

PULSES

Oct 23 - 28, 2006

Highlights

Spot Markets

- Dwindling demand of pulses at higher prices
- Favourable weather situation for pulses
- Strengthening of INR versus Dollar

Highlights

Futures Market

- In its latest notification dated October 17, 2006, NCDEX further in pursuant to directives of Forward Market Commission (FMC) levied additional margin of 5% on long positions against all the contracts of Chana and 10% on long positions against all the contracts of Urad.

Fundamentals

URAD:

Finally government has taken help from a private consulting agency to deal with inflation issue. Government literally has failed to check the prices of essential commodities. Measures suggested by this private agency include maintaining adequate buffer stocks, more delivery channels for grain access and restructuring FCI to make it more efficient. Due care will be taken for good realization to the farmers. Bearing in mind its promising perspectives in long term, selling remained restricted from the stockists. Import of the same has come to standstill due to higher prices in the international markets. Counter sale of dall has gone down in domestic markets due to higher prices. Exporters in Burma are still quoting Urad prices obstinately higher. Price index of select items including pulses is on the radar of media. Since, this issue is very sensitive, importers do not see purchasing urad from overseas markets as safe proposition. Kharif harvest of the same has been completed in most of producing areas. Also, sowing of rabi urad is mostly done in Tamilnadu, Andhra Pradesh and West Bengal. Industry has projected its production in Rabi season at 2.8 lakh ton.

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

Date	Burma FAQ 2006 (Delhi)	Loyal Grade-UP/Bihar (Delhi)	Burma spot FAQ 2006 (Mumbai)

23.10.06	NA	3900	3925
24.10.06	Closed	Closed	Closed
25.10.06	NA	3900-3950	3950
26.10.06	NA	4000	NA
27.10.06	NA	4000	NA
28.10.06	NA	4000	NA

Urad Prices in secondary markets

QUALITY	20.10.06	28.10.06
Akola	Closed	3700
Indore	Closed	3300-3700
Gulbarga	Closed	3750

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

Date	F A Q	S Q
20.10.06	850	950
28.10.06	850	950

TUR:

Tur markets observed steady trend. Both bullish and bearish factors are equally weighing. Import of the good quality tur has fallen due to low margins. Import of the tur is continuing in containers only from Africa. Improvement in INR against dollar had made its import little lucrative, but recent ease in its prices in domestic markets offset this factor. Buying from millers/actual users remained subdued,

as no one would accumulate stocks more than their immediate requirement ahead of domestic harvest. Harvest of tur in many areas of South Peninsula will start in November. Weather is favorable for crop in most producing areas. Production of tur this year is expected to increase to 23.2 lakh ton.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
23.10.06	1800	1900	1681
24.10.06	Closed	Closed	Closed
25.10.06	1800	1900	1651
26.10.06	1800	1900	1651
27.10.06	1800	1900	NA
28.10.06	1800	1900	NA

Tur Prices in secondary markets

QUALITY AND CENTRE NAME	20.10.06	28.10.06
Gulbarga - Red Tur	Closed	1925
Latur Red tur (Mh Line)	Closed	1925-1950
Latur White tur (Mh Line)	Closed	1850-1900
Jalna Red	Closed	1700
Jalna White	Closed	1725-1750
Jalna BDM	Closed	1800
Akola Red Marathwada Line (motor cut)	Closed	1870
Akola Red Vidharbha Line (motor cut)	Closed	1875

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

DATE	Tanzania Arusha	Burmese (Lemon Tur, Weeviled 15%)
20.10.06	400	350
28.10.06	400	350

MOONG:

Moong markets featured steady trend in absence of fresh fundamental news. Festive demand is over. Short domestic supply and slowed import kept the stockists in high spirit. Harvesting is nearly completed in all the states except some areas in Rajasthan. Harvesting in some areas of Gujarat like Panchmali, Kutch etc will likely to start by early November. Stockists at present are in no mood of emptying out their stock before lean season ahead.

Latest prices in Delhi (Rs/qtt.)

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati (Delhi)
20.10.06	3400-3450	NA

28.10.06	3400-3450	3400
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International Price Offer for Moong USD/MT CNF (Mumbai) 90 Days

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
20.10.06	NA	NA	650
28.10.06	NA	NA	650

CHICKPEAS:

Sentiments remained weak in Chana Markets. Reports of good crop in major exporting nation though put cap on its upwardly movements, stockists do not seem in mood of cutting premiums over short stock factor. Even imposition of stock limit by Delhi government could not help unearthing anything new. Prices of chana in Delhi did not come down below 3100 levels. Now short stock of chana is a proven fact. Demand obviously has been curtailed at higher prices in order to accommodate this short stock factor. Now, only appealing factor is good production of chickpea in major exporting nations. Uncertainty in domestic chana markets has increased due to reforms in policy brought out by the government day in, day out in order to deal with inflation factor. So, importers are not buying chana from overseas markets very aggressively. However, shipments against earlier set deals are likely. Sowing of chana has been mostly done in earlier sown areas like Karnataka, AP, Gujarat and Maharashtra. Weather situation is congenial for the crop in these states.

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

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
23.10.06	3250	3220-3225	3125-3130
24.10.06	Closed	Closed	Closed
25.10.06	3150-3175	3120-3130	3075
26.10.06	3125	3100	3050-3075
27.10.06	3100	3080	3050
28.10.06	3050	3020	3000

Prices in Mandles of Maharashtra/ UP/ Karnataka

Centres	20.10.06	28.10.06
Gulbarga New	Closed	2600
Latur (Gauran)	Closed	2800-2850
Latur (Annagiri)	Closed	2950-3000
Latur(G-12)	Closed	2900
Jalna (Gauran)	Closed	2900
Jalna (Pila)	Closed	3000
Akola (Mixed) motor cut	Closed	2950

Akola new (Chapa) motor cut	Closed	3025
Kanpur (mandi rates)	3225	3110

MASOOR:

Sentiments in Masoor markets remained firm. Sowing of the same has started in most areas of UP. Farmers although might not be keen in bold grade, but chanti still appear lucrative to them. Despite ban on export, prices for the same remained good through the season. World production of masoor is expected to fall by 6% in 2006-07. Since, chanti usually goes to export, so, perspectives look promising for the same in long term. Govt might lift embargo from pulses export, if rabi pulses production remains good. .

Prices in Delhi/ UP/ Indore (Rs/qttl.)

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
23.10.06	2000	2650
24.10.06	Closed	Closed
25.10.06	2000	2650
26.10.06	1950	2600
27.10.06	1950	2600
28.10.06	1950	2600

Prices at Secondary Centres (Rs/qtt)

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
23.10.06	1881	1871	1800	2040	NA
24.10.06	Closed	Closed	Closed	Closed	Closed
25.10.06	1900	1890	1800	2030	NA
26.10.06	1840	1830	1750	2000	2040
27.10.06	1840	1830	1750	2000	2040
28.10.06	1830	1820	1750	2000	2040

FIELD PEAS:

Reports of more vessels reaching at Indian port kept the peas markets under pressure. Also, ease in chana prices weighed on its values. According to sources, some 2 vessels have recently arrived at Kolkata port to discharge the peas, while one big carrying around 49,000 MT of peas will be reaching at Mumbai port shortly.

Peas Price Movement (Rs/qtt)

Offers	Kanpur New	Mumbai Peas
20.10.06	1625	1351
28.10.06	1550-1560	1271

Trading turned highly volatile on Saturday, as it had to be stopped twice during the day with out any prior notice. NCDEX provided technical reasons for this uncalled disruption, which caused panic in the market. Further, reports flashed by one media channel that there was some pay-in problems fuelled impulsiveness in the market. However, NCDEX strongly condemned these reports and the said channel also clarified the same subsequently. But the whole drama led to unexpected volatility in certain commodities like Chana, Jeera, pepper etc and small investors had to bear big losses.

Future Markets (NCDEX)

Chana

NCDEX November Chana futures saw mostly downtrend through the week. Traders blame increase in margin on all the long positions of chana contracts for initial downfall. NCDEX levied additional margin of 5% on the long positions in all chana contracts last week. Also, majority fundamentals stand against bulls. People also are little nervous over talks of good production in major exporting nations. Only friendly factor is short stock in immediate. Prices are high in international markets. Continuing change in policy has distracted the Indian importers. Both volume and Open interest has fallen in almost all the contracts, which shows falling interest of participants due to increased volatility/uncertainty in chana too.

PRICE DRIVERS:

Dwindling demand at higher prices
High prices in international markets
Good production in major exporting nations
Imposition of stock limit by Delhi govt

OUTLOOK:

Short Term (One Week): Steady due to low trading in physical markets

Medium Term (One Month): Moderately bullish in off-season

Long Term (Three Months): Slightly weak ahead of domestic harvest

Chana (NCDEX November Contract)

Support-1	2985	Support-2	2928
Resistance-1	3154	Resistance-2	3266
Strategy	Sell on rallies towards resistance		

NEWS

Futures Market (NCDEX)

Urad

NCDEX November Urad futures saw range-bound trading. Though NCDEX has levied additional margin of 10% on long position against all the contracts of Urad, which however had not much impact on its prices on the exchange. Margins already were very high prior to this, which had pushed the small investors out. Fundamentally market is weak. Demand in physical markets is low due to higher prices. Weather is favorable for crop. Kharif harvesting is done, while sowing for rabi crop is in its last stage. Import has slowed due to disparity.

PRICE DRIVERS:

Restricted selling by stockists
Continuing harvest in Rajasthan and Gujarat
Imposition of stock limit in Delhi
Favorable weather for fieldwork

OUTLOOK:

Short Term (One Week): Moderately bearish due to weak demand

Medium Term (One Month): Moderately bullish due to off-season

Long Term (Three Months): Moderately bearish ahead of rabi harvest

Urad (NCDEX November Contract)

Support-1	3562	Support-2	3489
Resistance-1	3759	Resistance-2	3883
Strategy	Sell on rallies towards resistance		

Tur

NCDEX November tur futures featured range-bound trading. Volume remained low due to lacking conviction. November contract remained the most active among all the available contracts of tur. Speculators had not enough factors to hang with tur in futures market. Also, difference in futures markets and physical markets are narrow, so, people also are not finding arbitrage opportunity. Trading now is allowed in only desi contracts. Since, differential between physical and futures prices are low, interest of actual users/millers remained low. Deliveries against October contract were posted only for 900 MT. .

PRICE DRIVERS:

Good stock situation
Favorable weather situation
Sluggish demand in the physical markets
Continuing import from African continent

OUTLOOK:

Short Term (One Week): Moderately bearish due to favorable weather situation

Medium Term (One Month): Slightly bearish with the onset of fresh harvest

Long Term (Three Months): Bearish due to increased supply

Tur (NCDEX November Contract)

Support-1	1789	Support-2	1759
Resistance-1	1867	Resistance-2	1915
Strategy	Sell on rallies towards resistance		

Latest Vessel Position

- Vessel 'Evgeniy Vasilyev' has arrived at Mumbai port. Vessel is carrying 5,277 ton of Pulses. Aditya Marine Ltd is handling this vessel. Vessel 'Kang Qiang' is expected to arrive at Mumbai port on October 29, 2006. Vessel will be carrying 49310 MT of peas. Sahi Oretrans P. Ltd will be handling this vessel.
- 'Lissa Topic' has arrived at Kolkata port. Vessel is carrying 39,383 MT of peas. Vessel 'Saratoga' has arrived at Kolkata port to discharge peas. Vessel 'Abeer' has arrived at Kolkata port to discharge 21285 MT of peas.

Forex rate as on 28.10.06

Country/ Continent	Currency	Value In Rupees
USA	Dollar	45.220
European Union	Euro	57.340
Japan	100 Yen	38.180
United Kingdom	GBP	85.490

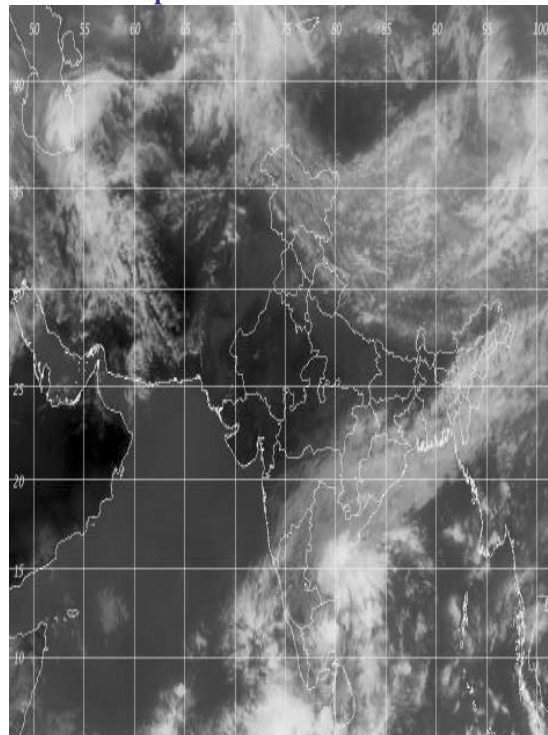
Crop -Weather Impact

Commodity	States	Crop Stage	Weather Forecast	Impact
Urad (Kharif + Rabi)	Karnataka	Harvesting Completed	Isolated Rains	No effect
	Madhya Pradesh	Harvesting	Mainly Dry	Good
	Uttar Pradesh	Harvesting	Mainly Dry	Good
	Maharashtra	Harvesting	Mainly Dry	Good
	AP	Sowing	Mainly Dry	Good
	Rajasthan	Pod setting	Mainly Dry	Good
Tur (Kharif)	Maharashtra	Flowering + Pod setting	Mainly Dry	Good
	Karnataka	Flowering + Pod setting	Isolated Rains	Good
	MP	Flowering + Pod setting	Mainly Dry	Good
Mung (Kharif + Rabi)	Rajasthan	Harvesting	Mainly Dry	Good
	Maharashtra	Harvesting Completed	Mainly Dry	No impact
	Karnataka	Harvesting Completed	Isolated Rains	No impact

*Valid till 29th Oct, 2006

Source-IMD

Weather Map



2006-10-28 09:00:02

Source-IMD

International Highlight

India's Import Matrix for Burmese Pulses (Tonnes)

Pulses	March, 2006	April, 2006	May, 2006	June, 2006	July, 2006
Black Matpea	31,539	34322	54446	36146	43460
Mung beans	27,084	21545	16436	5237	5958
Black Eye Beans	1,928	2493	1554	380	156
Chickpeas	358	360	320	200	1946
Tur whole	12,039	6589	19465	6253	30075
Kidney Beans	2,057	594	795	704	2491
Total	75,005	67157	93379	48960	84302

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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