

PULSES DAILY

URAD

December 22, 2006

FUNDAMENTALS

Urad prices remained stand still at most of the centres Wednesday. Prices are holding the levels in physical markets on account of Pongal demand according to the trade sources. However, most of the traders are seeing weaker prices in the coming time as and when the harvesting starts in AP and Orissa. Crop is expected to be good this year in these two states, provided the weather remains favourable. Weather is a big factor in Urad, as the crop is very susceptible to bad weather conditions, particularly during maturity stage. Orissa harvests about 40000 MT Urad under normal circumstances, whereas AP produces 2 Lakh tonnes. Burmese crop is also expected to be good this year, which will be harvested in late February onwards. The prices might get some temporary support from festive demand, which is likely to go down eventually.

Futures Market Commentary

Urad futures at NCDEX traded upward today. January futures of Urad started the session week at Rs 3080 then dipped to the lows of Rs 3070. However, increased buying interest at lower level push the prices to the highs of Rs. 3118 before finally closing the session with moderate profits of Rs. 20 at Rs 3100 a quintal. Volumes traded declined to 14,420 MT as compare to 26,570 MT on Wednesday, whereas open interest decreases marginally.

Price Drivers

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

Weather

Weather is suitable for maturing Urad in Orissa and AP.

TECHNICALS

NCDEX -January Contract

Urad futures are in trader's remorse these days and thus trading sideways. Prices closed below EMAs, which shows weakness in the market is intact. Stochastic are also negative in neutral region. MACD is running flat in negative territory. The prices are likely to trade with bearish bias.



Support / Resistances:

| Contr act | S1 | S2 | PCP | R1 | R2 |
|-----------|------|------|------|------|------|
| Jan | 3052 | 3000 | 3100 | 3168 | 3222 |

Trade Recommendation:

Sell Jan Urad below 3125 with target towards 3080 and then 3060. Put SL at 3155.

Spot Market Prices of Urad

(Rs/qtl)

| Origin/Grade | Center | 21.12.06 | 20.12.06 | Change |
|-----------------|----------|----------|-----------|--------|
| Burma Faq | Mumbai | 3210 | 3200 | +10 |
| Burma Faq | Delhi | 3250 | 3250 | - |
| Desi (UP) | Delhi | 3100 | 3100 | - |
| Desi (MH) | Delhi | 3550 | 3550 | - |
| Desi (new Crop) | Akola | 3250 | 3250-3300 | - |
| Desi (New Crop) | Gulbarga | 3400 | Closed | - |
| Desi (New Crop) | Latur | 3550 | Closed | - |
| Desi (New Crop) | Jalna | 3200 | Closed | - |
| Desi (New Crop) | Indore | 3400 | Closed | - |

CHANA

FUNDAMENTALS

Chana markets continue to observe weak sentiments at most of trading centers. Arrivals of G12 Chana have started in Latur (150 Bags) and Gulbarga (100). Annagiri is also likely to hit the market by mid January onwards. The prices of Australian chickpea at Mumbai also dipped Rs 25 slightly to Rs 2671 per quintal. Stockists are also releasing their stocks gradually in order to lock in the current rates. In the futures markets, traders seem lured by the wide gap between January and February contract prices. are selling January contract and buying February. This seems a risky proposition as there is very little scope for February contract on upper side as Maharashtra crop is expected by that time, whereas January contract can move either way in a current shallow market situation of poor demand and supply.

Futures Market Commentary

Chana futures at NCDEX traded negative side today and recovered some of the early days losses. Chana January futures started the session slightly firm at Rs. 2645 a quintal and then prices never looked back and dipped to lows of Rs. 2613 before finally culminated the session with slightly losses of Rs. 7 at Rs 2638 a quintal. Volumes traded declined to 100,690 MT.

Price Drivers

Bullish

Depleting stocks
No major fresh import deals
Higher quotes by exporters

Bearish

Price elastic demand

Weather

Weather is congenial for the vegetative growth of the crop. Cloudy weather in southern part of the country might attract the pod borers in Chana, if it persists for long.

TECHNICALS

NCDEX -January Contract

Chana charts are showing continued weakness in the market. Stochastic are negative in neutral zone. MACD is running flat in negative zone. Candlestick has formed a doji pattern, which shows tentativeness at lower levels. The prices are likely to see movements with bearish inclination; some tentativeness at lower levels can be seen as contract is near its lifetime lows.



Support / Resistances:

| Contr act | S1 | S2 | PCP | R1 | R2 |
|-----------|------|------|------|------|------|
| Jan | 2600 | 2585 | 2638 | 2687 | 2701 |

Trade Recommendation:

Sell NCDEX Chana Jan contract below 2650 with target of 2615 and then 2600 Put SL at 2672.

Spot Market Prices of Chana

| Origin/Grade | Center | 21.12.06 | 20.12.06 | (Rs/qtl) Change |
|----------------|--------|-----------|-----------|-----------------|
| Rajasthan Desi | Delhi | 2700-2750 | 2700-2750 | -50 |
| MP Desi | Delhi | NA | NA | - |
| Kantewala | Indore | 2650 | Closed | - |
| Desi | Kanpur | 2775 | 2800 | -25 |
| Mixed | Akola | 2600 | 2625 | -25 |
| Chapa | Akola | 2625 | 2650 | -25 |
| Gauran | Latur | 2500 | Closed | - |
| Annagiri | Latur | 2650 | Closed | - |
| G-12 | Latur | 2650-2675 | Closed | - |
| Gauran | Jalna | 2500 | Closed | - |
| Pila | Jalna | 2650 | Closed | - |

TUR

FUNDAMENTALS

Tur continue to witness slightly weak sentiment in the most of the spot markets as harvesting is gathering momentum. MP Tur has started reaching the market yards. About 5000-8000 bags of Tur arrived in market today. Further, Gulbarga is witnessing arrivals to the tune of 25000 bags. As the production of Tur is expected to fall this year by about 15 -20% (according to the trade sources), demand for the commodity is healthy right from the start of the season. However, there is still some scope for the prices on down side in the peak-harvesting season.

Futures Market Commentary

Tur futures at NCDEX traded mostly on the negative side continuing its recent bearish trend. The most active January futures of Tur started the session week at Rs 1875 and traded in the range of Rs. 1840 - 1881 per quintal before finally closing the session with a loss of Rs 28 at Rs 1847. The volumes decrease today whereas open interest slightly increases.

Price Drivers

Bullish

Good demand from stockist

Production is expected to dip this year

Import prices are above the parity levels

Bearish

Arrivals increasing in Karnataka

Fresh Arrivals in MP

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 -January Contract

Tur futures are in bearish posture, however overbought levels warrants some caution on the part of bears. Double top formation favours the further weakness in the prices. The prices closed well below EMAs, which show weakness in the market. MACD has entered in negative zone, which is a bearish sign. Stochastic are also negative in the oversold zone. Tur futures might continue its downward journey.



Support / Resistances:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------|------|------|------|------|------|
| Jan | 1815 | 1801 | 1847 | 1876 | 1901 |

Trade Recommendation:

Sell NCDEX Tur Desi Jan contract below 1857 with target towards 1833 and then 1822 Put SL at 1863

Spot Market Prices of Tur

(Rs/qrtl)

| Origin/Grade | Center | 21.12.06 | 20.12.06 | Change |
|-----------------|----------|-----------|----------|--------|
| Burmese Lemon | Mumbai | 1625 | 1625 | - |
| Burmese Lemon | Delhi | 1750 | 1750 | - |
| Maharashtra tur | Delhi | 1950 | 1950 | - |
| Karnataka tur | Delhi | NA | NA | - |
| Red tur(New) | Gulbarga | 1825 | Closed | - |
| Fatka Dall | Gulbarga | 2750 | Closed | - |
| Red Tur | Latur | 2000 | Closed | - |
| White Tur | Latur | 1950 | Closed | - |
| Red | Jalna | 1600 | Closed | - |
| White | Jalna | 1850-1900 | Closed | - |
| Red Tur | Indore | 1950 | Closed | - |
| Vidharpatta | Akola | 1950 | 1950 | - |
| Marathwada | Akola | NA | NA | - |

OTHERS

Moong

Moong saw steady prices at different markets. The commodity is in short supply these days due to off-season and lower production. Orissa crop is the only major crop in the coming time, which in conjunction with small crop of UP be fulfilling the market demand to some extent. As the stocks are not good in the commodity due to lower production this year on account of poor acreage. Further, quote for Burmese Anneswar and Pokako Mung 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 pulses in the coming time might contain them.

Spot Market Prices of Moong (Rs/qtt)

| Origin/Grade | Center | 21.12.06 | 20.12.06 |
|------------------------|-----------|----------|-----------|
| Kekdi/kishangarh (Raj) | Delhi | 3200 | 3200 |
| Shekhavati (Raj) | Delhi | NA | NA |
| Medta (Raj) | Delhi | 3300 | 3300 |
| Desi | Indore | 3425 | Closed |
| Desi | Gulbar ga | 3200 | Closed |
| Chamki | Jalna | 3200 | Closed |
| Chamki | Latur | 3100 | Closed |
| Chamki | Akola | 3200 | 3200-3250 |

Field Peas

Field peas prices are getting some support from the good demand. Demand for field peas is good as it is proving to be a good substitute for scarce Chana and other pulses. Despite slight increase in prices of imported peas (green and white), 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 | 21.12.06 | 20.12.06 |
|--------|----------------|-----------|-----------|
| Mumbai | White.Can | 1261-1271 | 1261-1271 |
| Mumbai | White American | 1301 | 1301 |
| Mumbai | Green Can | 1350-1375 | 1350-1375 |
| Mumbai | Green American | 1375-1400 | 1375-1400 |
| Kanpur | Desi | 1490 | 1480 |

Port Watch

Masoor

Masoor markets are witnessing steady prices these days. 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 for Masoor. If CCP allows export of the masoor prices might find wings to fly on. Until then the prices are likely to remain steady to slightly weak. Acreage of Masoor this year is seen 7.95 lakh hectare as compared to 7.0 lakh hectares in the previous season. But, as the crop is quite sensitive to the climatic conditions, it will be too early to say any thing about the production.

Spot Market Prices of Masoor (Rs/qtt)

| Center | 21.12.06 | 20.12.06 |
|-------------------------------|-----------|-----------|
| Delhi-MP/kota Line | 1925-1950 | 1925-1950 |
| Delhi- UP/Sikari | 2500 | 2500 |
| Kanpur local mill delivery | 1940 | 1960 |
| Kanpur new- Braeilly Delivery | 2000 | 2020 |
| Kanpur- new Malka Dal | 2150 | 2150 |
| Indore- Masra | 1840 | Closed |
| Indore- Masoor New | 1810 | Closed |
| Indore- Medium New | 1735 | Closed |
| Bahraich-Masoor | 2875 | 2900 |
| Bahraich-Export Chanti | 3425 | 3450 |
| Kolkata (Truck delivery) | 3775-3800 | 3800 |
| Masur Dal | 3100-3200 | 3100-3200 |

- 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 Freight Agent will be handling the vessel.

Forex rate as on 13.12.06

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 44.83 |
| European Union | Euro | 59.52 |
| Japan | 100 Yen | 38.31 |
| United Kingdom | GBP | 88.30 |

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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