

PULSES DAILY

URAD

FUNDAMENTALS

Urad prices in different domestic markets remained on the lower side as the market is still waiting for demand to perk up. Production in Orissa and AP is expected to go up this season provided favourable weather prevails. Arrivals are increasing in different mandis. Latur witnessed arrivals of 300 bags and Jalna 400 bags of Urad today. Fresh arrivals of Urad from Bihar and Orissa has started and is expected to cross 1 lakh ton, whereas AP crop is expected to be well above 2 lakh tonnes. Harvesting in TN is in progress, where production is expected to be around 6000 MT. Poor stockists activity, weaker demand and good expected production of forthcoming Andhra and Orissa crop are the main factors pressuring the prices at the stage. Milling activities are also not very aggressive at the stage due to high stockpiles of dal with them on account of weak demand at higher prices. Thus the prices are likely to go down gradually as the harvesting season progress.

Futures Market Commentary

Urad on the NCDEX futures market traded bearish throughout the day. Urad January futures contract started on a bearish note with a gap down of Rs 31 at Rs 2977 as against Saturday's close of Rs 3008 and thereafter did not look up and fell sharply to hit the lower circuit and was lowest at Rs 2872 during the day. The trading for the day finally managed to culminate at Rs 2910. The volumes traded during the day increased.

Price Drivers

Poor stockists activity
Imports almost dried up
Demand expected to revive ahead of Pongal
Healthy crop of AP and Orissa lining up for harvest

December 27, 2006

TECHNICALS

NCDEX -January Contract

Urad charts are displaying continued downtrend of prices. Candlesticks are indicating bearish sentiments prevailing in the market. Prices closed below short term EMA's; momentum studies are in the favor of bears. However, stochastic is in oversold region. The prices might remain volatile with bearish inclination.



Support / Resistances:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| Jan | 2870 | 2840 | 2910 | 2950 | 2975 |

Trade Recommendation:

Sell Jan Urad below 2930 with target towards 2885 and then 2870. Put SL at 2965.

Spot Market Prices of Urad

(Rs/mtl)

| Origin/Grade | Center | 26.12.06 | 23.12.06 | Change |
|-----------------|----------|-----------|----------|--------|
| Burma Faq | Mumbai | 3125 | 3180 | -55 |
| Burma Faq | Delhi | 3200 | 3200 | - |
| Desi (UP) | Delhi | 3100 | 3100 | - |
| Desi (MH) | Delhi | 3500-3550 | 3600 | -50 |
| Desi (new Crop) | Akola | 3150 | 3200 | -50 |
| Desi (New Crop) | Gulbarga | 3250 | 3300 | -50 |
| Desi (New Crop) | Latur | 3450 | 3500 | -50 |
| Desi (New Crop) | Jalna | 3000-3100 | 3200 | -100 |
| Desi (New Crop) | Indore | 3300 | 3350 | -50 |

CHANA

FUNDAMENTALS

Chana markets continued to observe weak sentiments at most of the major trading centers. Fresh arrivals of G12 Chana have started in MH and Karnataka and Annagiri Chana in Gulbarga (1000 bags). Since the acreage this year is higher, production is also expected to be more. In the futures markets, traders see the wide difference between January and February contract prices and strategies are selling January contract and buying February. There is very little scope for February contract on upper side, as the arrivals of Desi Chana will begin by the beginning of February. Prices are most likely to remain weak as the harvesting gains momentum.

Futures Market Commentary

Chana futures at NCDEX traded mostly downwards after initial weak opening. January futures of Chana started the session at Rs 2585 a quintal and then the prices never go up. Increased selling interest among the investors slid down the futures and tested contract months' lows of Rs 2495 a quintal finally future settled with losses of Rs. 63 at Rs 2522 a quintal. The volumes traded remained healthy at 104,540 MT.

Price Drivers

Bullish

Depleting stocks
No fresh imports
Higher quotes by exporters

Bearish

Stockists offloading their stocks
Fresh arrivals in Karnataka and MH

Weather

Weather is congenial for the vegetative growth of the crop.

TECHNICALS

NCDEX -February Contract

Chana charts are displaying a downtrend prevailing in the market. Candlesticks pattern are indicating bearishness. The short term EMA pattern is in favor of bears. MACD has made a bearish crossover indicating bearish momentum. Stochastic has made a bearish crossover in the neutral zone. The prices are most likely to remain weak.



Support / Resistances:

| Contr act | S1 | S2 | PCP | R1 | R2 |
|-----------|------|------|------|------|------|
| Feb | 2287 | 2275 | 2304 | 2320 | 2330 |

Trade Recommendation:

Sell NCDEX Chana Feb contract below 2315 with target of 2290 and then 2275 Put SL at 2335.

Spot Market Prices of Chana

| Origin/Grade | Center | 26.12.06 | 23.12.06 | (Rs/qtl) Change |
|----------------|--------|-----------|-----------|-----------------|
| Rajasthan Desi | Delhi | 2500-2600 | 2700 | -100 |
| MP Desi | Delhi | 2550 | 2650 | -100 |
| Kantewala | Indore | 2550 | 2600 | -50 |
| Desi | Kanpur | 2575-2600 | 2675-2700 | -100 |
| Mixed | Akola | 2600 | 2600 | - |
| Chapa | Akola | 2600-2625 | 2625 | - |
| Gauran | Latur | 2450 | 2500 | -50 |
| Annagiri | Latur | 2600 | 2600 | - |
| G-12 | Latur | 2700 | 2700 | - |
| Gauran | Jalna | 2450-2500 | 2550-2600 | -50 |
| Pila | Jalna | 2650 | 2700 | -50 |

TUR

FUNDAMENTALS

Tur markets witnessed firm prices today. Arrivals are picking up in Karnataka, at the same time Maharashtra markets are also seeing good arrivals these days. MP Tur has started reaching the market and about 2000 bags of Tur arrived in Indore market today. Further, Gulbarga is witnessing arrivals to the tune of 12000 bags. Despite better demand harvesting of new crop might pressurize the prices at the stage. However, the prices are not see ground levels as stockists buying might emerge. Poor production expected this year is likely to keep the prices optimistic. Once the arrivals gain momentum in MH and MP, the prices are expected to come down a bit.

Futures Market Commentary

Tur futures at NCDEX traded upwards today. Tur January futures started initial firmness today at Rs. 1840 a quintal. However, speculative buying at lower level pushes the prices highs of Rs. 1910 and hits upper circuit of 4 % before finally closing the session at Rs 1908. February futures of Tur started the session slightly week at Rs 1880 and traded in the range of Rs. 1880 - 1976 per quintal before finally closing the session at Rs 1874.

Price Drivers

Bullish

Good demand from millers
Production is expected to dip this year
Import prices are above the parity levels

Bearish

Arrivals increasing in Karnataka
Fresh Arrivals in MP and MH

Weather

Weather is congenial for Tur harvest in major producing states; slightly cloudy weather in southern part of the country is not likely to affect much the Tur crop there.

TECHNICALS

NCDEX -February Contract

Tur prices surged succeeding its previous days attempt to recover. Candlesticks are indicating presence of strong bullish sentiments in the market. The prices closed above 9 days and 18 days EMA's. MACD has made a bullish crossover in negative zone. Oscillators are rising in neutral region. The prices might remain volatile during the session.



Support / Resistances:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| Feb | 1940 | 1920 | 1974 | 2010 | 2020 |

Trade Recommendation:

Buy NCDEX Tur Desi Feb contract above 1950 with target towards 1985 and then 1995. Put SL at 1925.

Spot Market Prices of Tur

(Rs/qrtl)

| Origin/Grade | Center | 26.12.06 | 23.12.06 | Change |
|-----------------|----------|-----------|-----------|--------|
| Burmese Lemon | Mumbai | 1650-1660 | 1650 | - |
| Burmese Lemon | Delhi | 1750-1800 | 1750 | - |
| Maharashtra tur | Delhi | 1900-1950 | 1900 | - |
| Karnataka tur | Delhi | 2000 | 2000 | - |
| Red tur(New) | Gulbarga | 1925-1950 | 1850 | +75 |
| Fatka Dall | Gulbarga | 2850 | 2800 | +50 |
| Red Tur | Latur | 2000 | 1950 | +50 |
| White Tur | Latur | 1900 | 1850-1900 | - |
| Red | Jalna | 1650 | 1650 | - |
| White | Jalna | 1900 | 1850-1900 | - |
| Red Tur | Indore | 2000 | 1950 | +50 |
| Vidharpatta | Akola | 1930-1950 | 1930-1950 | - |
| Marathwada | Akola | NA | NA | - |

OTHERS

Moong

Moong prices remained steady at different domestic markets. The commodity is in short supply these days due to off-season and lower production estimates. Orissa crop is the only major crop in pipeline in the near future, which is along with small crop of UP will be fulfilling the market demand to some extent. The stocks are not good due to lower production this year on account of poor acreage. Further, the prices of Burmese Anneshwar and Pokako Moong increased to \$620 and \$680 respectively preventing any import deals. Thus, supply side of the commodity is weak; at the same time some improvement in demand due to coming festivals is likely to underpin the prices. However, there is not much scope for the prices on the higher side as harvesting season in other substitute pulses might contain them.

Spot Market Prices of Moong (Rs/qtt)

| Origin/Grade | Center | 26.12.06 | 23.12.06 |
|------------------------|-----------|----------|----------|
| Kekdi/kishangarh (Raj) | Delhi | 3250 | 3250 |
| Shekhavati (Raj) | Delhi | NA | NA |
| Medta (Raj) | Delhi | 3350 | 3350 |
| Desi | Indore | 3350 | 3350 |
| Desi | Gulbar ga | 3200 | 3200 |
| Chamki | Jalna | 3100 | 3100 |
| Chamki | Latur | 3100 | 3100 |
| Chamki | Akola | 3200 | 3200 |

Field Peas

Field peas prices are getting much support from the good demand at the stage, however they are expected to come down in the coming time with the progress of harvest in Peas. Demand for field peas is good as it is proving to be a good substitute for scarce Chana and other pulses at the moment. Despite high prices of imported peas, it is the most lucrative option among the pulses with the Indian importer. Acreage of the crop has dropped this year, which is also supporting higher prices as guided by imported counterpart.

Spot Market Prices of Pea (Rs/qtt)

| Center | Variety | 26.12.06 | 23.12.06 |
|--------|----------------|----------|----------|
| Mumbai | White.Can | 1275 | 1261 |
| Mumbai | White American | 1325 | 1311 |
| Mumbai | Green Can | 1375 | 1375 |
| Mumbai | Green American | 1450 | 1451 |
| Kanpur | Desi | 1500 | 1490 |

Masoor

Masoor markets are continuously witnessing steady prices these days. Acreage of Masoor this year is seen 7.95 lakh hectare as compared to 7.0 lakh hectares in the previous season. The market is keenly eyeing the decision of CCP on export of Masoor. It is election time in Bangladesh and after that some enquiries are expected from the country. If CCP allows export of masoor the prices might increase to some extent until then the prices are likely to remain steady to slightly weak.

Spot Market Prices of Masoor (Rs/qtt)

| Center | 26.12.06 | 23.12.06 |
|-------------------------------|-----------|-----------|
| Delhi-MP/kota Line | 1900 | 1900 |
| Delhi- UP/Sikari | 2500 | 2500 |
| Kanpur local mill delivery | 1925 | 1950 |
| Kanpur new- Braeilly Delivery | 2000 | 2000 |
| Kanpur- new Malka Dal | 2125 | 2125-2150 |
| Indore- Masra | 1775 | 1825 |
| Indore- Masoor New | 1780 | 1800 |
| Indore- Medium New | 1700 | 1725 |
| Bahraich-Masoor | 2850 | 2875 |
| Bahraich-Export Chanti | 3425-3450 | 3450 |
| Kolkata (Truck delivery) | 3750-3775 | 3750-3775 |
| Masur Dal | 3100-3150 | 3100-3150 |

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 has reached at Mumbai port to offload 19082 MT peas. Eid-E-Mostafa-VI is expected to reach Mumbai port to discharge 2000MT of Pulses. Sai Freigh Agent will be handling the vessel.

Forex rate as on 26.12.06

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 44.54 |
| European Union | Euro | 58.45 |
| Japan | 100 Yen | 37.45 |
| United Kingdom | GBP | 87.25 |

International Prices

(\$/ton) (CNF 90 days)

| Quality | Latest |
|--|----------|
| Burmese new Lemon (15% or 20% Weeviled) Tur Mumbai/Chennai | 370 |
| Burmese FAQ new Tur Mumbai/Chennai | 345 |
| Burmese Shwebo Tur Mumbai/Chennai | 345 |
| Tanzania Matwara Tur Mumbai/Chennai, | 335 |
| Tanzania Arusha Tur Mumbai/Chennai, | 380-385 |
| Burmese FAQ Urad Mumbai/Chennai | 700-710 |
| Burmese SQ Urad Mumbai/Chennai | 825 |
| Burmese Pedishwa Mung Chennai/Mumbai | Finished |
| Burmese Anneshwar Mung Mumbai | 615-620 |
| Burmese Pokako Mung Mumbai/Chennai | 650 |
| Chinese above 3.5 mm grade Chennai | 790-795 |
| Tanzanian Chickpea Chennai/Mumbai/ | 625 |

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