

PULSES

Dec 11-16, 2006

Highlights

Spot Markets

- Chana stockists releasing stocks
- Chana acreage increased this year
- Urad imports still costly
- Tur production expected to fall this year

Highlights

Futures Market

- NCDEX changed contract specifications for Chana futures expiring in May 2007 and thereafter. In these contracts Rajasthan and MP desi are deliverable in Delhi, Rajasthan is deliverable in Bikaner and MP Kantawalla is deliverable in Indore. Moreover, maximum content of foreign matter allowed has been increased to 2% from 1% in previous contracts; also a varietal admixture has been raised to 3% from 1% earlier.

Fundamentals

URAD:

Urad prices in domestic markets remained range bound during the week starting December 11. Supply is being supported the harvesting of Chhoti Urad in Orissa, whereas AP crop will come in January. Imports have almost dried up as Burmese Urad is being quoted high at \$700-710, even duty free status of imports are not helping much. Demand side was also calm during the period keeping the prices in a range. However demand is expected to improve ahead of festivals in January. So, there is some scope for the prices on the higher side on improved demand, which eventually come down with the start of harvesting in Andhra Pradesh.

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

| Date | Burma FAQ 2006 (Delhi) | Local Grade-UP/Bihar (Delhi) | Burma spot FAQ 2006 (Mumbai) |
|----------|------------------------|------------------------------|------------------------------|
| 11.12.06 | 3250 | 3500 | NA |
| 12.12.06 | 3250 | 3525 | NA |
| 13.12.06 | 3225 | 3500 | 3275 |
| 14.12.06 | 3250 | 3480 | 3300 |
| 15.12.06 | 3250 | 3500 | 3300 |
| 16.12.06 | 3250 | 3600 | 3276 |

Urad Prices in secondary markets

| QUALITY | 16.12.06 | 09.12.06 |
|----------|-----------|----------|
| Akola | 3250-3300 | 3300 |
| Indore | 3350 | 3400 |
| Gulbarga | 3450 | 3450 |

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

| Date | F A Q | S Q |
|------------|---------|-----|
| 09.12.2006 | 670-700 | 800 |
| 16.12.2006 | 700-710 | 825 |

TUR:

Tur is enjoying somewhat higher demand as compared to other major pulses. This healthy demand is supporting the prices at higher levels despite increasing arrivals. Burmese quotes of \$370 (Rs 1650) per ton for Lemon Tur is still not in parity, so there is no influx of imported Tur to put pressure on domestic prices. Stockists and millers are buying whatever Tur is reaching to the market yards. Apart from Karnataka, Maharashtra and MP is also witnessing sporadic harvest of the crop. With the poor crop expectation this year, any easing in the prices on increasing arrivals will prove to be a good buying opportunity for the stockists and big Industrial houses.

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

| Date | Burma Spot Delhi | Maharashtra Line (Delhi) | Burma Spot Mumbai |
|----------|------------------|--------------------------|-------------------|
| 11.12.06 | 1740 | 1900 | 1621 |
| 12.12.06 | 1700 | 1920 | 1621 |
| 13.12.06 | 1750 | 1925 | 1661 |
| 14.12.06 | 1825 | 2000 | 1661 |
| 15.12.06 | 1825 | 2000 | 1686 |
| 16.12.06 | 1800 | 2000 | 1675 |

Tur Prices in secondary markets

| QUALITY AND CENTRE NAME | 16.12.06 | 09.12.06 |
|---------------------------------------|-----------|-----------|
| Gulbarga - Red Tur | 1825-1850 | 2000 |
| Latur Red tur (Mh Line) | 2070 | 2000 |
| Latur White tur (Mh Line) | 2000 | 1850 |
| Jalna Red | 1625 | 1650 |
| Jalna White | 2010 | 1700 |
| Jalna BDM | 2050 | 1765 |
| Akola Red Marathwada Line (motor cut) | NA | 1860 |
| Akola Red Vidharbha Line (motor cut) | 1950 | 1885-1890 |

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

| DATE | Tanzania Arusha | Burmese (Lemon Tur, Weeviled 15%) |
|------------|-----------------|------------------------------------|
| 09.12.06 | 380 | 380 |
| 16.12.2006 | 380 | 370 |

MOONG:

Moong markets are witnessed slight firmness in the prices on the back of some improvement in demand ahead of Sankanti and Pongal festivals. Supply side is poor these days and arrivals in major mandis have decreased. However, the firmness is not going to last long as demand has become price elastic. Festive demand might provide some short-term support to the prices. Availability of cheaper vegetables in winter season is also weakening its demand at higher price. Further, international prices for Pokako and Aneshwar moong have firmed up, however there is not much import deal seen these days. The prices should hold these levels in short run ahead of festivals.

Latest prices in Delhi (Rs/qt.)

| Date | Kekdi/ Kishangarh (Delhi) | Medta(Delhi) |
|------------|---------------------------|--------------|
| 09.12.2006 | 3250 | 3350 |
| 16.12.2006 | 3200 | 3350 |

Prices at Secondary Centres (Rs/qt)

| Centres | 16.12.06 | 09.12.06 |
|----------|-----------|----------|
| Gulbarga | 3200 | 3200 |
| Latur | 3100 | 3000 |
| Jalna | 3100 | 3100 |
| Akola | 3200-3250 | 3100 |
| Kanpur | 3200 | 3100 |
| Indore | 3400 | 3300 |

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

| Date | Burmese Pokako | Burmese Annashewa | Burmese Pedishewa |
|------------|----------------|-------------------|-------------------|
| 09.12.2006 | 670-675 | 600-610 | Finished |
| 16.12.2006 | 680 | 615.620 | Finished |

CHICKPEAS:

Chana prices continue to see range bound movements in most of the domestic markets. Despite poor stocks the prices are contained, as demand is not pushy. Looking at prices sensitive demand and nearing harvesting season, importers are keeping themselves away from this commodity. However, Stockists waiting for higher prices would now offload their stock gradually, prior the harvesting season. So, it seems that the prices might remain steady to slightly firm in a short run depending upon the stockist's action. The prices will then gradually ease with the approach of harvesting season.

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

| Date | Rajasthan (Delhi) | Indore (Kantewala) |
|----------|-------------------|--------------------|
| 11.12.06 | 2850 | 2750 |
| 12.12.06 | 2850-2860 | 2750 |
| 13.12.06 | 2900 | 2750 |
| 14.12.06 | 2900 | 2775 |
| 15.12.06 | 2885 | 2775 |
| 16.12.06 | 2875 | 2760 |

Prices in Mandies of Maharashtra/ UP/ Karnataka

| Centres | 16.12.06 | 09.12.06 |
|-----------------------------|-----------|----------|
| Gulbarga New | 2550 | 2700 |
| Latur (Gauran) | 2550-2600 | 2500 |
| Latur (Annagiri) | 2700 | 2750 |
| Latur(G-12) | 2550-2600 | 2625 |
| Jalna (Gauran) | 2650 | 2650 |
| Jalna (Pila) | 2700 | 2800 |
| Akola (Mixed) motor cut | 2600 | 2650 |
| Akola new (Chapa) motor cut | 2700 | 2675 |
| Kanpur (mandi rates) | 2875 | 2890 |

MASOOR:

Masoor markets are witnessed slight firmness in the prices on the back of some improvement in demand ahead of Sankanti and Pongal festivals. Supply side is poor these days and arrivals in major mandis have decreased. There is a good export demand for Chhoti masoor from Bangladesh, however, with the government decision to open exports of masoor pending with CCP, demand is being fulfilled via illegal route. Further, the acreage of Masoor this year has fallen on account of increased seeding of Chana, this in conjunction with poor lentil production in Australian is supporting the prices.

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

| Date | MP/Kota Line (Delhi) | UP/Sikari (Delhi) |
|----------|----------------------|-------------------|
| 11.12.06 | 1950-1975 | 2650 |
| 12.12.06 | 1950-1975 | 2600-2650 |
| 13.12.06 | 1950 | 2600-2650 |
| 14.12.06 | 1950 | 2650 |
| 15.12.06 | 1950 | 2650 |
| 16.12.06 | 1950 | 2650 |

FIELD PEAS:

Field peas prices in the domestic markets are being guided by the quotes of imported counterpart these days. There is not much of desi peas left in the market to fulfill the demand and thus imported peas are proving good buffer for it. Duty free status of imports of pulses is also making Canadian and American peas attractive. Desi peas prices saw some improvement recently on account of depleting stocks. Whereas, the prices of Canadian and American origin white and green peas remained steady. The prices of peas are likely to remain steady to slightly firm until the onset of harvest in Chana and peas itself.

Peas Price Movement (Rs/qt)

| Offers | Kanpur New | Mumbai Peas(WC) |
|------------|------------|-----------------|
| 09.12.2006 | 1475 | 1271 |
| 16.12.2006 | 1510 | 1271 |

NEWS

NCDEX relaunches yellow pea futures contracts

The NCDEX relaunched yellow pea futures contract from 11th December 2006. The contracts are available for trade for January, February and March deliveries. The futures trading in yellow pea was earlier stopped on quality issues. In the new contract, domestic as well as Canadian yellow pea is eligible for deliveries; earlier domestic yellow pea

was not permitted for delivery. Three delivery centers are available namely Mumbai, Kanpur and Kolkata without any locational premium and discounts. Contract size is 10MT with Rs 1tick size. Quotes are in Rs per quintal.

Futures Market (NCDEX)

Chana

Bears continue to dominate the trade in Chana futures this week. Most active January contract washed away all the initial gains towards the end of the week, however the vigor is absent from the market at the stage. The MCX January contract traded in the range of Rs 2707-2785 with volume and open interest both declining. On the NCDEX January contract traded in the range of Rs 2731-2807 with sporadic good volumes.

PRICE DRIVERS:

Poor demand at higher prices

Stockists under pressure to offload their stocks

Importers not taking risk ahead of domestic crop

Increased acreage of Chana this Rabi season

OUTLOOK:

Short Term (One Week): Volatile in a shallow market

Medium Term (One Month): Steady to slightly weak ahead of harvesting in AP

Long Term (Three Months): Weak in harvesting season

Chana (NCDEX January Contract)

| | | | |
|-----------------|-----------------|--------------|------|
| Support-1 | 2656 | Support-2 | 2594 |
| Resistance-1 | 2762 | Resistance-2 | 2828 |
| Strategy | Sell on rallies | | |

Urad

Urad futures opened the week on a firm note and then gradually gave away most of the initial gains. The most active January contract at NCDEX saw the highs of 3318 on Tuesday and then it traded as low as 3185 late this week. Rumors of poor quality stocks in warehouse pressured traders with long positions to square off ahead of delivery of December contract, January contract also fell in conjunction with it. Volumes and open interest both dipped during the period. On the MCX January contract traded in the range of Rs 3227-3445 per quintal with healthy volumes.

PRICE DRIVERS:

Burmese Urad is still costly, despite duty free status of imports

Harvesting of Chhoti Urad is in progress in Orissa.

Harvesting is nearing in AP

Demand to revive ahead of Pongal

OUTLOOK:

Short Term (One Week): Slightly firm on festive demand

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

Long Term (Three Months): Weak in harvesting season

Urad (NCDEX January Contract)

| | | | |
|-----------------|------------------------------------|--------------|------|
| Support-1 | 3092 | Support-2 | 3040 |
| Resistance-1 | 3212 | Resistance-2 | 3346 |
| Strategy | Sell on rallies towards resistance | | |

Tur

Tur futures also saw churning action this week. The most active January contract witnessed sharp rally on Monday and then the contract saw a gradual fall throughout the week. The January contract at NCDEX surged to the highs of Rs 2010 on Tuesday continuing its bullish mood of previous week. The contract then retreated almost all the initial losses and saw the lows of Rs 1934 late this week. The volumes and open interest both increased during the period supporting the corrective action.

PRICE DRIVERS:

Harvesting is in progress in Karnataka

Crop expected to be short this year

Big industrial houses waiting for lower prices

Small stockists are active right from the beginning

Higher prices in international markets

OUTLOOK:

Short Term (One Week): Steady to slightly firm on stockists action

Medium Term (One Month): Moderately bearish in harvesting season of poor crop

Long Term (Three Months): Slightly firm as harvesting pressure will ease

Tur (NCDEX January Contract)

| | | | |
|-----------------|-------------------|--------------|------|
| Support-1 | 1880 | Support-2 | 1864 |
| Resistance-1 | 1987 | Resistance-2 | 2005 |
| Strategy | Buy on major dips | | |

Latest Vessel Position










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 09.12.06

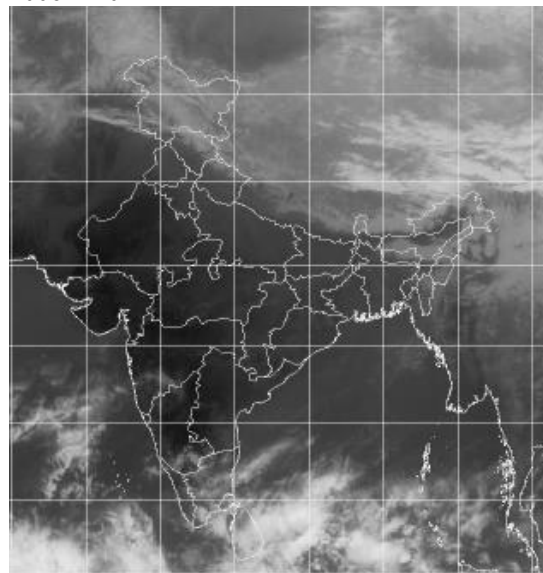
| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 44.79 |
| European Union | Euro | 58.70 |
| Japan | 100 Yen | 37.98 |
| United Kingdom | GBP | 87.66 |

Crop -Weather Impact

| Commodity | States | Crop Stage | Weather Forecast | Impact |
|---------------------------------|-------------|--------------------------|--|--------|
| Urad (Kharif + Rabi) | Andhra | Harvesting to start | Mainly Dry  | Good |
| | Orissa | Harvesting | Mainly Dry  | Good |
| Tur (Kharif) | Maharashtra | Maturing | Mainly Dry  | Good |
| | Karnataka | Harvesting | Mainly Dry  | Good |
| | Haryana | Harvesting | Mainly Dry  | Good |
| | MP | Maturing | Mainly Dry  | Good |
| | Rajasthan | Vegetative Growth | Mainly Dry  | Good |
| Chana (Kharif + Rabi) | MP | Vegetative Growth | Mainly Dry  | Good |
| | Karnataka | Flowering to Pod bearing | Mainly Dry  | Good |

Weather Map

2006-12-02



Source-IMD

Source-IMD

*Valid till 23rd Dec, 2006

| | | | | | |
|-------|--------|-------|-------|-------|-------|
| Total | 75,005 | 67157 | 93379 | 48960 | 84302 |
|-------|--------|-------|-------|-------|-------|

USDA

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 |

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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