

PULSES

Oct 09 - 14, 2006

Highlights

Spot Markets

- Stockists Turn Reserved Seller at lower prices
- Tur from Tanzania to reach shortly
- Sowing of Chana Started in South Peninsula

Highlights

Futures Market

- As on October 13, 2006, stock of chana in accredited warehouses of NCDEX totals at 9758 MT, while of tur at 609 MT and masoor at 139 MT. While there is no stock of urad in any of the accredited warehouses of NCDEX.
- Open Interest against NCDEX October Chana on Saturday was at 7740 MT, for Urad at 3970 MT and tur at 4140 MT.

Fundamentals

URAD:

Sentiments weakened in Urad markets following subdued demand of dall at higher prices. So, this is the price-sensitivity of Indian markets that helped checking single-minded bullishness in the urad markets. Weather also is favorable for crop harvest. Harvest is in progress in South Rajasthan, UP, MP and Maharashtra. Sowing of urad also has started in Andhra Pradesh, where weather situation has been supportive to increased interest of farmers towards this crop. Production of urad this year might cross 2.5 lakh ton in the state given weather remains favorable. Sowing also has started in Burma, where initial reports suggest likely increase in area under the crop due to good realization against last year crop. Weather situation therein also is favorable for the crop. Prices are still high in the international market. Demand in recent also was good for seeding. Maharashtra traders sold most of urad for seeding, which they originally sourced from Uttar Pradesh lines. Trading in Maharashtra was not very active due to VAT. Although industry has put the issue on backburner for time being bearing in mind festival sales, protest against this issue might intensify after Deepawali. Arrivals in Uttar Pradesh are on decline. Since, demand from the southern states are weak, arrivals in MP namely Chattarpur, Nogaon etc are diverting to UP lines.

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

Date	Burma FAQ 2006 (Delhi)	Loyal Grade-UP/Bihar (Delhi)	Burma spot FAQ 2006 (Mumbai)
09.10.06	NA	4100	NA
10.10.06	NA	4100	3950
11.10.06	NA	4100	NA
12.10.06	NA	4100	NA
13.10.06	NA	4100	NA
14.10.06	NA	4100	NA

Urad Prices in secondary markets

QUALITY	07.10.06	14.10.06
Akola	3800-3850	3650
Indore	3500-3900	3200-3500
Gulbarga	3850	3650

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

Date	F A Q	S Q
07.10.06	850	950
14.10.06	850	950

TUR:

Tur markets continued to see sluggish trend. Demand remained weak in domestic markets, which traders feel might improve after Ramdaan. Also, selling in physical markets has dried up after substantial fall in its prices. Weather is favorable for crop growth, which is in flowering and pod setting stage. Import of the same has started from Africa, where exporters have eased their quotes after long pause from Indian importers. For example, arusha grade from Tanzania is now available at \$385 per ton (CNF Mumbai). Domestic harvest is just one month ahead, which usually starts by end of November.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
09.10.06	1800	1950	1690
10.10.06	1800	1950	1675
11.10.06	1800	1950	1611
12.10.06	1800	1950	1600
13.10.06	1800	1950	1571-1575
14.10.06	1800	1950	1601

Tur Prices in secondary markets

QUALITY AND CENTRE NAME	07.10.06	14.10.06
Gulbarga - Red Tur	1975	1850
Latur Red tur (Mh Line)	2025-2050	1950-1960
Latur White tur (Mh Line)	2000	1900
Jalna Red	1850	1725-1750
Jalna White	1900	1825
Jalna BDM	2000	NA
Akola Red Marathwada Line (motor cut)	1940	1900
Akola Red Vidharbha Line (motor cut)	1950	1900

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

DATE	Tanzania Arusha	Burmese (Lemon Tur, Weeviled 15%)
07.10.06	400	350
14.10.06	400	350

MOONG:

Sentiments also weakened in moong markets. Demand was reported subdued during the week. Retailers seen have covered against festival demand. However, prices of the same continued to hover high due to limited supply.

Harvesting of moong has been completed in Maharashtra and other southern states, while it's been in progress in Rajasthan. Harvest although has started in Shekhavati belts, but will likely to pick up in a week or so.

Latest prices in Delhi (Rs/qttl.)

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati (Delhi)
07.10.06	3400-3450	3400
14.10.06	3400-3425	NA

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

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

CHICKPEAS:

Big news during the week was imposition of stock limit by Delhi government. Delhi government fixed stock limit of pulses for wholesalers at 200 ton and for retailers at 5 ton. Decision was taken to ensure sufficient supply of pulses at competitive prices during festivals. Stock limit earlier was put in Maharashtra. Situation is more or less similar in Pakistan, where City District Governments has been assigned to monitor the pricing in retail markets. For example City District Government Karachi can levy fine of PKR 10,000 and imprison traders/stockists for six months in case if they find them selling pulses above rates set/fixed by the government. Overall production is short this year in Asian continent, which probably has boosted farmers' interest towards this crop in major exporting nations like Canada, Australia and Turkey etc. Increased production in exporting nations will likely to help offsetting decline in consuming countries in Asia. Overall world production of chickpea (including Desi and kabuli) is expected to remain above 90 lakh ton.

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

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
09.10.06	3175	3150-3160	3090-3100
10.10.06	3100-3115	3100	3060-3065
11.10.06	3075-3100	3060-3075	3000-3020
12.10.06	3050	3050	2980
13.10.06	3050-3075	3040-3050	3000
14.10.06	3150-3175	3100-3125	3050

Prices in Mandies of Maharashtra/ UP/ Karnataka

Centres	07.10.06	14.10.06
Gulbarga New	3050	2800
Latur (Gauran)	3000	2800
Latur (Annagiri)	3250	3000
Latur(G-12)	3100	2900
Jalna (Gauran)	3100	2900
Jalna (Pila)	3150	2950
Akola (Mixed) motor cut	3200	2975
Akola new (Chapa) motor cut	3250	3050-3075
Kanpur (mandi rates)	3270-3275	3150

MASOOR:

Sentiments remained weak in Masoor markets. Demand remained weak from eastern consumption centers, for which traders blame increased availability of imported peas and increased selling by farmers from northern Bihar. Sowing of masoor has started in MP and UP and weather is congenial for the fieldwork. Carry-forward stock of 'motti' grade masoor of last year crop is still good.

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

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
09.10.06	2100	2750
10.10.06	2050	2750
11.10.06	2025	2650-2700
12.10.06	2025	2650
13.10.06	2000	2650
14.10.06	2000	2650

Prices at Secondary Centres (Rs/qt)

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
09.10.06	1850	1840	1750	2000	2070
10.10.06	1825	1815	1750	2000	2070
11.10.06	1800	1790	1750	2000	2070
12.10.06	1800	1790	1725	1980	2060
13.10.06	1800	1790	1725	1975	2040
14.10.06	1810	1800	1725	1970	2030

FIELD PEAS:

Field peas markets observed bearish trend. Buying for the same weakened in anticipation of further fall in its prices. Festival demand from the retail end is over, while supply is consistent from the overseas markets. Shaky outlook of chana also has deferred the purchase decision by local stockists.

Peas Price Movement (Rs/qt)

Offers	Kanpur New	Mumbai Peas
07.10.06	1640	1401
14.10.06	1570	1351

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 November chana futures saw steady downtrend almost through the week. According to traders, psychological impact of limiting pulses stock by Delhi government was responsible for this downtrend. However, traders do not feel that its impact would last for long. Traders believe that stockists will move chana out of the capital premises to the neighboring states, where stock limit is not effective. Delivery of chana against October will help understanding its long-term perspectives. As on October 12, 2006, stock of chana in accredited warehouses of NCDEX in Delhi and Indore collectively was at 9,758 MT. Open Interest against October by weekend has come down below 10,000 MT.

PRICE DRIVERS:

Dwindling demand at higher prices
High Prices in International Markets
Good production in major exporting nations
Strengthening of INR versus Dollar
Imposition of stock limit by Delhi govt

OUTLOOK:

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

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 November Contract)

Support-1	3033	Support-2	2961
Resistance-1	3206	Resistance-2	3307
Strategy	Sell on intra-day highs		

Futures Market (NCDEX)

Urad

NCDEX Urad November futures featured mixed trend during the week. Firm cash basis helped checking downtrend that was started on previous weekend. Demand in the physical markets was basically for the seeding purpose that has started in Andhra Pradesh. Otherwise demand for the dall from consumers' end remained weak due to higher prices. Most fundamentals are not in favor of bulls except firm prices in international markets. November was most active contract amongst all the available contract of pulses. As per stock records of NCDEX, there is no urad available at any of its accredited warehouses.

PRICE DRIVERS:

Good arrivals UP lines
High Prices in International Markets
Imposition of VAT in Maharashtra
Favorable weather for Fieldwork
Onset of Sowing in AP

OUTLOOK:

Short Term (One Week): Moderately bearish due to running harvest

Medium Term (One Month): Moderately bullish with the easing of harvest pressure

Long Term (Three Months): Bullish depending up on domestic demand and its prices in international markets

Urad (NCDEX November Contract)

Support-1	3576	Support-2	3435
Resistance-1	3864	Resistance-2	4011
Strategy	Sell on intra-day highs		

Tur

NCDEX Tur November contract saw volatile trend. Both sided movements were due to lacking conviction in this contract. Reports of due arrival of African consignments attributed long liquidation in the middle of the week. Volume remained below 10,000 MT for most of the week. People are not even finding good arbitrage opportunities in this market. Spread between the available contracts was not more than Rs 100 per qtl. Similar is the situation versus physical markets. Hedgers were out due to off-season. As on October 12, stock of tur in accredited warehouses of NCDEX in Mumbai was merely at 609 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 November Contract)

Support-1	1790	Support-2	1731
Resistance-1	1909	Resistance-2	1969
Strategy	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.
- Mumbai Port is expecting 'Alex A' to discharge 29,769 MT of peas. Sahi Oretrans agents will be handling the vessel.

Forex rate as on 14.10.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.490
European Union	Euro	56.924
Japan	100 Yen	38.043
United Kingdom	GBP	84.411

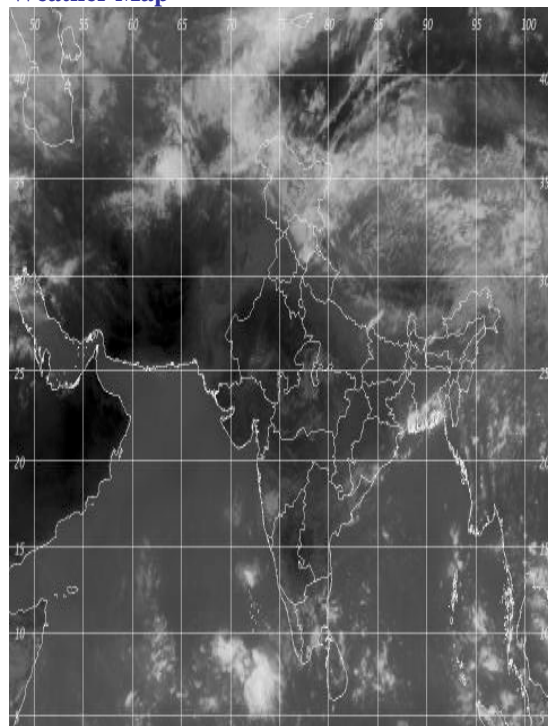
Crop -Weather Impact

Commodity	States	Crop Stage	Weather Forecast	Impact
Urad (Kharif + Rabi)	Karnataka	Harvesting Completed	Mainly Dry 	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	Mainly Dry 	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	Mainly Dry 	No impact

*Valid till 17th Oct, 2006

Source-IMD

Weather Map



2006-10-14 07:00:03

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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