

## PULSES

Nov13-18, 2006

### Highlights

#### Spot Markets

- Low demand of pulses at higher prices
- Favourable weather situation for pulses
- Comparatively lower quotes in international markets

### 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:

Urad markets witnessed volatile movements in the prices this week, as the demand has become price sensitive. Some cooling off in the prices last week rekindled the demand in the first half of the week, however as the prices inched higher on improved demand it again resulted in reluctance among the traders. Imports of pulses to the tune of 49300 tonnes from Myanmar comprising 37000 tonnes of Urad also eased some pressure on the prices. However, the impact is not going to be large as the sale prices of this Urad are on the higher side also the quantity is small as compared to nearly 1 lakh ton of monthly consumption. The sale prices of urad varied from Rs. 33.48 per kg in Chennai to Rs. 36.57 per kg in Delhi. Harvesting of small crop of Kali Urad in Assam is going on, there after Orissa and Andhra Pradesh will come up with their 3-lakh tonnes of Urad. So, supply side will get healthier in coming time only to pressure the prices. Demand side is slightly subdued as 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 most trading centres opine that the up side potential of the prices is limited in the commodity.

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

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

13.11.06	NA	3300	NA
14.11.06	NA	3270-3300	NA
15.11.06	3300	3300	3750
16.11.06	3350	3350	3750
17.11.06	3350	3240	3650
18.11.06	3400	3225	3625

#### Urad Prices in secondary markets

QUALITY	18.11.06	13.11.06
Akola	3625-3650	3550
Indore	3200-3500	3300-3500
Gulbarga	3550	3350

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

Date	F A Q	S Q
13.11.06	850	950
18.11.06	755-765	850-860

### TUR:

Tur market witnessed slight firmness in the prices during the week in conjunction with other pulses. Interestingly, Tur dal has become the cheapest among the major pulses, which caused some improvement in demand. According to some unconfirmed news, some mixing of Tur dal is also being seen in Chana dal as the former is far cheaper than Chana dal. Generally, Tur prices tend to remain higher than Chana, but shortage of the Chana this year has led to the reversed relationship between them. The prices might see some cooling off in the coming time with the progress of

harvest. Harvesting is in progress in Haryana and Agra belt of UP. Andhra Pradesh and Karnataka also witnessed some arrivals of fresh crop towards the end of the week. The harvesting will come in full blow in December in these states. Weather is congenial for the harvest and is equally supportive for the maturing crop. Despite reduced acreage fresh arrivals might put pressure on the prices. So the market is likely to see gradually increasing bearish momentum in the coming weeks.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
13.11.06	1750	1850	1601
14.11.06	1750	1750-1775	1575
15.11.06	175	NA	1625
16.11.06	1760-1770	1860-1870	1625
17.11.06	1800	1850-1875	1650
18.11.06	1800	1850-1925	1650

#### Tur Prices in secondary markets

QUALITY AND CENTRE NAME	18.11.06	13.11.06
Gulbarga - Red Tur	1900	1850
Latur Red tur (Mh Line)	1950	1875
Latur White tur (Mh Line)	1850	1800
Jalna Red	1700-1750	1700-1750
Jalna White	1700	1700
Jalna BDM	1800	1775
Akola Red Marathwada Line (motor cut)	1900	1840
Akola Red Vidharbha Line (motor cut)	1910	1850

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

DATE	Tanzania Arusha	Burmese ( Lemon Tur, Weeviled 15%)
13.11.06	385	350
18.11.06	340	325-330

#### MOONG:

during the week supported by firmness in Chana and other pulses. Recent correction in the prices induced some demand during the week, which lifted the prices again. Supply of the commodity kept falling in the major production centres at the same time demand has become price sensitive. So, there is not huge scope for the prices on the higher side, it should trade range bound in the coming week.

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

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati (Delhi)
13.11.06	3250	3300-3350
18.11.06	3450	3550

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

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
13.11.06	NA	750	NA
18.11.06	655-760	650-750	NA

#### CHICKPEAS:

Chana markets witnessed some heat coming back in the prices. Recent ease in the prices induced traders to cover for the period prior to the new season. This fresh buying interest and limited supply underpinned the prices of Chana in major trading centres. The supply side of the commodity continues to remain tight with depleting stock of the commodity. The arrivals in Delhi markets were seen as low as 12 motors (9 tonnes each) this week as compared to 20-25 motors last week. It is still two months to go for fresh crop to hit the markets, and thus depleting stocks are putting pressure on the prices. However, continued imports of field peas is putting pressure on the prices as price sensitive demand is shifting towards peas. Further, likely arrival of imported chickpea in the meantime is easing some pressure. Good soil moisture conditions and favorable weather has resulted in healthy germination of Chana in most growing regions, if weather remains favorable we would see a bumper Chana crop this season, thanks to increased acreage of Chana. So, the situation is a little ambiguous in the Chana market, as the traders are keeping away from Chana looking at the increased price sensitivity of demand in winter season.

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

Date	Rajasthan (Delhi)	Indore (Kantewala)
13.11.06	2900-2925	2820-2825
14.11.06	2940	2770-2780
15.11.06	2975	2825
16.11.06	3000-3025	2820-2825
17.11.06	2950	2800
18.11.06	2875-2900	2750-2760

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

Centres	18.11.06	13.11.06
Gulbarga New	2600	2500
Latur (Gauran)	2650	2700
Latur (Annagiri)	2900	2900-2950
Latur (G-12)	2800	2800-2850
Jalna (Gauran)	2650	2550-2600
Jalna (Pila)	2700	2600-2650
Akola (Mixed) motor cut	2800	2750-2800
Akola new (Chapa) motor cut	2800	2830
Kanpur (mandi rates)	2975	2925

#### MASOOR:

Masoor markets got support from the recent announcement of government to export 2000MT Masoor to Sri Lanka. The prices improved in almost all major trading centres. However, the commodity is not likely to get much support from the demand side, which has inclined towards other cheaper alternatives like peas. Some seasonal increase in the demand is likely as the winter progresses, which might support the prices to some extent.

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

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
13.11.06	1900-1950	2600
14.11.06	1900-1950	2600
15.11.06	1900-1950	2600
16.11.06	1950	2630-2640
17.11.06	2000	2750
18.11.06	2025	2750-275

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

Date	Indore Masra	Indore Masoor	Indore Medium	Kanpur	Bareilly
13.11.06	1810	1800	1750	1925-1930	1990-2000
14.11.06	1790-1800	1780-190	1750	1925	2000
15.11.06	1800	1790	1750	1940	2010
16.11.06	1820	1810	1750	1930	2010
17.11.06	1820	1810	1775	1970-1975	2050
18.11.06	1810	1800	1700	1975-2000	2080

#### FIELD PEAS:

Field peas continue to hit the ports from overseas. The prices increased slightly during the period in conformity with the other pulses. Further, strength in US dollar also resulted in higher landing cost of imported field peas in rupee terms. Despite higher prices of Canadian and Australian peas this year, India continue to import green and white ones from these suppliers as the prices of other pulses are sky rocketing. Indian market has good demand for the same, as higher prices of other pulses are forcing consumers with lower income to switch to the peas.

#### Peas Price Movement (Rs/qt)

Offers	Kanpur New	Mumbai Peas
13.11.06	1480-1485	1251
18.11.06	1480	1241

#### NEWS

Lucrative prices of pulses this year and contracting margins for farmers in mustard has resulted in a sharp rise in pulses acreage this year. The pulses acreage increased by 19% to 56.793 lakh hectare in Rabi 2006-07 till November 9, as compared to 47.589 lakh hectare in the year ago period. Gram acreage rose to 38.338 lakh hectare compared to 32.160 lakh hectare during the period under the review. The area coverage under urad inched up to 1.050-lakh hectare from 0.731-lakh hectare. During the aforesaid period, moong acreage increased marginally to 0.181-lakh hectare from 0.116-lakh hectare, while that of lentil rose to 7.549-lakh hectare from 6.390-lakh hectare.

#### Future Markets (NCDEX)

##### Chana

Bulls came into limelight in Chana futures market this week highlighting the depleting stock situation in the commodity. The prices surged on heavy speculative buying during the week supported by tight supply situation in the spot markets. Chana for December delivery at NCDEX almost filled the whole trench created last week. The prices surged from Rs. 2761 to 2932 during the week, however some softening in the prices was seen towards the end. The rally was not supported by the healthy volume, as traders remained hesitant ahead of expiry of November contract.

##### PRICE DRIVERS:

Healthy germination of Chana is reported in major growing regions.

Increased acreage of Chana expected this Rabi season

Dwindling demand at higher prices

High prices in international markets

Depleting stocks in domestic markets

Likely imports of Australian Chickpea

##### OUTLOOK:

**Short Term (One Week):** Tentative on mixed demand supply scenario

**Medium Term (One Month):** Steady to slightly bullish in off-season

**Long Term (Three Months):** Weak in harvesting season

##### Chana (NCDEX November Contract)

Support-1	2766	Support-2	2730
Resistance-1	2918	Resistance-2	2950
<b>Strategy</b>	Buy on major dips		

## Futures Market (NCDEX)

### **Urad**

Urad prices bounced higher during the week recouping most of the losses of the previous week as the rekindling demand at lower prices in the physical markets boosted the prices. . December delivery Urad Desi on the NCDEX started the week on a firmer note and continued this mood during first three days. The contract surged to Rs 3565 levels, but the prices couldn't sustain those hefty levels and slipped sharply towards the end of the week, but still managed to accumulate healthy gains for the period. The activity levels in the Urad futures remained on the lower side as compared to the previous week, whereas the open interest inched slightly higher.

### **PRICE DRIVERS:**

Harvesting in Assam and Orissa.

Weather is favorable for the maturing Urad crop and its harvest

High prices in the international markets

Imports of Myanmar origin Urad by government

### **OUTLOOK:**

**Short Term (One Week):** Moderately bearish due to weak demand and fresh supply

**Medium Term (One Month):** Moderately bearish on harvest of Andhra Crop

**Long Term (Three Months):** Steady to slightly bearish on Rabi harvest

### **Urad (NCDEX November Contract)**

Support-1	3368	Support-2	3261
Resistance-1	3650	Resistance-2	3743
<b>Strategy</b>	Sell on rallies towards resistance		

### **Tur**

Tur futures at NCCDEX edged higher supported by the firmness in other pulses and rekindling demand in the physical markets. Lucrative prices as compared to substitutes induced some demand in the spot markets. NCDEX December futures contract of Tur recovered most of the prior weeks losses and traded as high as 1823 late this week. Bulls looked slightly hesitant after initial gains as harvesting in some patches, but they come again with enthusiasm towards the end of the week looking at the price advantage of the commodity among major pulses. The rally was well supported by some good volumes during the period; the open interest also kept rising from 6300 to 6910 late this week.

### **PRICE DRIVERS:**

Harvesting in Haryana, AP and Karnataka lining up

Favorable weather for maturing crop and its harvest

Price sensitive demand in the physical markets

Slowed import due to lower margins

### **OUTLOOK:**

**Short Term (One Week):** Moderately bearish due to onset of harvest in some patches

**Medium Term (One Month):** Moderately bearish in harvesting season

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

### **Tur (NCDEX November Contract)**

Support-1	1798	Support-2	1773
Resistance-1	1893	Resistance-2	1936
<b>Strategy</b>	Remain long with caution		

## Latest Vessel Position

·Sea Amity has arrived at Kolkata port to discharge 26871 MT of pulses and wheat. Farah 3 has also arrived at the port to discharge 10000MT of pulses and wheat. Lissa Topic' has arrived at Kolkata port. Vessel is carrying 39,383 MT of peas. Vessel 'Columbia River' has arrived at port to discharge 26916 MT of peas. Another vessel 'Nepheli' has arrived at port to discharge 36,370 MT of peas.

·Vessel Kang Qiang has discharged 27150 MT of peas so far. Discharge of balanced 22160 MT pea is continuing from the vessel. Sahi Oretrans P Ltd is handling the vessel. Another vessel Captain Nemo-VI has arrived at port to discharge 13516 MT of yellow/white peas. Shaan Marine will be handling this vessel.

·Vessel 'MV Great Summit' has arrived at Tuticorin port to discharge 32,369 MT of peas. Vilsons shipping is handling this vessel. Another vessel 'Bianco Zealand' has also arrived and discharging 17,565 MT of peas. Hari & Co is handling this vessel.

#### Forex rate as on 04.11.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.16
European Union	Euro	57.92
Japan	100 Yen	38.40
United Kingdom	GBP	85.99

#### Crop -Weather Impact

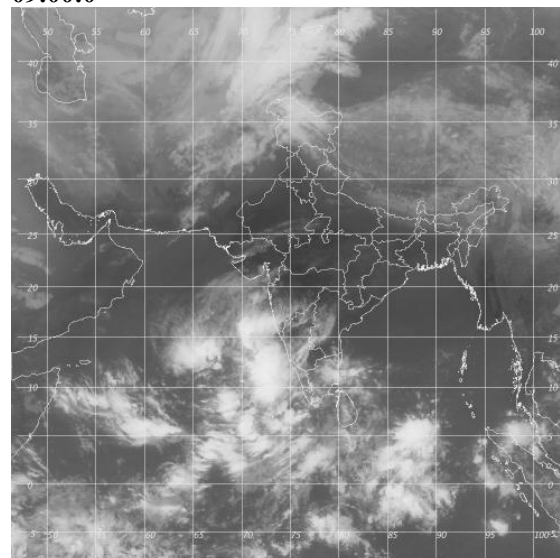
Commodity	States	Crop Stage	Weather Forecast	Impact
<b>Urad</b> (Kharif + Rabi)	Karnataka	Harvesting Completed	Isolated Rains ☁️	No effect
	Madhya Pradesh	Completed	Mainly Dry ☀️	Good
	Uttar Pradesh	Harvesting Completed	Mainly Dry ☀️	Good
	Maharashtra	Harvest Completed	Mainly Dry ☁️	Good
	AP	Maturity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

\*Valid till 25<sup>th</sup> Nov, 2006

Source-IMD

#### Weather Map

2006-11-21  
09:00:0



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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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