

## PULSES DAILY

December 06, 2006

### URAD

#### FUNDAMENTALS

Trade in Urad was lacklustre today in most of the spot markets. The prices remained steady to slightly weak on account of weakness in demand from millers. 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. According to market rumours, government has extended the duty free import of pulses to August 31 from 31st March 2007. 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 initially downside after slightly weak opening. January futures started the session at Rs 2951 and then the prices fall to the lows of Rs 2905 per quintal. However, buying support at lower levels pushed the prices to the highs of Rs. 3068 and finally ended the session with a moderate profit at Rs 3028. The bounce back was well supported by a good volume of 55360 MT. Open interest also inched higher.

#### Price Drivers

##### Bearish

Rumours that govt extended duty free imports of pulses to 31<sup>st</sup> August

Low demand of Dali 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 futures are looking weak even after slight bounce back today. Long shadows of candlestick body show indecision in the market sentiments. Prices closed well below EMAs thus indicating negative sentiments; MACD is indicating increase in bearish momentum. Stochastic Oscillator however is on the verge of giving bullish signal in oversold zone. The contract might witness volatile movement of prices.



#### Support / Resistances:

Contract	S1	S2	PCP	R1	R2
Jan	2950	2918	3028	3100	3153

#### Trade Recommendation:

Sell Jan Urad below 3065 with target towards 2975 and then 2950. Put SL at 3115.

#### Spot Market Prices of Urad

(Rs/qrtl)

Origin/Grade	Center	05.12.06	04.12.06	Change
Burma Faq	Mumbai	3250	3250	-
Burma Faq	Delhi	3275	3250-3300	-
Desi (UP)	Delhi	3100	3100	-
Desi (MH)	Delhi	3600	3650	-50
Desi (new Crop)	Akola	3250-3300	3350	-50
Desi (New Crop)	Gulbarga	3300	3350	-50
Desi (New Crop)	Latur	3550	Close	-
Desi (New Crop)	Jalna	3100-3200	3200	-
Desi (New Crop)	Indore	3450	3450	-

## CHANA

### FUNDAMENTALS

Chana prices remained stand still at most of the spot markets. 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 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 witnessed roller coaster movements today. Chana futures at NCDEX started the session weak today at Rs. 2716 and then the prices dipped to the lows of Rs. 2705 per quintal. Speculative buying at lower levels then took the prices to the highs of Rs 2759. The futures finally culminated the session at Rs 2744 a quintal.

### 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. MACD is showing increasing 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	2744	2805	2822

### Trade Recommendation:

Sell NCDEX Chana Jan contract below 2760 with target of 2705. Second target 2680. Put SL at 2790.

### Spot Market Prices of Chana

(Rs/qtl)

Origin/Grade	Center	05.12.06	04.12.06	Change
Rajasthan Desi	Delhi	2850-2860	2850	-
MP Desi	Delhi	NA	NA	-
Kantewala	Indore	2750	2750	-
Desi	Kanpur	2900	2900	-
Mixed	Akola	2600	2650	-50
Chapa	Akola	2700	2700	-
Gauran	Latur	2500	Close	-
Annagiri	Latur	2750	Close	-
G-12	Latur	2600	Close	-
Gauran	Jalna	2650	2650	-
Pila	Jalna	2750	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. If the rumors of government extension of duty free imports to 31st August prove to be correct, the off-season prospects of Tur might not be as rosy as it is looking currently.

#### Futures Market Commentary

Tur futures at NCDEX recouped after initial weakness today. January futures of Tur at NCDEX started the session weak at Rs 1863 and the prices then surge to Rs 1900 on speculative buying. However, decreased buying interest at higher level pressurized the futures to close the session with moderate profit of Rs 21 at Rs 1884 a quintal. The bounce back seems temporary, as it was not backed by good volumes.

#### 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 31<sup>st</sup> 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. 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	1884	1944	1965

#### Trade Recommendation:

Sell NCDEX Tur Desi Jan contract below 1900 with target towards 1869 and 1852. Put SL at 1920.

### Spot Market Prices of Tur

(Rs/qtl)

Origin/Grade	Center	05.12.06	04.12.06	Change
Burmese Lemon	Mumbai	1621	1621	-
Burmese Lemon	Delhi	1775	1850	-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	2000	Close	-
White Tur	Latur	1850	Close	-
Red	Jalna	1650	1650	-
White	Jalna	1800-1900	1750-1800	-
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	05.12.06	04.12.06
Kekdi/kishangarh (Raj)	Delhi	3250-3300	3250-3350
Shekhavati (Raj)	Delhi	NA	NA
Medta (Raj)	Delhi	3400	3300
Desi	Indore	3300	3300
Desi	Gulbar ga	3100-3200	3200
Chamki	Jalna	3150	3100
Chamki	Latur	2850	Close
Chamki	Akola	3150-3175	3150-3200

### 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	05.12.06	04.12.06
Mumbai (W.Canadian)	1251	1251
Kanpur	1480	1480-1485

### 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	05.12.06	04.12.06
Delhi-MP/kota Line	1950-1975	1950-1975
Delhi- UP/Sikari	2600-2650	2650
Kanpur local mill delivery	1980	1975
Kanpur new- Braeilly Delivery	2040	2040
Kanpur- new Malka Dal	2175-2200	2175-2200
Indore- Masra	1870	1860
Indore- Masoor New	1860	1850
Indore- Medium New	1820	1750
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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