

PULSES

Jan 08-13, 2006

Highlights

Spot Markets

- MMTC is importing 1000 tonnes Tur instead of 5000 tonnes
- Acreage under pulses marginally down to 12.99 mln ha against 13.01 mln ha last year.
- Harvesting of Urad in Orissa started, Some arrivals seen in AP as well

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 steady sentiments during the week starting January 08. Harvesting of Urad is in progress in Orissa and some patches of AP, but arrivals pressure in Orissa is expected to increase only after a week or so. Crop is expected around 3,00,000 tonnes in these two states. Meanwhile, NAFED has reported disposal of 35168 tonnes of urad, which also added some bearish tone to the market. Import scene is gloomy with higher quotes by Burmese exporters. Burmese FAQ grade Urad was quoted at \$660 per ton late this week. MMTC seems have dropped the idea of importing 5000 tonnes Urad for the time being. NAFED also seems in indecision on the issue of Urad import. The prices are expected to ease after next week when arrivals in Orissa will increase, until then some range bound movements is likely.

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

| Date | Burma FAQ 2006 (Delhi) | Local Grade-UP/Bihar (Delhi) | Burma spot FAQ 2006 (Mumbai) |
|----------|------------------------|------------------------------|------------------------------|
| 08.01.07 | 3250 | 3100 | 3100 |
| 09.01.07 | 3250 | 3100 | 3100 |
| 10.01.07 | 3250 | 3100 | 3100 |
| 11.01.07 | 3200 | 3150 | 3150 |
| 12.01.07 | 3200 | 3150 | 3200 |
| 13.01.07 | 3250 | 3150 | 3200 |

Urad Prices in secondary markets

| QUALITY | 06.01.07 | 13.01.07 |
|----------|----------|----------|
| Akola | 3150 | 3250 |
| Indore | 3200 | 3250 |
| Gulbarga | 3150 | 3200 |

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

| Date | F A Q | S Q |
|------------|---------|---------|
| 06.01.2007 | 650-655 | 735 |
| 13.04.2007 | 660-670 | 720-725 |

TUR:

Tur prices remained steady to slightly weak at most of the trading centers on the back of healthy supply of fresh Tur. Stockists looked reluctant to buy aggressively at higher prices and thus prices eased slightly. However, the downside would be limited as concerns of poor production in Karnataka and Maharashtra is likely to support the prices. Imports scene is lack luster due to abnormally higher quotes by Burmese exporters. Burmese FAQ Tur were quoting as high as \$560, which came down to \$500 a ton late this week, which is still high and thus no import deals were seen during the period. MMTC is now importing mere 1,000 tonnes of Tur, earlier it was planning to import 5,000 tonnes.

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

| Date | Burma Spot Delhi | Maharashtra Line (Delhi) | Burma Spot Mumbai |
|----------|------------------|--------------------------|-------------------|
| 08.01.07 | 1700 | 1925 | 1700 |
| 09.01.07 | 1700-1725 | 2050 | 1775 |
| 10.01.07 | 1850 | 2100 | 1775 |
| 11.01.07 | 1875 | 2050-2100 | 1800 |
| 12.01.07 | 1850 | 2000-2050 | 1850 |
| 13.01.07 | 1850-1875 | 2050 | 1850 |

Tur Prices in secondary markets

| QUALITY AND CENTRE NAME | 06.01.07 | 13.01.07 |
|---------------------------------------|-----------|-----------|
| Gulbarga - Red Tur | 2025-2030 | 2000 |
| Latur Red tur (Mh Line) | 2050 | 2150 |
| Latur White tur (Mh Line) | 1950-2000 | 2050-2100 |
| Jalna Red | 1900 | 1950-2000 |
| Jalna White | 1900 | 1950 |
| Jalna BDM | 2000 | 2050 |
| Akola Red Marathwada Line (motor cut) | NA | NA |
| Akola Red Vidharbha Line (motor cut) | 1975 | 2050 |

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

| DATE | Tanzania Arusha | Burmese (Lemon Tur, Weeviled 15%) |
|------------|-----------------|------------------------------------|
| 06.01.2007 | 375 | 410-420 |
| 13.04.2007 | 375-400 | 500 |

MOONG:

Masoor markets witnessed slight firmness this week in on the back of depleting stocks. The crop is healthy in MP, where harvesting is expected to start by March. However, Masoor crop in some patches of UP is expected to mature earlier than expected due to lack of winter rains and poor soil moisture conditions. This might affect the quality of produce. The prices are likely to remain slightly firm in off-season, but gains would be limited due to harvesting in other pulses.

Latest prices in Delhi (Rs/qt.)

| Date | Kekdi/ Kishangarh (Delhi) | Medta(Delhi) |
|------------|---------------------------|--------------|
| 06.01.2007 | 3250 | 3300 |
| 13.04.2007 | 3250 | 3300 |

Prices at Secondary Centres (Rs/qt)

| Centres | 06.01.07 | 13.01.07 |
|----------|-----------|----------|
| Gulbarga | 3200 | 3200 |
| Latur | 3050 | 3200 |
| Jalna | 2900-3100 | 3150 |
| Akola | 3100-3200 | 3250 |
| Kanpur | 3050 | 3100 |
| Indore | 3200 | 3300 |

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

| Date | Burmese Pokako | Burmese Annashewa | Burmese Pedishewa |
|------------|----------------|-------------------|-------------------|
| 06.01.2007 | 660-665 | 610-625 | Finished |
| 13.04.2007 | 650 | 620-650 | 720 |

CHICKPEAS:

Chana witnessed mixed sentiments during the week, the prices eased further in the centres receiving fresh arrivals, whereas in the other centers the prices inched slightly higher on depleting stocks. Harvesting is gathering momentum in Maharashtra and Andhra Pradesh, whereas MP is likely to see some sporadic harvest in early February. With the crop expected around 5.5 million tonnes against expected consumption of 5 million tonnes, the prices are most likely to ease in the coming time. Thus, the prices should remain on the softer side in the coming time. In the same line, NAFED is delaying its decision to import pulses looking at the higher quotes by exporters and easing prices in domestic markets.

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

| Date | Rajasthan (Delhi) | Indore (Kantewala) |
|----------|-------------------|--------------------|
| 08.01.07 | 2450 | 2300 |
| 09.01.07 | 2450 | 2400 |
| 10.01.07 | 2450 | 2350 |
| 11.01.07 | 2500 | 2400 |
| 12.01.07 | 2550 | 2450 |
| 13.01.07 | 2550 | 2425 |

Prices in Mandies of Maharashtra/ UP/ Karnataka

| Centres | 06.01.07 | 13.01.07 |
|-----------------------------|-----------|-----------|
| Gulbarga New | 2200-2225 | 2125 |
| Latur (Gauran) | 2300 | 2300 |
| Latur (Annagiri) | 2250 | 2300 |
| Latur(G-12) | 2450 | 2400 |
| Jalna (Gauran) | 2200-2250 | 2300-2375 |
| Jalna (Pila) | 2300 | 2450 |
| Akola (Mixed) motor cut | 2275 | 2400 |
| Akola new (Chapa) motor cut | 2350 | 2400 |
| Kanpur (mandi rates) | 2450 | 2550 |

MASOOR:

Masoor markets witnessed steady to slightly firm prices this week on depleting stocks and weather concerns in UP. As the commodity is witnessing depleting stocks in off-season, the prices are holding the levels. Further, cold wave conditions in Northern UP is concerning for the Masoor crop there as frost conditions would damage the prospects of crop. Earlier, poor soil moisture conditions in some patches of UP has caused early maturity in the crop, which might hamper the quality of the produce. However, crop is in good shape in MP and harvesting is expected to start in February. Exports have still not opened, so the prices are

not likely to get any support from this end for the time being. Hence, the prices are likely to remain range bound, until the start of harvest in February.

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

| Date | MP/Kota Line (Delhi) | UP/Sikari (Delhi) |
|----------|----------------------|-------------------|
| 08.01.07 | 1925 | 2450-2500 |
| 09.01.07 | 1925 | 2500 |
| 10.01.07 | 1925 | 2500 |
| 11.01.07 | 1925-1950 | 2500 |
| 12.01.07 | 1925-1950 | 2450-2500 |
| 13.01.07 | 1925 | 2450-2500 |

FIELD PEAS:

Field peas prices in the domestic markets firmed up slightly due to poor supply of Desi Matar in off-season and slightly higher quotes by exporters for their Field peas. The crop is expected to come only March, the depleting stocks are pressuring the prices of Desi Matar. At the same time, prices of white field peas of Canadian origin increased during the period from \$290 a ton to \$300-310 at on at Chennai. So, it seems the prices should remain slightly on the positive side until domestic harvest starts, but the gains would be limited by the easing prices of Chana.

Peas Price Movement (Rs/qt)

| Offers | Kanpur New | Mumbai Peas(WC) |
|------------|------------|-----------------|
| 06.01.2007 | 1475-1480 | 1300 |
| 13.04.2007 | 1500 | 1300 |

NEWS

NAFED disposes 35168 tonnes of Urad

NAFED has reported disposal of 35168 tonnes of urad and 12893 tonnes of moong, which has been imported by it during 2006-07. This comprises 97% of the total quantity (49300 tonnes) contracted for import by NAFED during this year. Meanwhile, MMTC has decided to import 1000 tonnes Tur and Moong each instead of earlier decided 5000 tonnes of both these commodities.

Pulses Acreage:

Area under pulses is estimated at 12.99 million hectares, only slightly lower than last year's 13.01 million hectares, despite an apparent shift in plantings from oilseeds.

Futures Market (NCDEX)

Chana

Chana futures climbed higher during the week as traders with short positions squared off their positions in January contract to avoid delivery. Poor stocks of Chana in NCDEX warehouses suggest that the majority of open positions are that of speculators. Most active February contract at NCDEX also surged behind January contract to the highs of Rs 2,213 against previous week's close of Rs 2085. Volumes traded were healthy and open interest also inched higher during the period. The MCX February contract traded bearish in the range of Rs 2080-2209 per quintal.

PRICE DRIVERS:

Arrivals increasing in Gujarat, MH and Karnataka

Major producer MP to see fresh Chana in February

Production expected to increase this year to 5.5 million tonnes

NAFED delaying decision on pulses import

OUTLOOK:

Short Term (One Week): Slightly bearish on progressing harvest in some states

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

Long Term (Three Months): Weak on comfortable supply position

Chana (NCDEX January Contract)

| | | | |
|-----------------|-----------------|--------------|------|
| Support-1 | 2120 | Support-2 | 2094 |
| Resistance-1 | 2270 | Resistance-2 | 2310 |
| Strategy | Sell on rallies | | |

Urad

Urad futures retreated after initial firmness this week. The futures shed all the gains of the first two sessions to close the week in red. The most active February contract at NCDEX surged to the highs of Rs 2989 per quintal on Wednesday, but prices couldn't sustain those levels and slipped to the lows of Rs 2752 late this week. Volumes traded and open interest both increased during the period. On the MCX February contract traded bullish in the range of Rs 2715-3023 during the week.

PRICE DRIVERS:

Burmese crop is expected well this year

NAFED and MMTC to import Urad during February-April

Harvesting is gathering momentum in Orissa

Traders expect production of AP and Orissa near 3 lakh tonnes

Importers are waiting for lower prices

OUTLOOK:

Short Term (One Week): Steady to slightly weak on increasing arrivals in Orissa

Medium Term (One Month): Weak on harvesting in AP

Long Term (Three Months): Slightly firm on decreasing arrivals

Urad (NCDEX February Contract)

| | | | |
|-----------------|------------------------------------|--------------|------|
| Support-1 | 2691 | Support-2 | 2650 |
| Resistance-1 | 2902 | Resistance-2 | 2955 |
| Strategy | Sell on rallies towards resistance | | |

Tur

Tur futures slipped sharply after some initial firmness on long liquidation in front month contract to avoid delivery, the contract were also dragged down with it. As there is no origin specification for delivery in Tur on NCDEX, traders with long positions squared off their positions to avoid possible delivery of Lemon Tur, which normally sells at more than Rs 200 discount to Desi Tur. The most active February contract on NCDEX surged to the fresh contract high of Rs 2208 on Tuesday then it slipped to the lows of Rs 2057 late this week. The rally was well supported by good volumes; whereas, open interest dipped on long liquidation.

PRICE DRIVERS:

Arrivals are increasing in the major Tur producing states

MMTC is importing mere 1,000 tonnes Tur against tender issued for 5,000 tonnes

Crop expected to be short this year

Stockists are waiting for lower prices

Imports are very costly

OUTLOOK:

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

Medium Term (One Month): Moderately firm on stockists activity

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

Tur (NCDEX January Contract)

| | | | |
|-----------------|-------------|--------------|------|
| Support-1 | 2000 | Support-2 | 1980 |
| Resistance-1 | 2147 | Resistance-2 | 2174 |
| Strategy | Buy on 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 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

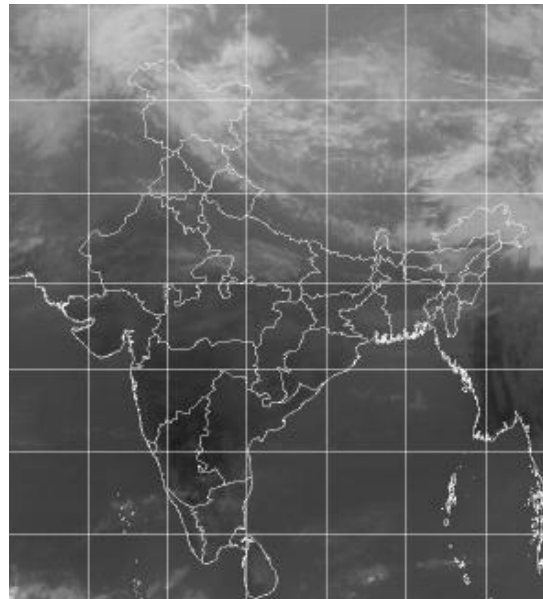
| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 44.61 |
| European Union | Euro | 57.54 |
| Japan | 100 Yen | 36.97 |
| United Kingdom | GBP | 86.80 |

Crop -Weather Impact

| Commodity | States | Crop Stage | Impact | |
|---------------------------------|-------------|----------------|---------------|-------------|
| Urad (Kharif + Rabi) | Andhra | Maturity Stage | Mainly Dry | Good |
| | Orissa | Harvesting | Mainly Dry | Good |
| Tur (Kharif) | Maharashtra | Harvesting | Mainly Dry | Good |
| | Karnataka | Harvesting | Mainly Dry | Good |
| | MP | Harvesting | Mainly Dry | Good |
| Chana (Kharif + Rabi) | Rajasthan | Pod Bearing | Partly Cloudy | Uncongenial |
| | MP | Pod Bearing | Mainly Dry | Good |
| | Karnataka | Harvesting | Mainly Dry | Good |

Weather Map

2006-01-13



Source-IMD

Source-IMD

*Valid till 18th January 2006

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

USDA

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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