders are not expecting big consignments before October.

Spot Market Prices of Pea (Rs/qtl)

| Center | 21.08.06 | 19.08.06 |
|--------|----------|-----------|
| Mumbai | NA | 1451-1475 |
| Kanpur | 1500 | 1440-1450 |

Masoor

Masoor markets also observed firm trend. Trading remained sluggish due to increase in its prices. But since all other available alternatives are costly, traders do not see big room for its downhill movements ahead.

Spot Market Prices of Masoor (Rs/qtl)

| Center | 21.08.06 | 19.08.06 |
|-------------------------------|-----------|-----------|
| Delhi-MP/kota Line | 2025 | 1975-2000 |
| Delhi- UP/Sikari | 2600-2625 | 2550-2575 |
| Kanpur local mill delivery | 2050 | 1980-1985 |
| Kanpur new- Braeilly Delivery | 2090-2100 | 2040 |
| Kanpur- new Malka Dal | 2250 | 2200 |
| Indore- Masra | 1920 | 1880 |
| Indore- Masoor New | 1910 | 1870 |
| Indore- Medium New | 1800 | 1800 |
| Bahraich-Masoor | 2750 | 2750 |
| Bahraich-Export Chanti | 3035 | 3025 |
| Kolkata (Truck delivery) | 3450 | 3450 |
| Masur Dal | 3050-3100 | 3050 |

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

| Quality | 21.08.06 |
|--------------------------------------|----------|
| Burmese new Lemon Tur Mumbai Chennai | 330 |
| Burmese FAQ new Tur Mumbai/Chennai | NA |
| Burmese Shwebo Tur Mumbai/Chennai | NA |
| Burmese FAQ Urad Mumbai/Chennai | 670-680 |
| Burmese SQ Urad Mumbai/Chennai | 730-740 |
| Burmese Pedishwa Mung Chennai/Mumbai | 620-630 |
| Burmese Anneshwar Mung Mumbai | NA |
| Burmese Pokako Mung Mumbai/Chennai | NA |
| Australian Chickpea Chennai/Mumbai | 510-520 |

Port watch

- Mumbai Port is receiving 7,000 MT of pulses from the vessel 'Al Muztuba'. The cargo was loaded from Yangon. Sai Freight agents is handling the vessel. 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 14,500 MT of pulses is expected at Chennai Port from the vessel 'Yaad E Mohammed'. Imperial agents will be handling the vessel.

Forex - 1 US\$ - INR 46.480

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