

PULSES

Oct 09 - 14, 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:

This is price-sensitivity of Indian consumers, which has helped capping bullishness in the urad markets. Counter sale of Urad dall has gone down at higher prices. Recent demand was in fact for seeding from Andhra Pradesh, which is progressing well amidst favorable weather situation. Stockists this season did not make aggressive purchase due to its higher prices even at the time of peak harvest. Stockists in Maharashtra, which is one of the major producing areas of urad, stayed away due to imposition of stock limit by state government. Millers also have been reserved buyer due to poor sale of dall at higher prices. Prices in international markets are still high and importers are in no mood to take chance amidst current complex situation of Indian pulses markets. Giving some relief to the traders, Maharashtra govt had further exempted pulses from VAT for next six months in line with what Karnataka government did last month. Prior to this decision, exemption of pulses from VAT was scheduled to expire on September 30, which now will continue till March 31st, 2007. This step may also be considered as corrective measure to deal with inflation issue. Presently, there is no tax levied on pulses in Maharashtra, but will likely to attract 4% tax once it comes under VAT regime.

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

Date	Burma FAQ 2006 (Delhi)	Loyal Grade-UP/Bihar (Delhi)	Burma spot FAQ 2006 (Mumbai)
16.10.06	NA	3900	3875
17.10.06	NA	3900	NA
18.10.06	NA	3900	NA
19.10.06	NA	3900	NA
20.10.06	NA	3900	NA

Urad Prices in secondary markets

QUALITY	14.10.06	20.10.06
Akola	3650	Closed
Indore	3200-3500	Closed
Gulbarga	3650	Closed

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

Date	F A Q	S Q
14.10.06	850	950
20.10.06	850	950

TUR:

There is no fresh development in tur markets. However, overall fundamentals are bearish. Weather is favorable for crop, which is in pod setting stage in most producing areas. Production this year is expected to exceed 23 lakh ton this year. Presently, no big consignments has reached or due from overseas markets. Some importers reported that tur is arriving in containers from Africa and Burma. Off-course, quotes for imported tur are low as compared to domestic grades, which is due to difference in quality. Since, volume of imported cargos is low, so had not much impact on domestic prices.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
16.10.06	1850-1900	2000	1650-1675
17.10.06	1900	2000	1661-1671
18.10.06	1800	1900	1671
19.10.06	1800	1900	1685-1690
20.10.06	1800	1900	1685

Tur Prices in secondary markets

QUALITY AND CENTRE NAME	14.10.06	20.10.06
Gulbarga - Red Tur	1850	Closed
Latur Red tur (Mh Line)	1950-1960	Closed
Latur White tur (Mh Line)	1900	Closed
Jalna Red	1725-1750	Closed
Jalna White	1825	Closed
Jalna BDM	NA	Closed
Akola Red Marathwada Line (motor cut)	1900	Closed
Akola Red Vidharbha Line (motor cut)	1900	Closed

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

DATE	Tanzania Arusha	Burmese (Lemon Tur, Weeviled 15%)
14.10.06	400	350
20.10.06	400	350

MOONG:

Although festival demand is over, as retailers are mostly covered for their festival demand, prices of moong kept hanging higher on hopes for its promising perspectives in near term. Kharif harvest of the same has been almost completed except some areas in Rajasthan like

Shekhavati, where production of moong is expected to remain weak this year. Farmers turned to other alternatives due to delayed rains in these belts. Harvest in Shekhavati is expected to pick up after Deepawali. Offerings for the same have been low in the international markets.

Latest prices in Delhi (Rs/qtt.)

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati (Delhi)
14.10.06	3400-3425	NA
20.10.06	3400-3450	

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

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

CHICKPEAS:

Strong rumors over stock limit imposition in Delhi pushed the markets down in dumps. Demand for the same has gone down in retail markets due to higher prices. Besan-manufacturing units consume Chana significantly, but these units now are turning to other available alternatives like peas and corn etc in order to stabilize the cost of input. Availability of these alternatives has increased due to increased import. Since, prices of other pulses are very high in the international markets, importers find peas cheap and less risky. Prices of chickpeas are higher in international markets despite substantial increase in its production in major exporting nations. Bearing in mind overall shortage in the Asian continent in whole, exporters this year seem in no mood to lower their quotes, which could eventually impede due flow of imported chickpea.

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

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
16.10.06	3200	3175	3090-3100
17.10.06	3175	3150	3065-3070
18.10.06	3150-3200	3125-3175	3070-3075
19.10.06	3225-3250	3200	3120
20.10.06	3250	3220-3225	3130-3140

Prices in Mandies of Maharashtra/ UP/ Karnataka

Centres	14.10.06	20.10.06
Gulbarga New	2800	Closed
Latur (Gauran)	2800	Closed
Latur (Annagiri)	3000	Closed

Latur(G-12)	2900	Closed
Jalna (Gauran)	2900	Closed
Jalna (Pila)	2950	Closed
Akola (Mixed) motor cut	2975	Closed
Akola new (Chapa) motor cut	3050-3075	Closed
Kanpur (mandi rates)	3150	3225

MASOOR:

Demand for masoor remained weak both from local and outstation centers. Traders blame increased import of peas at Kolkata for low inquiries from eastern centers. Also, farmers selling from the northern Bihar namely Motihari, Narkatiagunj and Darbhanga etc affected the demand for masoor from eastern areas. Stocks of 'motti' grade masoor are reported still good in MP and UP belts.

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

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
16.10.06	2000	2650
17.10.06	2000	2650
18.10.06	2000	2650
19.10.06	2000	2650
20.10.06	2000	2650

Prices at Secondary Centres (Rs/qt)

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
16.10.06	1840	1830	1725	2015	2060
17.10.06	1840	1830	1750	2000	2050
18.10.06	1850	1840	1750	2020	2090
19.10.06	1850	1840	1750	2000	2070
20.10.06	Closed	Closed	Closed	2025	2100

FIELD PEAS:

Easy trend in markets is due to increased availability of imported peas. Pulses importers are inclined towards peas this year due to its low prices and promising perspectives. Sowing of the same has started in some areas of Uttar Pradesh and Madhya Pradesh, where weather is friendly for the fieldwork.

Peas Price Movement (Rs/qt)

Offers	Kanpur New	Mumbai Peas
14.10.06	1570	1351
20.10.06	1625	1351

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 moved down on fading optimism for its promising perspectives in near term. People having long positions appeared little nervous on weak cash basis and reports of increasing import of peas, which has affected demand of chana from the besan-manufacturing units. Deliveries given for October chana at NCDEX remained low compared to last month, which provided mild boost. Open Interest after expiry of October futures was 4250 MT. However, delivery of 2150 ton of chana was given through Exchange Clearing Process, while delivery of 2100 MT chana was given directly by the clients. Last month, delivery of 3730 MT was given through Exchange Clearing Process, while 1500 MT was given directly by the clients

PRICE DRIVERS:

High Prices in International Markets
Increasing import of peas
Good production of chana in exporting nations
Improving INR versus dollar

OUTLOOK:

Short Term (One Week): Moderately bearish as festive demand is over

Medium Term (One Month): Steady to slightly firm depending upon volume of import

Long Term (Three Months): Slightly easy ahead of harvest in early sown areas

Chana (NCDEX November Contract)

Support-1	3137	Support-2	3081
Resistance-1	3275	Resistance-2	3357
Strategy	Sell on intra-day highs		

NEWS

Futures Market (NCDEX)

Urad

Strong tug of war was seen between bulls and bears during the week. Since both bullish and bearish factors were equally weighing, urad November futures at NCDEX moved in narrow range. Eventual tilt of the markets was seen in favor of bears. Short supply in the physical markets resisted downwardly movements, whereas sluggish demand from millers/stockists helped capping bullish dispositions. Weak cash basis kept the bulls in low spirit. Though strengthening of INR versus dollar cut the importing cost, even than importers are not keen in urad due to increased volatility and intervention by the government. So, whole set of fundamentals checked unidirectional movement of prices.

PRICE DRIVERS:

High prices in international markets
Sluggish retail demand of dall
Strengthening INR versus Dollar
Due Harvest in South Rajasthan

OUTLOOK:

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

Medium Term (One Month): Slightly bearish depending up on weather

Long Term (Three Months): Bearish ahead of due harvest in Andhra Pradesh

Urad (NCDEX November Contract)

Support-1	3648	Support-2	3814
Resistance-1	3579	Resistance-2	3911
Strategy	Sell on intra-day highs		

Latest Vessel Position

- Vessel 'Evgeniy' is expected at Mumbai port on Oct 24. Vessel will bring 5277 ton of Pulses. Aditya Marine Ltd will be handling this vessel.
- Vessel 'Saratoga' has arrived at Kolkata port to discharge peas. Vessel 'Abeer' has arrived at Kolkata port to discharge 21285 MT of peas.

Tur

NCDEX November Tur futures saw volatile trend during the week. Overall fundamentals remained bearish. Weather is favorable for crop and harvest is due by end of November. Trading volume however still is thin in Desi futures contract. Substantial fall was seen in quantity offered against Desi contract. Only 900 MT was offered for delivery against October desi contract compared to 4550 MT offered for September contract of Lemon tur. Another reason could be approaching harvest of desi tur for low deliveries. Millers are not finding much difference in its prices in physical versus futures market, which has affected the active participation of trade people.

PRICE DRIVERS:

Good stock situation
Favorable weather situation
Sluggish demand in the physical markets
Continuing import from Africa and Burma

OUTLOOK:

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

Medium Term (One Month): Slightly easy trend ahead of domestic harvest

Long Term (Three Months): Bearish with the increase in supply after domestic harvest

Tur (NCDEX November Contract)

Support-1	1833	Support-2	1801
Resistance-1	1914	Resistance-2	1963
Strategy	Sell on intra-day highs		

Forex rate as on 20.10.06

Country/ Continent	Currency	Value In Rupees
USA	Dollar	45.310
European Union	Euro	57.180
Japan	100 Yen	38.290
United Kingdom	GBP	85.010

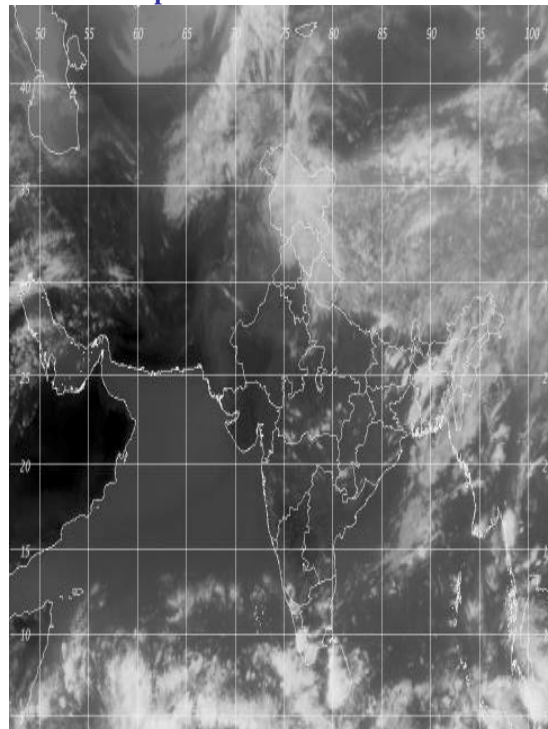
Crop -Weather Impact

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 23rd Oct, 2006

Source-IMD

Weather Map



2006-10-20 10:00:02

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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