

PULSES

April 14-April 21, 2007

Highlights

Spot Markets

- Harvest gaining pace in Rajasthan
- Total Pulses and Chickpeas Production Estimates Revised Lower
- Over 48 thousand tonne of imported pulses have arrived at Indian ports
- Rabi Moong acreage increased by 12.6 %

Highlights

Futures Market

- Final settlement prices of Chana contract, which expired on April 20, 2007, are Rs 2275.85.
- 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 Kantewala is deliverable in Indore.

Fundamentals

URAD:

Urad prices remained stand still at majority of the trading centres during the week. The harvest of Urad in AP is advancing and Vijaywada market witnessed steady arrivals of 15,000 bags these days. Thus, healthy crop of Orissa and AP in conjunction with the imports, would improved the supply of the commodity in the coming time. NAFED recently floated a tender to import 40,000 tonnes of urad to ease domestic supply pressure. International prices are higher this year so imports will improve domestic supply and stabilise the prices in coming months. Public sector agencies concerned with import also qualify for subsidy up to 15 per cent. So, off-season premiums would be limited by the duty free imports of pulses this year.

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

| Date | F A Q | S Q |
|----------|---------|-----|
| 14.04.07 | 600 | 640 |
| 21.04.07 | 590-600 | 630 |

TUR:

Tur markets remained weak in different trading centers in conjunction with Chana on sluggish demand at higher level. The arrivals from AP and Maharashtra are continuously declining these days. Government recently decided to import 15 lakh tonne pulses to calm soaring prices. Meanwhile, government estimates Tur production has been revised lower to 2.51 million tonne from the previous estimates of 2.64 million tonne. The prices are not likely to ease much especially looking at the lower production expected this year. The market had recovered in the coming days on improved demand at lower levels.

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

| Date | Burma FAQ 2006 (Delhi) | Burma spot FAQ 2006 (Mumbai) |
|----------|---------------------------|------------------------------------|
| 16.04.07 | 2975 | 2975 |
| 17.04.07 | 2975 | 2975 |
| 18.04.07 | 3000 | 2975 |
| 19.04.07 | 3000 | 2950 |
| 20.04.07 | 2950 | 2925 |
| 21.04.07 | 2950 | 2900 |

Urad Prices in secondary markets

| QUALITY | 21.04.07 | 14.04.07 |
|---------|-----------|-----------|
| Akola | 3050 | 3000-3050 |
| Indore | 3100-3200 | 3150 |
| Jalna | 2900-3100 | 3000-3100 |

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

| Date | Burma Spot Delhi | Burma Spot Mumbai (New) |
|----------|------------------|----------------------------|
| 16.04.07 | 2450 | 2400 |
| 17.04.07 | 2450 | 2400 |
| 18.04.07 | 2400 | 2400 |
| 19.04.07 | 2400 | 2351 |
| 20.04.07 | 2350 | 2350 |
| 21.04.07 | 2350 | 2350 |

Tur Prices in secondary markets

| Centres and Grade | 21.04.07 | 14.04.07 |
|--------------------------------------|-----------|-----------|
| Gulbarga - Red Tur | 2400 | 2500 |
| Latur Red tur (Mh Line) | 2425 | 2450 |
| Latur White tur (Mh Line) | 2450 | 2475 |
| Jalna Red | 2200-2300 | 2350 |
| Jalna White | 2300-2375 | 2400-2500 |
| Jalna BDM | 2375 | 2450 |
| Akola Red Vidharbha Line (motor cut) | 2375 | 2425 |

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

| DATE | Burmese FAQ new | Burmese (Lemon Tur, Weeviled 15%) |
|----------|-----------------|------------------------------------|
| 14.04.07 | 525 | 555-560 |
| 21.04.07 | 550 | 570 |

MOONG:

Moong prices were steady to weak on lacklustre demand from millers in the spot market during last week. In supply side the arrivals of the commodity were mostly coming from West Bengal, Orissa and AP. The public sector agencies NAFED, STC and MMTC will imports 0.75 million tonne of Urad, Masoor Moong and Tur looking at the short supply of the commodity with subsidy up to 15%. 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.

Latest prices in Delhi (Rs/qt.)

| Date | Medta(Delhi) | Indore |
|----------|--------------|--------|
| 14.04.07 | 3650 | 3300 |
| 21.04.07 | 3600 | 3250 |

Prices at Secondary Centres (Rs/qt)

| Centres | 21.04.07 | 14.04.07 |
|---------|-----------|-----------|
| Latur | 3200-3300 | 3200-3300 |
| Jalna | 3150-3200 | 3200-3300 |
| Akola | 3300 | 3300-3350 |
| Kanpur | 3350 | 3300-3350 |
| Indore | 3250 | 3300 |

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

| Date | Burmese Pokako | Burmese Annashewa | Burmese Pedishwar |
|----------|----------------|-------------------|-------------------|
| 14.04.07 | 640-650 | NA | 700 |
| 21.04.07 | NA | NA | 700 |

CHICKPEAS:

Chana prices eased in most markets as lower buying support from stockists and millers caused demand to slacken. Arrivals are in peak phase in Delhi mostly from Rajasthan origin. The arrival of Chana in Rajasthan is gathering momentum and around 10,000 bags of arrivals were seen in Bikaner market. However, in major producing centers MP and Maharashtra arrivals couldn't gather momentum as expected. Meanwhile, around 48,000 tonne of imported pulses have arrived at Indian ports this week out of which 2.25 lakh tonne contracted by STC (1,00,000 tonne), Nafed (70,000 tonne), PEC (29,000 tonne) and MMTC (26,000 tonne). Prices may remain weak in short term with the increasing arrivals and lack of demand.

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

| Date | MP (Delhi) | Indore (Kantewala) |
|----------|------------|--------------------|
| 16.04.07 | 2400 | 2425 |
| 17.04.07 | 2400 | 2415 |
| 18.04.07 | 2350 | 2380 |
| 19.04.07 | 2325 | 2360 |
| 20.04.07 | 2300 | 2350 |
| 21.04.07 | 2300 | 2375 |

Prices in Mandis of Maharashtra/ UP/ Karnataka

| Centres | 21.04.07 | 14.04.07 |
|-----------------------------|----------|-----------|
| Gulbarga New | 2300 | 2300 |
| Latur (Gauran) | 2250 | 2250-2300 |
| Latur (Annagiri) | 2400 | 2350-2400 |
| Latur (G-12) | 2350 | 2350 |
| Jalna (Gauran) | 2250 | 2300 |
| Jalna (Pila) | 2350 | 2350 |
| Akola (Mixed) motor cut | 2350 | 2350 |
| Akola new (Chapa) motor cut | 2400 | 2450 |
| Kanpur (mandi rates) | 2400 | 2500 |

MASOOR:

Most of the Masoor markets remained slightly weak on sluggish demand at higher levels. Arrivals from major producing states MP and UP are continuously declining. However, somewhat lower production is expected this year on 8.1 % decreased in acreage. Further, Government is planning to import Masoor along with other pulses and impose 15% subsidy to public importing agencies whereas private traders will continue to import pulses, as there is nil import duty on the commodity till March 2008. So, prices might hold the levels until the importing of the commodity to ease domestic supply pressure.

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

| Date | MP/Kota Line (Delhi) | Indore |
|----------|----------------------|--------|
| 16.04.07 | 2675 | 2630 |
| 17.04.07 | 2675 | 2630 |

| | | |
|----------|-----------|------|
| 18.04.07 | 2650 | 2610 |
| 19.04.07 | 2600 | 2610 |
| 20.04.07 | 2600-2625 | 2600 |
| 21.04.07 | 2600 | 2560 |

FIELD PEAS:

Desi peas prices hovered in a range these days. The arrivals continuously decreased in Kanpur market. In Mumbai market different varieties of imported peas remained unchanged from last week. PEC Ltd. floats a tender this week to import 70,000 tonnes yellow peas. Yellow peas is reasonably good substitute for other types of pulses and its price is also comparatively much lower. The prices expected to come down with the increasing arrivals and import of the commodity by Govt. However, sharp down fall the prices in peak arrival season is unlikely as lower production expected this year on 1.1 lakh ha decreased in acreage mostly in MP and UP.

Peas Price Movement (Rs/qt)

| Offers | Kanpur New | Mumbai Peas(WC) |
|----------|------------|-----------------|
| 14.04.07 | 1880 | 1675 |
| 21.04.07 | 1840 | 1650 |

NEWS

Acreage Increases in Pulses This Season to 14.22 Million Hectares

Acreage under Rabi pulses increased to 14.22 mln hectares as compared to 13.76 mln hectares last year on April 13. Gram acreage increased by 0.69 mln hectares this year to acreage in 2005-06. Acreage has jumped to 8.4 mln hectares this year against 7.71 mln hectares last year. Area under Moong increased by 14.6 % to 7.24 lakh hectares. Lentils acreage decreased by 8.1 % to 15.46 lakh ha where as Peas acreage down by 12 % to 8.22 lakh ha.

Government Decided to Import 15 lakh tonnes of Pulses

Looking at shortage at domestic supply of Pulses Government Thursday decided to import additional 15 lakh tonnes of pulses during the current financial year to restrain prices and public sector agencies concerned with import will also qualify for subsidy not exceeding 15%. State owned companies including STC, MMTC, NAFED and PEC have been asked to import 1.5 million tonne of pulses including Urad, Tur and Moong dal.

Over 48,000 Tonne Imported Pulses Arrive

Prices of gram dal and tur dal have generally remained steady across all the monitoring centres. Over 48 thousand tonne of imported pulses have arrived at Indian ports out of 2.25 lakh tonne contracted by STC (1,00,000 T), Nafed (70,000 T), PEC (29,000 T) and MMTC (26,000 T).

Sources: PIB

Futures Market (NCDEX)

Chana

Chana futures traded mostly downwards during the week. The most active May contract at MCX started the week on a firm note and traded in the range of Rs 2375-2469 during the period. Chana futures at NCDEX dipped continuously on lack of buying support in the week. The most active May contract dipped to lows of Rs 2405 on Wednesday after witnessing the highs of Rs 2507 on the very first day of the week. The volumes of trade as well as open interest both decreased during the week.

PRICE DRIVERS:

Harvest gaining pace in Rajasthan

Higher International prices

Government revised estimates lower Chickpeas production

Govt. decided to import 15 lakh tonne pulses in coming months

Sluggish arrivals in MP and Maharashtra

OUTLOOK:

Short Term (One Week): Slightly bearish on healthy arrivals from Rajasthan

Medium Term (One Month): Slightly firm on reducing arrivals from major producing states

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

Chana (MCX May Contract)

| | | | |
|-----------------|-------------------|--------------|------|
| Support-1 | 2280 | Support-2 | 2250 |
| Resistance-1 | 2455 | Resistance-2 | 2485 |
| Strategy | Buy on major dips | | |

Chana (NCDEX May Contract)

| | | | |
|-----------------|-------------------|--------------|------|
| Support-1 | 2337 | Support-2 | 2306 |
| Resistance-1 | 2480 | Resistance-2 | 2520 |
| Strategy | Buy on major dips | | |

Forex as on 23.04.2007

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 41.99 |
| European Union | Euro | 57.22 |
| Japan | 100 Yen | 35.36 |
| United Kingdom | GBP | 84.22 |

Latest Vessel Position

Vessel Dynamic G has arrived at Mumbai port to offload 5054 MT of bulk peas. Banglar Moni vessel reached Chennai port to discharge 10267 MT of Pulses by 15th April.

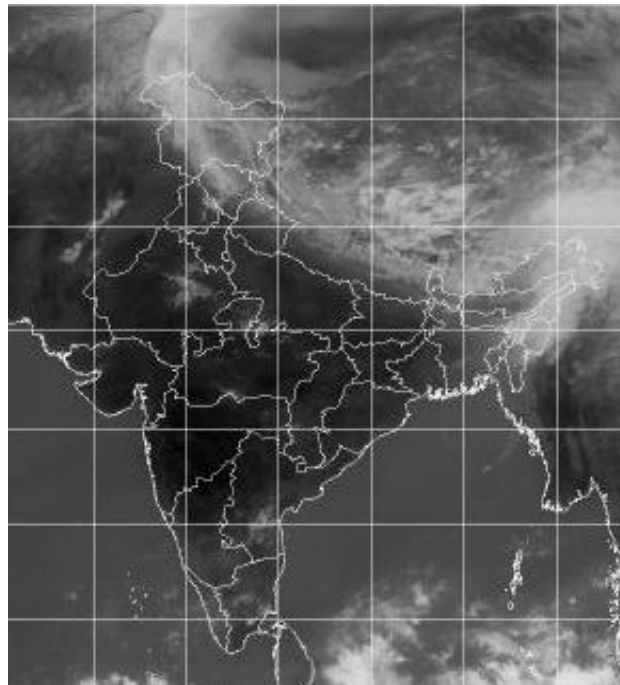
Weather Outlook For The Week Ending On April 25th 2007

- Fairly widespread rain/thundershower with isolated heavy falls are likely over northeastern states from 20th April.
- Isolated to scattered rain/thundershowers are likely over east India and south Peninsula.
- Mainly dry weather is likely over west & northwest India.
- Gradual rise in day temperature over northwest & east India.

Crop -Weather Impact

| Commodity | States | Crop Stage | Impact | |
|---------------------------------|-------------|------------|------------|------|
| Urad (Kharif + Rabi) | Andhra | Harvesting | Mainly Dry | Good |
| | Orissa | Harvesting | Mainly dry | Good |
| Chana (Kharif + Rabi) | Rajasthan | Harvesting | Mainly dry | Good |
| | MP | Harvesting | Mainly dry | Good |
| | Karnataka | Harvesting | Mainly Dry | Good |
| | Maharashtra | Harvesting | Mainly Dry | Good |

Weather Map **23-04-2007**



Source-IMD

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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