

PULSES DAILY

December 07, 2006

URAD

FUNDAMENTALS

Trade in Urad was lacklustre today in most of the spot markets. Lack lustre demand for dal at higher prices is forcing the millers to purchase Urad at bargained prices. Sporadic arrivals of the commodity were seen at different centres. Further, fall in import prices of Burmese counterpart is also adding some bearish tone to the market especially when dollar is weak. Government has extended the duty free import of pulses to August 31 from 31st March 2007, which is bearish news. Looking at the forthcoming bumper crop of AP, stockists are also in wait and watch situation. The Urad prices are likely to hover on the lower side.

Futures Market Commentary

Urad futures at NCDEX traded upward today. January futures of Urad started the session firm at Rs 3036 then the prices never looked back. Speculative buying at lower levels took the prices to the highs of Rs 3140, which couldn't sustain and finally close with moderate profits of Rs. 57 at Rs 3093 a quintal. The volumes traded remained healthy at 53870 MT.

Price Drivers

Bearish

Govt extended duty free imports of pulses to 31st August
Low demand of Dall at higher prices

Weather

Weather is suitable for harvesting of Urad in Orissa. It is also clear in Andhra where crop is in maturity stage.

TECHNICALS

NCDEX -January Contract

Urad charts are giving mixed signals. Long upper shadow of candlestick body shows tentativeness at higher levels. Prices closed below EMAs thus indicating negative sentiments; MACD is indicating increase in bearish momentum. Stochastic Oscillator however has given bullish signal in oversold zone. The contract might witness volatile movement of prices.



Support / Resistances:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| Jan | 2995 | 2950 | 3093 | 3154 | 3195 |

Trade Recommendation:

Sell Jan Urad below 3124 with target towards 3062 and then 3020. Put SL at 3155.

Spot Market Prices of Urad

(Rs/qttl)

| Origin/Grade | Center | 06.12.06 | 05.12.06 | Change |
|-----------------|----------|-----------|-----------|--------|
| Burma Faq | Mumbai | 3250 | 3250 | - |
| Burma Faq | Delhi | 3300 | 3275 | +25 |
| Desi (UP) | Delhi | 3100 | 3100 | - |
| Desi (MH) | Delhi | 3600 | 3600 | - |
| Desi (new Crop) | Akola | 3250-3300 | 3250-3300 | - |
| Desi (New Crop) | Gulbarga | 3350 | 3300 | +50 |
| Desi (New Crop) | Latur | Closed | 3550 | - |
| Desi (New Crop) | Jalna | Closed | 3100-3200 | - |
| Desi (New Crop) | Indore | | 3450 | - |

CHANA

FUNDAMENTALS

Today Chana prices improved marginally in some markets and remained stand still at the rest. Trade continues to be subdued on poor stocks, higher prices and risky imports. There are no takers for Chana even after recent fall in the prices. There is not much stock in the domestic markets, but poor demand is capping the prices. The new of SC order to government to allow two exporters to ship their export consignments for the orders prior to ban might have given some support to the prices today. But it is not going to help the prices much as it is not a fresh deal and the ban on export still exists. The situation is hazy in Chana as the prices can easily move either way in a shallow market. However, there is no confirmation of the same. Further, according to market talks, MMTC is selling 600 tonnes of Chana, which seems not enough to affect the market much.

Futures Market Commentary

Chana futures at NCDEX traded upward today. January futures of Chana started the session firm at Rs 2751 then the prices never looked back. Speculative buying at lower levels took the prices to the highs of Rs 2785 which couldn't continue and finally close at Rs 2754 a quintal with slightly profits.

Price Drivers

Bullish

Depleting stocks

Bearish

MMTC to sell 600MT Chana

Australia has exportable surplus of 2.25 lt Chickpeas

Increased acreage this year

Weather

Weather is congenial for the vegetative growth of the crop.

TECHNICALS

NCDEX -January Contract

Chana charts are displaying weakness in the market sentiments. Prices closed below 9-day EMA showing weakness in the market. Candlesticks have formed a doji pattern, which shows indecision in the market sentiments. MACD is showing increase in bearish momentum. Stochastic are negative in oversold region. The prices might see volatility with bearish inclination.



Support / Resistances:

| Contr act | S1 | S2 | PCP | R1 | R2 |
|-----------|------|------|------|------|------|
| Jan | 2701 | 2660 | 2754 | 2805 | 2822 |

Trade Recommendation:

Sell NCDEX Chana Jan contract below 2780 with target of 2730. Second target 2705. Put SL at 2810.

Spot Market Prices of Chana

(Rs/qtl)

| Origin/Grade | Center | 06.12.06 | 05.12.06 | Change |
|----------------|--------|----------|-----------|--------|
| Rajasthan Desi | Delhi | 2900 | 2850-2860 | +50 |
| MP Desi | Delhi | 2875 | 2825 | +50 |
| Kantewala | Indore | 2750 | 2750 | - |
| Desi | Kanpur | 2900 | 2900 | - |
| Mixed | Akola | 2650 | 2600 | +50 |
| Chapa | Akola | 2700 | 2700 | - |
| Gauran | Latur | Closed | 2500 | - |
| Annagiri | Latur | Closed | 2750 | - |
| G-12 | Latur | Closed | 2600 | - |
| Gauran | Jalna | Closed | 2650 | - |
| Pila | Jalna | Closed | 2750 | - |

TUR

FUNDAMENTALS

Tur prices remained unmoved at most of the spot markets, as the harvesting in major producing states hasn't picked up. Slight increase in arrivals in southern zone eased the demand pressure on the prices. With the progress of harvest, prices will cool off in Tur. As the government has extended duty free imports to 31st August, the off-season prospects of Tur seems not be as rosy as it was looking currently on account of the possibility of imports in case the prices moves higher.

Futures Market Commentary

Tur Futures at NCDEX traded upward initially following a steady opening. January futures of Urad started the session at Rs 1885 and then the prices surge to Rs. 1899. However, decreased buying interest at higher level pressurized the future and traded downwards thereafter and the contract saw the lows of Rs 1881 before finally closing the session at Rs 1886.

Price Drivers

Bullish

Price sensitive demand from stockist

Bearish

Lower quotes by Burma

Low demand of Dall at higher prices

Rumors that Govt extended duty free imports of pulses to 31st August

Poor stockists activity

Weather

Weather is congenial for Tur harvest in major producing states.

TECHNICALS

NCDEX -January Contract

Tur charts are displaying weakness in the market sentiments. Prices closed below 9-day EMA showing weakness in the market. Candlesticks have formed a doji pattern, which shows indecision in the market sentiments. MACD is showing decreasing bullish momentum. Stochastic are negative in neutral region. The prices might continue the current bearish trend.



Support / Resistances:

| Contr act | S1 | S2 | PCP | R1 | R2 |
|-----------|------|------|------|------|------|
| Jan | 1864 | 1843 | 1886 | 1944 | 1965 |

Trade Recommendation:

Sell NCDEX Tur Desi Jan contract below 1898 with target towards 1865 and 1852. Put SL at 1920.

Spot Market Prices of Tur

(Rs/qtl)

| Origin/Grade | Center | 06.12.06 | 05.12.06 | Change |
|-----------------|----------|----------|-----------|--------|
| Burmese Lemon | Mumbai | 1621 | 1621 | - |
| Burmese Lemon | Delhi | 1700 | 1775 | -75 |
| Maharashtra tur | Delhi | 1900 | 1900 | - |
| Karnataka tur | Delhi | NA | NA | - |
| Red tur (New) | Gulbarga | 2000 | 2000 | - |
| Fatka Dall | Gulbarga | 2800 | 2800 | - |
| Red Tur | Latur | Closed | 2000 | - |
| White Tur | Latur | Closed | 1850 | - |
| Red | Jalna | Closed | 1650 | - |
| White | Jalna | Closed | 1800-1900 | - |
| Red Tur | Indore | 1950 | 1950 | - |
| Vidharpatta | Akola | 1850 | 1850 | - |
| Marathwada | Akola | 1860 | 1860 | - |

OTHERS

Moong

Moong markets saw slight improvement in some of the trading centres looking at the firmness in other pulses today. As the harvesting is over in major growing regions arrivals in the terminal markets are falling day by day. However, there is not much scope for the prices on the higher side as price elasticity of demand for the commodity has become quite high.

Spot Market Prices of Moong (Rs/qtt)

| Origin/Grade | Center | 06.12.06 | 05.12.06 |
|------------------------|-----------|-----------|-----------|
| Kekdi/kishangarh (Raj) | Delhi | 3300 | 3250-3300 |
| Shekhavati (Raj) | Delhi | NA | NA |
| Medta (Raj) | Delhi | 3350 | 3400 |
| Desi | Indore | 3300 | 3300 |
| Desi | Gulbar ga | 3000-3200 | 3100-3200 |
| Chamki | Jalna | Closed | 3150 |
| Chamki | Latur | Closed | 2850 |
| Chamki | Akola | 3100-3200 | 3150-3175 |

Field Peas

Field peas prices are dancing in a range these days. As the Australian field pea production this year has gone down to 206000 MT as compared to previous year's crop of 478000 MT, global prices of field peas are surging, thanks to good demand from southern Asia. Despite higher prices of Canadian and Australian peas, India continues to import green and white peas as the prices of other pulses are skyrocketing.

Spot Market Prices of Pea (Rs/qtt)

| Center | 06.12.06 | 05.12.06 |
|---------------------|-----------|----------|
| Mumbai (W.Canadian) | 1301 | 1251 |
| Kanpur | 1480-1485 | 1480 |

Masoor

Masoor is encashing on the export demand for the commodity. Masoor markets got some good news in government plan to export more masoor apart from recently decided 2000MT export to Sri Lanka. The commodity is likely to get some support from the news. The prices are already getting support from good export demand especially for medium grade masoor. As the Australian lentil production dipped sharply this year, prices in the international markets are quite high. According to reports 2006 Australian production (mostly red lentils) is expected to drop sharply, from 210,000 tonnes in 2005 to only 66,000 tonnes this year. Accordingly, exports are seen falling from 200,000 tonnes in 2005-06 to only 55,000 tonnes this year. The prices remained mostly steady today. However, the commodity is not likely to get much support from the domestic demand side, which has inclined towards other cheaper alternatives like peas and vegetables.

Spot Market Prices of Masoor (Rs/qtt)

| Center | 06.12.06 | 05.12.06 |
|-------------------------------|-----------|-----------|
| Delhi-MP/kota Line | 1950-1975 | 1950-1975 |
| Delhi- UP/Sikari | 2600-2650 | 2600-2650 |
| Kanpur local mill delivery | 1875-1980 | 1980 |
| Kanpur new- Braeilly Delivery | 2050 | 2040 |
| Kanpur- new Malka Dal | 2200 | 2175-2200 |
| Indore- Masra | 1870 | 1870 |
| Indore- Masoor New | 1860 | 1860 |
| Indore- Medium New | 1820 | 1820 |
| Bahraich-Masoor | 2950 | 2950 |
| Bahraich-Export Chanti | 3500 | 3500 |
| Kolkata (Truck delivery) | 3800 | 3800 |
| Masur Dal | 3100-3200 | 3100-3200 |

Port Watch

- Navios Astra has arrived at Mumbai port to discharge 51800MT peas. Lake Maja has also arrived at Mumbai port to offload 22415MT of peas. Vessel IVS Kwela is expected at Mumbai port to offload 30775 MT peas.
- Vessel 'Bianco Zealand' has also arrived and discharging 17,565 MT of peas. Hari & Co is handling this vessel. New Guardian has also arrived at the port to offload 10920 MT peas.

Forex rate as on 02.12.06

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 44.87 |
| European Union | Euro | 58.15 |
| Japan | 100 Yen | 38.57 |
| United Kingdom | GBP | 85.99 |

International Prices

(\$/ton) (CNF 90 days)

| Quality | Latest |
|--|---------|
| Burmese new Lemon (15% or 20% Weeviled) Tur Mumbai/Chennai | 320 |
| Burmese FAQ new Tur Mumbai/Chennai | 320 |
| Burmese Shwebo Tur Mumbai/Chennai | 320 |
| Tanzania Matwara Tur Mumbai/Chennai, | NA |
| Tanzania Arusha Tur Mumbai/Chennai, | 355-370 |
| Burmese FAQ Urad Mumbai/Chennai | 675 |
| Burmese SQ Urad Mumbai/Chennai | 820 |
| Burmese Pedishwa Mung Chennai/Mumbai | 680 |
| Burmese Anneshwar Mung Mumbai | 615 |
| Burmese Pokako Mung Mumbai/Chennai | 640-630 |
| Chinese above 3.5 mm grade Chennai | 750-760 |
| Australian Chickpea Chennai/Mumbai | 560 |

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