

## PULSES

Oct 03 - 07, 2006

### Highlights

#### Spot Markets

- Dwindling Retail Demand of Urad Dall at Higher Prices
- Tur from Tanzania to reach shortly
- Sowing of Chana Started in South Peninsula

### Highlights

#### Futures Market

In its recent circular dated October 6, 2006, NCDEX further made it clear that no client or member is permitted to take fresh position during last 5 days of the contract expiry in contracts with seller's right to deliver and contracts where delivery is based on intention matching. In case of violations, the Exchange may levy stiffer penalties and initiate suitable action against such members under its Rules, Bye Laws and Regulations which may include impounding of the corresponding financial gains made through such violations, in terms of the recent directives of the Forward Markets Commission.

## Fundamentals

### URAD:

Low arrivals in Maharashtra and firm prices in international markets upset the majority players who took short positions on expectation of conventional ease in its prices at the time of harvest. Intermittent rains in some parts of Maharashtra had slowed the pace of harvest. Big relief from imported urad by Nafed in future seems unlikely. According to a release issued by Press Information Bureau (PIB), Nafed has received 44,344 ton of pulses of the contracted quantity of 49,300 ton at Chennai. Of the total pulses received by Nafed, 33,924 ton was urad and 10,420 ton was moong. Nafed already has disposed 26,438 ton of urad in Chennai, Bangalore, Indore, Lucknow and Jaipur at average above Rs 33 per kg. Short arrivals in the market during harvest are alarming. About 90% of urad is harvested in kharif season. However, off take in dall has fallen drastically. Also, stockists are little hesitant in making purchase at current high prices. Experts feel that price-sensitivity is the only limiting factor for urad now. Trading in Maharashtra also has slowed due to uncertainty over VAT. In April, Maharashtra government has extended the exemption of pulses from VAT for six months, which was up to September 30. There has not been any word from concerned officials on this subject so far.

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

Date	Burma FAQ 2006 (Delhi)	Loyal Grade-UP/Bihar (Delhi)	Burma spot FAQ 2006 (Mumbai)
02.10.06	Closed	Closed	Closed
03.10.06	NA	NA	3900
04.10.06	3800-3850	4000	3600
05.10.06	3750-3800	4100	3800-3900
06.10.06	3750-3800	4100	3950-4000
07.10.06	3800	4100	3900-3925

### Urad Prices in secondary markets

QUALITY	30.09.06	07.10.06
Akola	3350-4000	3800-3850
Indore	3000-3400	3500-3900
Gulbarga	NA	3850

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

Date	F A Q	S Q
30.09.06	830	930
07.10.06	850	950

## TUR:

Tur markets also got boost from firm trend in other pulses; otherwise, its fundamentals (SND) are not very bullish. Supply situation is comfortable due to sufficient stocks. Further, its import from Africa has started, which has affected demand of desi tur from Gujarat. Offerings from Burma are for non-conditioned produce. Weather situation is favorable for crop. Harvest of desi tur will start by end of next month. Tur is the largest kharif pulses. Production of desi tur this year is expected to reach at 23.20 lakh ton compared to 23.0 lakh ton last year.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
02.10.06	Closed	Closed	Closed
03.10.06	1950	2100	1700
04.10.06	1850	2000	1700
05.10.06	1800	1950	1681
06.10.06	1800	1950	1711-1721
07.10.06	1800	1950	1690

### Tur Prices in secondary markets

QUALITY AND CENTRE NAME	30.09.06	07.10.06
Gulbarga - Red Tur	1900	1975
Latur Red tur (Mh Line)	2075	2025-2050
Latur White tur (Mh Line)	2050	2000
Jalna Red	1925	1850
Jalna White	2000	1900
Jalna BDM	NA	2000
Akola Red Marathwada Line (motor cut)	1965	1940
Akola Red Vidharbha Line (motor cut)	1970	1950
Vijaywada Local	NA	NA

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

DATE	Tanzania Arusha	Burmese ( Lemon Tur, Weeviled 15%)
30.09.06	400	350
07.10.06	400	350

## MOONG:

Sentiments remained firm in Moong markets. Offerings in international markets are for bold grade only (above 3.5 mm) from China. Harvest of moong has not yet started in

Shekhavati belt, where traders said that farmers had high inclination for lobia crop. Daily average arrivals in the Rajasthan during the week were at 15000-20000 bags. Demand in domestic market is good. Its offtake usually improves near Deepawali.

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

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati (Delhi)
30.09.06	3300	NA
07.10.06	3400-3450	3400

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

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
30.09.06	NA	NA	650
07.10.06	NA	NA	650

## CHICKPEAS:

Chana markets featured range-bound trading. Expectation of increased supplies in the last quarter put check on single-minded bullishness in the market. Production is high in exporting nations, and prices are significantly up from import parity levels. So good import deals are likely ahead. Global production of chickpea (both Kabuli and desi) in 2006-07 is expected to remain steady at 90-91 lakh ton. Production in Canada this year is expected to reach 1.63 lakh ton, while its production in Australia is expected to reach to 2.74 lakh ton (versus 1.10 lakh ton last year). Australia grows mainly desi chickpea for export to Asian continent. According to unofficial sources, some containers of chickpea are reaching at Indian ports from Tanzania. Sowing of chana also has started in early sown areas of India, where farmers are highly inclined towards this crop due to good realization against chana in last season. Probability of switching some acreage from mustard to chana is high in Rajasthan.

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

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
02.10.06	Closed	Closed	Closed
03.10.06	3260-3270	3200-3220	3135-3140
04.10.06	3250-3260	3200	3135-3140
05.10.06	3235-3240	3175-3190	3125-3130
06.10.06	3225-3235	3200	3150
07.10.06	3250	3225	3125-3135

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

Centres	30.09.06	07.10.06
Gulbarga New	3050	3050
Latur (Gauran)	3000	3000
Latur (Annagiri)	3250	3250
Latur(G-12)	3100-3150	3100
Jalna (Gauran)	3200	3100
Jalna (Pila)	3250	3150
Akola (Mixed) motor cut	3225	3200
Akola new (Chapa) motor cut	3250	3250
Kanpur (mandi rates)	3300	3270-3275

### MASOOR:

Masoor markets observed mixed trend. Demand for small grade was reported good, while its supply remained short. Millers in Bahraich are sourcing their requirement from producing centers in Nepal namely Pallia, Nepalganj and Bhairva. However, prices of motti masoor remained low due to sufficient stock

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

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
02.10.06	Closed	Closed
03.10.06	2075-2100	2650-2675
04.10.06	2100	2750
05.10.06	2125	2750
06.10.06	2125	2750
07.10.06	2100	2750

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

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
02.10.06	Closed	Closed	Closed	Closed	Closed
03.10.06	1900	1880	1800	2040	2120
04.10.06	1880	1870	1800	2050	2100
05.10.06	1860	1850	1775	2030	2100
06.10.06	1850	1840	1750	2025	2100
07.10.06	1850	1840	1750	2025	2090

### FIELD PEAS:

Field peas prices eased in Mumbai due to increased supply. Arrivals of few big consignments from overseas markets helped replenishing stocks therein. Overall demand is consistent. Steady to firm trend in chana helped underpinning its values.

### Peas Price Movement (Rs/qtt)

Offers	Kanpur New	Mumbai Peas
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30.09.06	1640	1475
07.10.06	1640	1401

### NEWS

Stock of chana is not only tight in India; Pakistan is facing more or less similar problems. Pakistan government has taken all possible measures to ensure availability of pulses at economic prices during Ramdan. The City District Government Karachi (CDGK) can levy fine of Rs 10000 and imprison traders/stockists for six months in case if they find them selling pulses above the rates set/fixed by the government. Production of chana in Pakistan last year remained below 5 lakh ton compared to 10 lakh ton in the previous year. Consumption usually stands at 7.50 lakh ton. So, there's little mismatch between supply and demand this year in Pakistan.

### Future Markets (NCDEX)

#### Chana

NCDEX October chana took roller-coaster ride during the week. Starting of the week was weak, for which traders blame to the reports of big consignment due ahead from Australia. Open interest in all the contracts of chana has fallen significantly in recent past, which shows lacking conviction in the market. Increased volatility in the chana contracts in fact has pushed out small investors. Although delivery center has been opened in Bikaner, but this facility is not availed actively so far. Stock of chana is still high in accredited warehouses of NCDEX at Indore. As on October 05, 2006, stock of chana in accredited warehouses of NCDEX at Indore was 9,574 ton, while in Delhi it was 185 MT.

#### PRICE DRIVERS:

Current Good Demand for Festivals  
High Prices in International Markets  
Good production in major exporting nations  
Strengthening of INR versus Dollar

#### OUTLOOK:

**Short Term (One Week):** Moderately bullish due to festival season ahead

**Medium Term (One Month):** Steady to slightly weak depending up on import from overseas markets

**Long Term (Three Months):** Firm trend due to off-season

#### Chana (NCDEX October Contract)

Support-1	3203	Support-2	3152
Resistance-1	3302	Resistance-2	3350
<b>Strategy</b>	Buy on dips towards supports		

## Futures Market (NCDEX)

### **Urad**

NCDEX Urad October futures featured sharply rising trend during the week. People relate this up trend with intermittent rains in some parts of Maharashtra and restricted selling of farmers in other producing areas. Prices also are firm in the international markets. Since, off-take in dall has come down due to higher prices, people expect correction in its prices ahead. Slight weakness in the market was seen towards weekend. Volume and Open interest remained low in all the available contracts of urad, for which traders blame higher margins. Imposition of additional/special margins has pushed small investors out. November remained the most actively traded contract during the week.

### **PRICE DRIVERS:**

Restricted selling by the farmers  
High Prices in International Markets  
Imposition of VAT in Maharashtra

### **OUTLOOK:**

#### **Short Term (One Week):**

Moderately bearish with the picking up of harvest

#### **Medium Term (One Month):**

Moderately bullish with the easing of harvest pressure

#### **Long Term (Three Months):**

Bullish depending up domestic demand and its prices in international markets

### **Urad (NCDEX October Contract)**

Support-1	3597	Support-2	3252
Resistance-1	4138	Resistance-2	4334
<b>Strategy</b>	Sell on intra-day highs		

### **Tur**

NCDEX Tur October contract saw highly volatile trend during the week. Since, its own fundamentals are weak, traders credit spillover strength in other pulses for bullishness in the market. Trading in all the contracts remained thin. Higher margins against tur contracts to some extent are responsible for weakness in tur contracts. Trading in available desi grades is picking up gradually. Stock of tur is very low in the accredited warehouses of NCDEX. As on October 05, 2006, stock of tur in accredited warehouses of NCDEX in Mumbai was at 370 MT.

### **PRICE DRIVERS:**

Good stock situation  
Favorable weather situation  
Sluggish demand in the physical markets  
Fresh offerings from African continent

### **OUTLOOK:**

#### **Short Term (One Week):**

Moderately bearish due to favorable weather situation

#### **Medium Term (One Month):**

Slightly bearish ahead of fresh harvest

#### **Long Term (Three Months):**

Steady to weak with the increased supply

### **Tur (NCDEX October Contract)**

Support-1	1851	Support-2	1794
Resistance-1	1978	Resistance-2	2048
<b>Strategy</b>	Sell on intra-day highs		

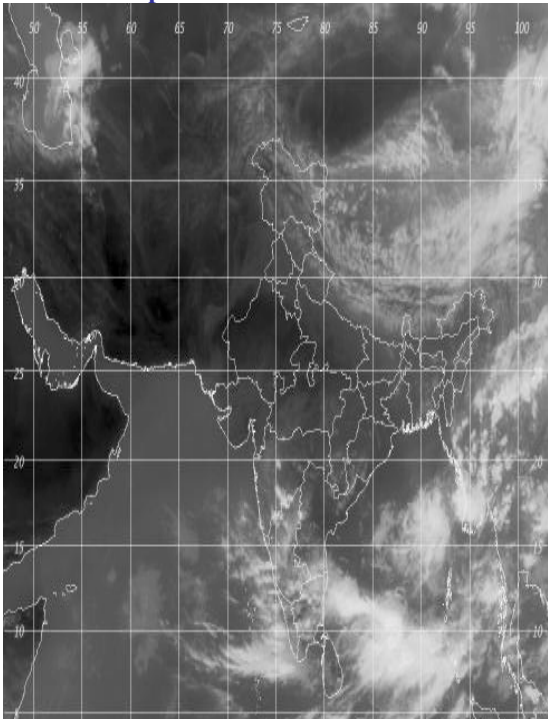










## Latest Vessel Position

- Kolkata Port is receiving 21,400 MT of peas from the vessel 'Suthathip Naree'. B Ghose agents is handling the vessel. Delivery of 18,000 MT of peas is continuing at Kolkata Port from the vessel 'Stefanis'. B Ghose agents is handling the vessel.
- Mumbai Port is receiving 14,439 MT of pulses from the vessel 'Yad E Moustafa'. The cargo was loaded from Yangon. Samsara agents is handling the vessel. Mumbai Port is receiving 7,000 MT of pulses from the vessel 'Lion Princes'. The vessel is being handled by Shaan Marine agents. Mumbai Port is receiving 10,000 MT of pulses from the vessel 'Alaba'. Sahi Oretrans agents is handling the vessel.

### **Forex rate as on 07.10.06**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.610
European Union	Euro	57.473
Japan	100 Yen	38.321

United Kingdom	GBP	85.348
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Crop - Weather Impact					Weather Map	
Commodity	States	Crop Stage	Weather Forecast		Impact	
Urad (Kharif + Rabi)	Karnataka	Harvesting	Isolated Rains		No effect	
	Madhya Pradesh	Harvesting	Dry		Good	
	Uttar Pradesh	Harvesting	Dry		Good	
Tur (Kharif)	Maharashtra	Harvesting	Isolated Rains		Not Much Impact	
	Maharashtra	Vegetative growth + Flowering	Isolated Rains		Good	
	Karnataka	Vegetative growth + Flowering	Isolated Rains		Good	
	MP	Vegetative growth + Flowering	Dry		Good	
	Rajasthan	Harvesting	Dry		Good	
Mung (Kharif + Rabi)	Maharashtra	Harvesting	Isolated Rains		No impact	
	Karnataka	Harvesting	Isolated Rains		No impact	
*Valid till 10 <sup>th</sup> Oct, 2006					Source-IMD	
					2006-10-07 09:00:04	Source-IMD

#### 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

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)

#### Monthly Total Exports of Burma (qty. in tonnes)

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