

## PULSES

Oct 30 - Nov 04, 2006

### Highlights

#### Spot Markets

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

### Highlights

#### Futures Market

- In its latest circular dated November 02, 2006, NCDEX increased position limit for all contracts of urad for members to 15000 MT or 15% of Market OI (Whichever is higher) and 5000 MT for client. Position limit for tur has also increased to 15000 MT or 15% of Market OI (Whichever is higher) for members and 5000 MT for client.

## Fundamentals

### URAD:

Fundamentals are weak in urad markets. Millers in Maharashtra have enough stocks, as they were aggressive buyers during peak harvesting period and bought amply even from Uttar Pradesh and Madhya Pradesh. Demand for the same has slowed in the physical markets due to decline in demand for dall at retail end. According to trade sources, millers are finding difficulty in retailing urad dall at higher prices, so they are not keen in making purchase of urad very actively. Traders in Uttar Pradesh do not carry optimistic outlook for urad in near term. Harvesting of urad has started in some areas of West Bengal like Jorhat belts etc. Weather is congenial in rabi growing areas. Production of urad in rabi season this year is expected to reach at 3.00 lakh ton.

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

Date	Burma FAQ 2006 (Delhi)	Loval Grade-UP/Bihar (Delhi)	Burma spot FAQ 2006 (Mumbai)
30.10.06	NA	Closed	NA
31.10.06	NA	Closed	NA
01.11.06	NA	Closed	NA
02.11.06	NA	3400-3500	NA
03.11.06	NA	3350-3425	NA
04.11.06	NA	3450	NA

#### Urad Prices in secondary markets

QUALITY	28.10.06	04.11.06
Akola	3700	3600-3650
Indore	3300-3700	3200-3600
Gulbarga	3750	3650

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

Date	F A Q	S Q
28.10.06	850	950
04.11.06	850	950

### TUR:

Scattered showers in Southern states helped mitigating weather concern there in tur markets. Crop is in last stage of maturity. Rains are beneficial while filling of grains. Harvest of tur is just a month away in some areas. According to official sources, acreage this year has fallen slightly, as farmers would have switched to other lucrative options like urad and moong. According to ministry of Agriculture, sowing of tur by October 20 was done in 35.98 lakh hectares, slightly down as compared to 38.39 lakh hectares sown a year ago. Import has been low due to disparity.

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

Date	Burma Spot Delhi	Maharashtra a Line (Delhi)	Burma Spot Mumbai
30.10.06	Closed	Closed	1685
31.10.06	Closed	Closed	1701
01.11.06	Closed	Closed	1600
02.11.06	1900	2000	1650
03.11.06	1875	1975-2000	1650
04.11.06	1875	2000	1650

**Tur Prices in secondary markets**

QUALITY AND CENTRE NAME	28.10.06	04.11.06
Gulbarga - Red Tur	1925	2850
Latur Red tur (Mh Line)	1925-1950	1975
Latur White tur (Mh Line)	1850-1900	1900-1925
Jalna Red	1700	1700
Jalna White	1725-1750	1750-1775
Jalna BDM	1800	1800
Akola Red Marathwada Line (motor cut)	1870	1875
Akola Red Vidharbha Line (motor cut)	1875	1900

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

DATE	Tanzania Arusha	Burmese ( Lemon Tur, Weeviled 15%)
28.10.06	400	350
04.11.06	400	350

**MOONG:**

Sentiments remained firm in moong markets despite subdued demand. Stockists did not lower their quotes in spite of decline in its demand from the retail end. Supply for the same has been narrowing in major kharif growing areas. Moong in Delhi is arriving only from Rajasthan, where it's harvest is still in progress in northeastern region (Shekhavati belts).

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

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati (Delhi)
28.10.06	3400-3450	3400
04.11.06	3400	3350

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

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
28.10.06	NA	NA	650

04.11.06	NA	NA	650
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**CHICKPEAS:**

There were no fresh fundamental developments in chana markets. Sowing of rabi chana is done in most areas and weather is favorable for the crop in these regions. Demand for the same has declined to accommodate shortage factor. Indian importers are not clinching many deals due to increased uncertainty in this market. Shipments against earlier set deals are likely. Prices are very high in the international markets. First time ever chickpea prices are equal to that kabuli grade. Production although are up both in Australia and Canada, but demand is equally good from the Asian continent. Situation is equally alarming in Pakistan, where production this year fell short of domestic requirement.

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

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
30.10.06	Closed	Closed	3000
31.10.06	Closed	Closed	3000
01.11.06	Closed	Closed	3000
02.11.06	3125-3150	3100	3015-3040
03.11.06	3100	3080	2975-2980
04.11.06	3050	3025	2950

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

Centres	28.10.06	04.11.06
Gulbarga New	2600	2700
Latur (Gauran)	2800-2850	2750
Latur (Annagiri)	2950-3000	2900
Latur(G-12)	2900	2800
Jalna (Gauran)	2900	2850-2900
Jalna (Pila)	3000	2950
Akola (Mixed) motor cut	2950	2925
Akola new (Chapa) motor cut	3025	2950
Kanpur (mandi rates)	3110	3100

**MASOOR:**

Masoor markets observed steady trend during the week. Demand though was weak due to increased availability of imported peas in eastern centers. However, locals still carry optimistic outlook due to shortage of moonga, which is most common alternative for masoor. Also, demand for the same usually increases during winter season.

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

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
30.10.06	Closed	Closed
31.10.06	Closed	Closed
01.11.06	Closed	Closed
02.11.06	1950	2600
03.11.06	1950	2600
04.11.06	1950-2000	2500-2550

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

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
30.10.06	1820	1810	1800	1975	2030
31.10.06	1830	1820	1750	1975	2020
01.11.06	1850	1840	1775	1970	2060
02.11.06	1850	1840	1775	1975	2045
03.11.06	1840	1830	1775	1960	2040
04.11.06	1835	1820	1775	1960	2030

### FIELD PEAS:

Prices of field pea are high in international markets as its production pea is short on year basis in major exporting nations like Australia and Canada on year basis. Prices for edible pea in West Canada is as high as \$5 per bushel and for feed pea at \$ 3.5 - 4.0 per bushel. Traders reason good Indian demand for this firm trend. Otherwise, feed industries in European nations are not active buyer for costly Canadian feed peas, who are looking at other cheaper alternatives like soy meal and corn. However, 80% of pea produced in Canada is of edible grade, but since premium for edible grade is not much, some 50% of it is marketed as feed grade. Indian importers are active buyers of pea, as pea is still lucrative and safe option compared to other pulses.

### Peas Price Movement (Rs/qtt)

Offers	Kanpur New	Mumbai Peas
28.10.06	1550-1560	1271
04.11.06	1550	1275

### NEWS

NAFED has so far received 48,061 MT of pulses of the contracted quantity of 49,300 MT at Chennai. This comprises 35,168 MT of urad and 12,893 MT of moong. NAFED has also disposed of 31,069 MT of urad and 6,065 MT of moong at Delhi, Chennai, Bangalore, Indore, Lucknow, Mumbai, Bhubaneshwar and Jaipur at average prices of Rs. 34.22 and Rs. 29.41 per kg. respectively. The balance of the contracted quantity of urad and moong is expected to be shipped shortly.

Source-PIB

### Future Markets (NCDEX)

#### Chana

NCDEX December chana futures featured highly volatile trend. Prices once for a while crossed strong psychological level of 3100 on Thursday, but traded mostly lower against this level through the week. Since stock of chana is good in accredited warehouse of NCDEX in Indore, expectation of good deliveries against November contract kept the bulls under pressure. As on November 02, 2006, stock of chana in accredited warehouse of NCDEX in Indore was 9,565 MT. In October also, deliveries of total 4250 MT were posted against October. Open interest against November contract as on November 03, 2006 was at 28010 MT.

#### PRICE DRIVERS:

Dwindling demand at higher prices  
High prices in international markets  
Good production in major exporting nations  
Talks of due Consignment from Australia in November

#### OUTLOOK:

**Short Term (One Week):** Steady to weak due to talks of due consignment

**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	2908	Support-2	2851
Resistance-1	3065	Resistance-2	3165
<b>Strategy</b>		Sell on rallies towards resistance	

## Futures Market (NCDEX)

### **Urad**

NCDEX Urad December futures took roller-coaster ride during the week. Futures could not hold fast levels above 3550 during the week. Volumes still are low in urad contracts. To stimulate interest of actual users/commercials, NCDEX has done modifications in quality specifications in Urad contract. Also, position limit for members have increased to 15000 or 15% of Open Interest (whichever is higher) and 5000 MT for clients. As on November 02, 2006, stock of urad in accredited warehouse of Akola was at 10 MT and in Jalgaon at 80 MT. As on November 03, 2006, Open Interest against November month was at 11,220 MT.

### **PRICE DRIVERS:**

Restricted selling by stockists  
Onset of harvest in West Bengal  
High Prices in International markets  
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	3430	Support-2	3317
Resistance-1	3662	Resistance-2	3781
<b>Strategy</b>	Sell on rallies towards resistance		

### **Tur**

Good gains were posted in first half of the week. There was strong resistance at 1900 level. Failing to reach this level on Thursday, good retreat was seen in subsequent sessions. Front months of November and December were equally active. Trading in these contracts are gradually picking up. Open Interest against November contract as on November 03, 2006 was at 4770 MT. As on November 02, 2006, stock of tur in accredited warehouse of NCDEX was at 1298 MT. Deliveries of only 900 MT of tur were offered against October contract last month.

### **PRICE DRIVERS:**

Good stock situation  
Favorable weather situation  
Sluggish demand in the physical markets  
Slowed import due to low margins

### **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	1792	Support-2	1744
Resistance-1	1893	Resistance-2	1946
<b>Strategy</b>	Sell on rallies towards resistance		

## Latest Vessel Position

- Vessel 'Kang Qiang' has arrived at Mumbai port and is waiting for berth. This vessel will be discharging 33,700 MT of peas. Sahi Oretrans P. Ltd will be handling this vessel. Another vessel 'Captain Memo-VI' is expected to arrive at Mumbai port on November 06, 2006. Vessel will be carrying 13516 MT of Yellow/white Peas. Shaan Marine service will be handling this vessel.
- 'Lissa Topic' has arrived at Kolkata port. Vessel is carrying 39,383 MT of peas. Vessel 'Columbia River' is expected on November 3, 2006 at Kolkata port. Vessel will discharge 26916 MT of peas.
- Vessel 'MV Great Summit' is expected at Tuticorin port by November 03, 2006 to discharge 32,369 MT of peas. Vilsons shipping will be handling these vessels. Another vessel 'Bianco Zealand' is expected to arrive on November 05, 2006. Vessel will bring 17,565 MT of peas. Hari & Co will be handling this vessel..

**Forex rate as on 04.11.06**

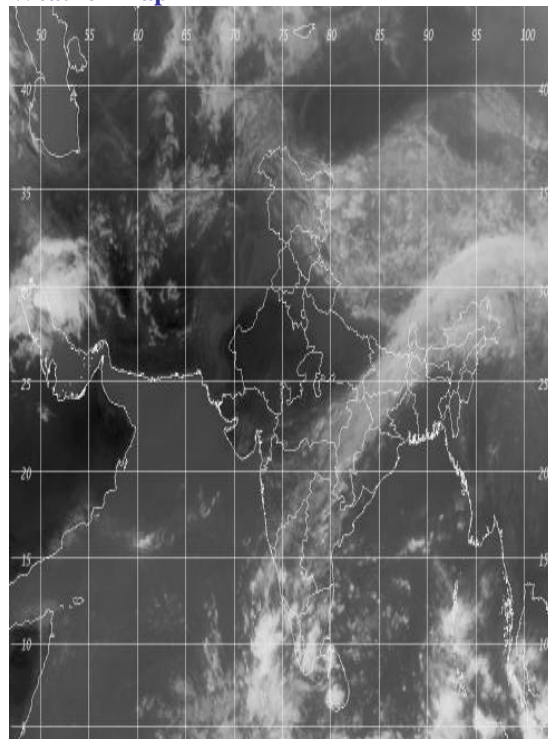
Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.840
European Union	Euro	57.280
Japan	100 Yen	38.290
United Kingdom	GBP	85.550

**Crop -Weather Impact**

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

\*Valid till 7<sup>th</sup> Nov, 2006

Source-IMD

**Weather Map**


2006-11-04 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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