

## PULSES

Dec 26-30, 2006

### Highlights

#### Spot Markets

- Tur production likely to fall this year
- Chana acreage estimated 76 lakh hectares against 69.05 lakh hectares last year
- Harvesting of Urad in Orissa started, AP crop lining up for harvest

### 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 witnessed gradual easing in the prices during the week starting December 24. The whole scenario in Urad seems bearish at the stage with early start of harvesting in Orissa ensuring supply for near term demand. Crop in Andhra Pradesh is also near maturity stage. Further, government is importing pulses through NAFED and MMTC to be delivered during February-April period to curb the prices. So, domestic production and government imports are likely to keep the prices on the softer side in the coming time. Also, as the imports of pulses are free of duty till 31st August this year, any surge in prices would make imports attractive. Currently, imports are slightly costly, as Burmese urad is costing near \$650 for a ton; however, with the onset of harvest in the country it is likely to come down. So, the prices are likely to ease in the coming time as harvesting gets momentum in Orissa.

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

Date	Burma FAQ 2006 (Delhi)	Local Grade-UP/Bihar (Delhi)	Burma spot FAQ 2006 (Mumbai)
26.12.06	3200	3100	3125
27.12.06	3250	3100	3100
28.12.06	3200	3100	3050
29.12.06	3200	3050	3050
30.12.06	3150	3000	3075-3100

### Urad Prices in secondary markets

QUALITY	23.12.06	30.12.06
Akola	3300	3000
Indore	3350	3100
Gulbarga	3300	3200

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

Date	F A Q	S Q
23.12.2006	700-710	825
30.12.2006	700-710	825

### TUR:

Tur prices remained steady to slightly firm at most of the trading centers as healthy demand for fresh Tur supported the prices. Arrivals decreased in Gulbarga, whereas arrivals in MP and MH are picking up gradually. Demand for Tur from millers is healthy; also some MNCs were seen buying Tur in MH late this week. As the production of Tur is expected to fall by about 40% this year, (according to traders), most of the market players are optimistic about the future prices of Tur. Imports are still proving costly and there were no fresh deals seen in Tur imports. Tanzanian Arusha Tur is being quoted at \$405 per ton. However, government is preparing itself for any kind of shortage of pulses to curb the prices. In the same line MMTC has floated tender to import 15000 MT pulses including 5000 MT Tur for February delivery. As the quantity imported is small, it is not likely to affect the prices in a big way. Tur prices are likely to remain hot in the off-season depending upon the bulk of duty free imports.

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

Date	Burma Spot Delhi	Maharashtra Line (Delhi)	Burma Spot Mumbai
26.12.06	1750	1900	1650-1660
27.12.06	1650	1850	1675

28.12.06	1650	1850	1650
29.12.06	1650	1850	1675
30.12.06	1700	1825	1675

#### Tur Prices in secondary markets

QUALITY AND CENTRE NAME	23.12.06	30.12.06
Gulbarga - Red Tur	1850	1950
Latur Red tur (Mh Line)	1950	2000
Latur White tur (Mh Line)	1850-1900	1950
Jalna Red	1650	1750
Jalna White	1850-1900	1850-1875
Jalna BDM	1900	1900
Akola Red Marathwada Line (motor cut)	1930-1950	1875-1880
Akola Red Vidharbha Line (motor cut)	NA	NA

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

DATE	Tanzania Arusha	Burmese ( Lemon Tur, Weeviled 15%)
23.12.2006	380-385	370
30.12.2006	380-385	370

#### MOONG:

Moong markets witnessed slight firmness in the prices on the back of some improvement in demand ahead of festivals and depleting stocks. Supply side is poor these days and arrivals in major mandis have decreased. However, the firmness is not going to last long, as harvesting in other pulses is likely to pour some bearish sentiments in moong too. 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 Aneshwar moong is hovering around Rs 3000 per quintal, however there is no major import deal seen these days. The prices should hold these levels in short run.

#### Latest prices in Delhi (Rs/qt.)

Date	Kekdi/ Kishangarh (Delhi)	Medta(Delhi)
23.12.2006	3250	3350
30.12.2006	3275	3350

#### Prices at Secondary Centres (Rs/qt)

Centres	23.12.06	30.12.06
Gulbarga	3200	3200
Latur	3100	3100
Jalna	3100	3100
Akola	3200	3100

Kanpur	3150	3100
Indore	3350	3150-3200

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

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishewa
23.12.2006	650	615-620	Finished
30.12.2006	650	615-620	Finished

#### CHICKPEAS:

Chana prices eased further during this week as harvesting in Karnataka is gathering momentum. Harvesting of Desi Chana has also started in some patches of Maharashtra and arrivals of 200 bags were seen in Maharashtra late this week. Though, import scene is lack luster due to higher quotes by exporters (Australia-\$560/ton), domestic supply is now improving to bring down the prices to more justified levels. Further, stockists are also under pressure to offload their stocks as fresh crop has started tapping the markets. Crop this year is expected to be bumper and is likely to come around 60 lakh tonnes, according to trade sources. Arrivals of G12 and Annagiri Chana have increased to the tune of 2500 bags in Gulbarga, which is lending bearish sentiments to the Chana markets. So, it seems that the prices might gradually come down in the harvesting season.

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

Date	Rajasthan (Delhi)	Indore (Kantewala)
26.12.06	2500	2550
27.12.06	2500	2500
28.12.06	2450	2450
29.12.06	2400-2450	2475
30.12.06	2525	2500

#### Prices in Mandies of Maharashtra/ UP/ Karnataka

Centres	23.12.06	30.12.06
Gulbarga New	2500	2350
Latur (Gauran)	2500	2450
Latur (Annagiri)	2600	2500
Latur(G-12)	2700-2750	2500-2550
Jalna (Gauran)	2600-2650	2425-2450
Jalna (Pila)	2700	2550
Akola (Mixed) motor cut	2600	2550
Akola new (Chapa) motor cut	2625	2600
Kanpur (mandi rates)	2675	2500

## MASOOR:

Masoor markets witnessed slight easing in the prices this week as start of harvest in major pulses lent some bearish sentiments to the Masoor markets too. Domestic demand in the season of cheaper vegetables is not high enough to push the prices higher. Further, as the CCP has not permitted export of Masoor so far, the prices are not getting any support from the healthy export demand. If CCP gives its nod for export, the prices will definitely see some firmness, until then prices are likely to remain steady to slightly weak.

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

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
26.12.06	1900	2500
27.12.06	1900-1925	2450-2500
28.12.06	1925-1950	2500
29.12.06	1900-1925	2500
30.12.06	1925	2500

## FIELD PEAS:

Field peas prices in the domestic markets remained slightly firm as depleting domestic stocks and higher international prices kept underpinning the prices. Scenario is slightly bullish for peas as stocks of desi peas are depleting with time in the off-season. Crop is in pod formation stage and will take at least two months time to hit the market. Further acreage this year has dipped by more than 15% to 7.22 lakh hectares from 8.54 lakh hectares last year. In addition to this, imported white peas of Canadian origin is selling higher in Mumbai at Rs 1350 per quintal as compared to Rs 1260 per quintal last week. The prices of peas are likely to remain of the firmer side until prices of other pulses especially Chana comes down in harvesting season affecting the demand for peas.

### Peas Price Movement (Rs/qt)

Offers	Kanpur New	Mumbai Peas(WC)
23.12.2006	1490	1261
30.12.2006	1500	1350

## NEWS

### MMTC Likely to Finalise Import Tender For Pulses

MMTC Ltd. issued a tender to import 15,000 metric tons of duty free pulses recently, deliverable in Mumbai (9000MT), Chennai (3000MT) and Kolkata (3000MT) in February 2007. The state owned trading house is likely to finalize the same, as it has to import the pulses in February. The company has sought bids for delivery of 9,000 tons of pulses at Mumbai and 3,000 tons each at the ports of Kolkata and Chennai.

### Futures Market (NCDEX)

#### Chana

Chana futures traded mostly bearish during holiday-shortened week. Most active January contract at MCX traded as low as Rs 2450 pressured by continued selling interest in the commodity. Prices edged slightly higher Friday on short covering. The MCX January contract traded in the range of Rs 2453-2585. Volumes traded and open interest both dipped during the period.

#### PRICE DRIVERS:

Harvesting in Karnataka and MH

Harvesting in Desi Chana started one month earlier in MH

Stockists under pressure to offload their stocks

Imports are unattractive in harvesting season

Production expected to increase this year

#### OUTLOOK:

**Short Term (One Week):** Slightly bearish on onset of harvest in some states

**Medium Term (One Month):** Moderately bearish on harvesting in AP and MH

**Long Term (Three Months):** Weak in peak harvesting season

### Chana (NCDEX January Contract)

Support-1	2446	Support-2	2483
Resistance-1	2610	Resistance-2	2647
<b>Strategy</b>	Sell on rallies		

## Urad

Bears dominated trade in Urad futures this week. Prices edged higher Friday as traders booked profit. The most active January contract at NCDEX saw the lows of Rs 2823 before bouncing back to Rs 2955 on Friday, however trend is still bearish. Volumes traded and open interest increased during the period. On the MCX January contract traded bearish in the range of Rs 2951-3073.

### PRICE DRIVERS:

NAFED and MMTC to import Urad during February-April

Harvesting of bumper crop started in Orissa

Combined production of AP and Orissa expected to cross 2.5 lakh tonnes

Importers are not interested at current prices

### OUTLOOK:

**Short Term (One Week):** Bearish on weak demand at higher prices just ahead of harvesting

**Medium Term (One Month):** Weak on harvesting in Orissa

**Long Term (Three Months):** Weak on harvesting pressure and Govt imports

### Urad (NCDEX January Contract)

Support-1	2865	Support-2	2779
Resistance-1	3073	Resistance-2	3116
<b>Strategy</b>	Sell on rallies towards resistance		

### 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 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 30.12.06

\*Valid till 5<sup>th</sup> January, 2006

## Tur

Tur futures saw sharp recovery during the week on fresh buying support. The most active January contract on NCDEX surged as much as 4% on Tuesday. The prices then showed tentativeness at higher levels before some decisive recovery towards the end of the week. The prices climbed to the highs of Rs 1995 late this week. Volumes traded and open interest both inched higher.

### PRICE DRIVERS:

Harvesting is in progress in the major Tur producing states

Crop expected to be short this year

Stockists are expected to buy aggressively at lower levels

Imports are not attractive in harvesting season

### OUTLOOK:

**Short Term (One Week):** Steady to slightly weak on increasing arrivals and good demand

**Medium Term (One Month):** Slightly firm on stockists activity

**Long Term (Three Months):** Firm on off-season premiums and poor production

### Tur (NCDEX January Contract)

Support-1	1861	Support-2	1842
Resistance-1	1952	Resistance-2	1973
<b>Strategy</b>	Buy on major dips		

## International Highlight

February 65,471 85,062 51,171

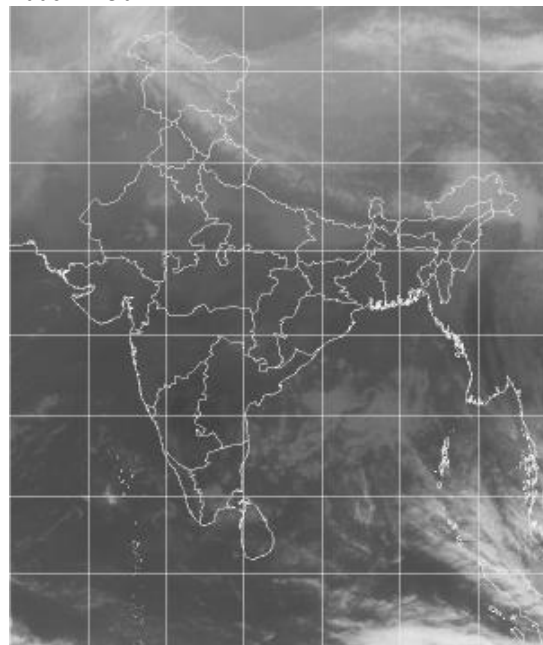
Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.54
European Union	Euro	58.45
Japan	100 Yen	37.45
United Kingdom	GBP	87.25

### Crop -Weather Impact

Commodity	States	Crop Stage	Impact
<b>Urad</b> (Kharif + Rabi)	Andhra	Maturity Stage	Mainly Dry Good
	Orissa	Harvesting	Mainly Dry Good
<b>Tur</b> (Kharif)	Maharashtra	Maturity/Harvesting	Mainly Dry Not Harmful
	Karnataka	Harvesting	Mainly Dry Good
	MP	Maturity/Harvesting	Mainly Dry Good
<b>Chana</b> (Kharif + Rabi)	Rajasthan	Pod Bearing	Partly Cloudy Good
	MP	Pod Bearing	Mainly Dry Good
	Karnataka	Harvesting	Mainly Dry Good

### Weather Map

2006-12-30



Source-IMD

### Source-IMD

### 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
Total	75,005	67157	93379	48960	84302

USDA

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)

### Monthly Total Exports of Burma (qty. in tonnes)

Months	2003	2004	2005
January	43,885	59,450	37,528

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.